

STANDING ORDERS OF VAPO OY'S BOARD OF DIRECTORS

This document is intended to elaborate on Vapo's Corporate Governance policy.

In addition to the Board of Directors, the CEO participates in the Company's business-related decision-making and supervision, while the Supervisory Board also participates in supervision. The distribution of duties between the Board of Directors and the CEO depends on the decision of the Board of Directors. The CEO's job description, as proposed by the Board of Directors, is presented herein. The duties of the Company's Supervisory Board are presented in the Articles of Association and the Limited Liability Companies Act.

The duties of the Board of Directors include decision-making at Board meetings as well as the continuous supervision and management of the Company's affairs throughout its term of office and in accordance with the requirements of corporate law. The Board is responsible for ensuring that the decisions of the Company's management promote the best interest and increase the value of the Company, observing the equal treatment of the Company's shareholders.

The Board's activities are guided by legislation and the Company's Corporate Governance and Compliance policies.

1 Main Tasks of the Board of Directors

1. The preparation of matters to be presented to the general meeting of shareholders and the Supervisory Board;
2. Determining the long-term goals of the Company's and its subsidiaries' business activities, preparing and approving the primary strategies required to achieve those goals and regularly reviewing said goals and strategies;
3. Approving the operational, investment and financial plans for the business areas for the current financial period and monitoring the reporting related to the plans;
4. Ensuring that the group and its companies appropriately complete the statutory external financial statements;
5. Creation of an organisational structure required for the operations of the Company and ensuring the functionality of the organisation;
 - appointment and dismissal of the Company's CEO and of the Directors of the Group's Business Areas who belong to the

Management Team as well as the Directors of the Group Support Functions, and decisions on their compensation (including the bonus systems).

Decisions concerning the above persons' powers in areas which are not defined by law or by the Corporate Governance or are not within the decision-making powers of the CEO,

- approval of the Business Areas and their main tasks,
 - approval of the Board Members of the Group's subsidiaries,
 - monitoring the development of the competencies of the personnel,
 - decisions concerning the general principles of the Incentive Pay Systems.
6. Approving operational policies and monitoring their implementation. Reporting relating to matters on which the Board of Directors requires reports as per the approved operating policy;
 7. Organising internal auditing and preparing auditing plans together with the CEO. Monitoring the reports of the external auditor and implementing any measures required in accordance with the reports together with the CEO;
 8. Company acquisitions;
 - Decisions on Company acquisitions (including joint ventures, relating to which the CEO has the right to enter into a preliminary agreement with another party, provided the prerequisite for the final agreement is the approval of the Board of Directors),
 - approval of the date on which each company acquisition is published,
 - final approval of a company acquisition on the basis of an investment proposal prepared by the operative management after the economic grounds of the acquisition, the contents of a due diligence report, the effect of competition legislation, and the terms of the contract of sale have been clarified, and a statement issued by the Risk Management Forum on the investment has been reviewed.
 9. Deciding on major investments by the Group companies, other long-term expenses, assignments of property and financing arrangements (such as loans, mortgages, pledges, guarantees), including any transactions which exceed the value of EUR 3.0 million, on the basis of an investment proposal prepared by the operative management as well as a statement issued by the Risk Management Forum.

Additional specifications:

