

## **Establishment of the Shareholders' Nomination Board**

The Board proposes that the Annual General Meeting resolves to establish for an indefinite period a Shareholders' Nomination Board to prepare proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors. In addition, the Board proposes that the Annual General Meeting adopts the attached Charter of the Shareholders' Nomination Board. According to the proposal, the Nomination Board comprises of representatives of the four largest shareholders of the Company and in addition, of the Chairman of the Company's Board of Directors as an expert member. The right to nominate the shareholder representatives lies with those four shareholders whose share of all the voting rights in the Company is on October 1 preceding the next Annual General Meeting the largest on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd, however, holdings by a shareholder who, under the Finnish Securities Market Act, has the obligation to disclose changes in shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that such shareholder presents a written request to that effect to the Chairman of the Company's Board of Directors no later than on September 30 preceding the Annual General Meeting. Should a shareholder not wish to use its nomination right, the right transfers to the next largest shareholder who would otherwise not have a nomination right. The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and the Nomination Board elects a chairman from among its members. The Nomination Board shall submit its proposals to the Board of Directors annually, latest on January 31 preceding the next Annual General Meeting.

Appendix: The Charter of the Shareholders' Nomination Board

### **Charter of Outokumpu Oyj's Shareholders' Nomination Board**

#### **1. Purpose of the Nomination Board**

Outokumpu Oyj's (the "Company") Shareholders' Nomination Board is a body of the Company's shareholders, responsible for preparing annually proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and ensuring that the Board of Directors and its members embody a sufficient level of knowledge and experience for the needs of the Company.

In its work, the Nomination Board shall comply with legislation and the Finnish Corporate Governance Code in force.

The Charter regulates the nomination and composition of the Nomination Board as well as defines the tasks and duties of the Nomination Board.

#### **2. Nomination and Composition of the Nomination Board Members**

The Nomination Board consists of five (5) members, four of which represent the Company's four largest shareholders who, on October 1 preceding the next Annual General Meeting, hold the largest number of votes calculated of all shares in the Company. The Chairman of the Company's Board of Directors shall, as an expert member, be the fifth member of the Nomination Board.

The largest shareholders of the Company on October 1 are determined on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd. Pursuant to this shareholding, the Chairman of the Board of Directors shall request the four largest shareholders of the Company each to nominate one member to the Nomination Board. In case two of these four shareholders own an equal number of shares and votes and the representatives of both such shareholders cannot be appointed to the Nomination Board, the decision shall be made by drawing

lots. Holdings by a shareholder, who under the Finnish Securities Market Act has the obligation to disclose changes in shareholdings (flagging obligation) that are divided into several funds or registers will be summed up when calculating the share of all the voting rights, provided that the shareholder presents a written request to that effect to the Chairman of the Company's Board of Directors no later than on September 30 preceding the Annual General Meeting. Should a shareholder not wish to use its nomination right, the right transfers to the next largest shareholder who would otherwise not have a nomination right.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and the Nomination Board shall elect a chairman from among its members at the notice of which the Nomination Board convenes thereafter.

The Nomination Board has been established for an indefinite period. The term of office of the members of the Nomination Board expires at the closing of the next Annual General Meeting following the appointment.

The appointed representative of a shareholder shall resign from the Nomination Board, if such shareholder transfers more than half of its shareholding, and as result no longer figures amongst the Company's ten largest shareholders. The Nomination Board may appoint a new member to the Nomination Board to replace the prematurely vacated seat and shall decide on appointing new members in case the number of Nomination Board members decreases to less than three during the members' term of office. The Nomination Board shall offer the vacant seats that are to be filled to the shareholders of the Company (in the order of shareholders' number of votes calculated of all shares in the Company) who do not have a member appointed to the Nomination Board.

### **3. Duties of the Nomination Board**

The duties of the Nomination Board shall include:

- a) to prepare and present to the Annual General Meeting a proposal on the remuneration of the members of the Board of Directors;
- b) to prepare and present to the Annual General Meeting a proposal on the number of the members of the Board of Directors;
- c) to prepare and present to the Annual General Meeting a proposal on the members of the Board of Directors; and
- d) to seek for prospective successors for the members of the Board of Directors.

### **4. Tasks of the Chairman**

The Chairman of the Nomination Board shall direct the activities of the Nomination Board in order for the Nomination Board to achieve its objectives efficiently and take duly into account the expectations of the shareholders and the interests of the Company.

The Chairman shall:

- a) convene and chair the meetings of the Nomination Board;
- b) supervise that the scheduled meetings of the Nomination Board are duly convened; and
- c) convene unscheduled meetings in case necessary and in any event, within 14 days from a request by a Nomination Board member to that effect.

## **5. Decision-making**

The Nomination Board shall constitute a quorum when more than half of its members are present. No decision shall be made unless all members have been reserved the possibility to consider the matter and to participate in the meeting.

Decisions of the Nomination Board shall be unanimous. If consensus cannot be reached, members of the Nomination Board shall present their own proposals to the Annual General Meeting individually or jointly with other members of the Nomination Board.

All decisions of the Nomination Board shall be recorded in minutes. The minutes shall be dated, numbered and retained in a safe manner. The minutes shall be signed by the Chairman of the Nomination Board together with at least one Nomination Board member.

### **5.1 Preparation of the Proposal**

The Nomination Board shall prepare a proposal to be presented to the Annual General Meeting on the composition of the Board of Directors. However, any shareholder of the Company may also make such a proposal directly to the Annual General Meeting in accordance with the Finnish Limited Liability Companies Act.

The Nomination Board shall assess the performance of the Board of Directors, taking the results of the assessment appropriately into account in its work. The Nomination Board may also employ the services of an outside consultant in the quest for suitable candidates.

### **5.2 Qualifications**

The Board of Directors of the Company shall have the sufficient expertise, knowledge of and competence in the Company's field of business and industry.

In particular, the Board of Directors shall have sufficient knowledge of and competence in:

- a) the Company's business activities and industry;
- b) the management of a public limited company of corresponding size;
- c) group and financial management;
- d) strategy and corporate acquisitions;
- e) internal control and risk management; and
- f) corporate governance.

In addition, the Nomination Board shall take into consideration the independence requirements of the Finnish Corporate Governance Code and the Rules of the Stock Exchange applicable to the Company.

### **5.3 Proposals to the Annual General Meeting**

The Nomination Board shall present and justify its proposals to the Annual General Meeting. The Nomination Board shall submit its proposals to the Board of Directors at the latest on January 31 preceding the next Annual General Meeting. The proposals of the Nomination Board will be included in the notice to the Annual General Meeting.

The Nomination Board shall assess its work annually and it shall also provide a report on how it conducted its work.

The aforementioned information shall be published in Finnish and in English on the Company's website and in the Company's Annual Report.

## **6. Confidentiality**

The Nomination Board members and the shareholders they represent shall keep the information regarding the proposals to the Annual General Meeting confidential until it has made the final decision and the proposals have been published by the Company. The Chairman of the Nomination Board shall have the right at his/her discretion to decide whether the Company should enter into non-disclosure agreements with the shareholders with respect to their representative in the Nomination Board.

## **7. Amending the Charter and Authorization**

The Nomination Board shall review this Charter annually and propose possible changes to the Annual General Meeting for adoption.

The Nomination Board is authorized to execute necessary technical updates and amendments to this Charter.

This Charter has been prepared both in Finnish and in English. In the event of any discrepancies, the Finnish version shall be decisive.