- the Board of Directors shall, however, deal with all the property acquisitions and assignments of the parent company Vapo Oy in the manner prescribed by law, excepting the acquisition and assignment of peatlands for biofuel purposes, regarding which the Board of Directors has issued a special general authorisation to the Business Area Director concerned
 - long-term acquisitions related to normal operating activities shall not be regarded as significant long-term expenses and, therefore, their value across the contract period may exceed MEUR 3. These contracts shall be concluded within the limits of the approved procurement policy and the approval authority as defined within the limits of the policy by the CEO
 - the Group's financial management has the right to make financial arrangements required by the annual plan and to take measures based on the financing strategy with the Company's current partners provided the financing terms and conditions do not deviate from the normal, already applicable terms and conditions. If the approval of a finance provider/finance arranger requires a Board decision, the financial management shall prepare a proposal to the Board of Directors for a decision
 - the Board of Directors shall, however, deal with all investments not included in the annual plan and the value of which exceeds MEUR 0.25
 - the Board of Directors shall monitor the number and implementation of the measures that it has taken and the measures taken at lower levels in the organisation through separate reporting.
10. Deciding on significant expansions and reductions of operations;
 11. If necessary, authorising the CEO to take measures beyond the scope of day-to-day business. The authorisation may apply to a one specific action or serve as a more general permanent authorisation;
 12. An annual assessment of the activities and work methods of the Board of Directors;
 13. Ensuring that the Group complies with the approved ethical principles and that a social responsibility report is prepared in conjunction with the financial statement;
 14. Ensuring that the documents included in Vapo's Corporate Governance remain up to date, and updating them as necessary.

The Board of Directors primarily makes decisions on the basis of written, justified proposals prepared by the CEO. Some matters are prepared by

the Board's Audit Committee and Compensation Committee, which have their own rules and regulations. The Board of Directors selects a secretary to take minutes at Board meetings. In addition to the above, the Limited Liability Companies Act includes many special provisions, according to which some duties are the specific responsibility of the Board or its members.

Unless a specific justification exists, the Board of Directors shall not attend to matters related to the operating activities of the Company, such as issues related to individual customers, offers or pricing.

2 Convening Board Meetings and Quorum

The Chair of the Board of Directors shall ensure that the Board convenes as necessary and at least six times a year. All Board members and the CEO are entitled to request a Board meeting. Grounds for a board meeting include a specific matter within the Board's power or the need to gain a general clarification on the Company's status and operations. If the Chair does not or cannot convene a meeting, another member of the Board is entitled to call the meeting and may even be liable to do so to prevent any losses to the Company. Meetings may also be held over the phone upon agreement.

The Board of Directors has quorum when more than half of its members are in attendance. Invitations to Board members shall be sent to the e-mail addresses communicated by each member to the Chair. Due to the collegiate nature of the limited company's Board, every member must comment on the agenda in connection with decision-making, except in cases where a member is disqualified from attending a matter as referred to in point 3 below. Members may not refuse to vote unless they are disqualified. Having one's dissenting opinion recorded in the minutes does not always release a member of his or her liability. To avoid liability for damages, the Board Member who has had a dissenting opinion recorded in the minutes may also be obliged to inform the Annual General Meeting of the decision that he/she has considered illegal, or ultimately resign from the Board of Directors. The CEO is also entitled to have his or her dissenting opinion recorded in the minutes.

3 Disqualification and Conflicts of Interest of Members of the Board

A member of the Board may not participate in deciding on matters related to

- contracts between the member of the Board and a company belonging to the Vapo Group;

- contracts between a company belonging to the Vapo Group and a third party, when the member of the Board has an essential interest in the matter and it conflicts with the interest of Vapo or a company belonging to the Vapo Group;
- contracts between a company belonging to the Vapo Group and a legal entity represented by the member of the Board either on his/her own or jointly with other persons.

The term “contract” also covers, in this context, the legal actions and other proceedings following from or linked to the contracts mentioned.

Members of the Board may not participate in attending a matter if they are, under the Limited Liability Companies Act or other legislation, disqualified from attending a matter or such participation would otherwise be against the law or would entail a legal risk to Vapo.

Members of the Board shall act according to the interests of Vapo and all its shareholders.

4 Minutes

Board meetings are recorded in the minutes signed by the Chair, secretary and all the attending members. A short final protocol shall serve as minutes. In important matters, the grounds for a decision are also recorded in the minutes. The minutes are consecutively numbered and permanently stored in the Company’s headquarters.

5 Duties of the CEO

5.1 Day-to-day Administration

The duties of the CEO include “day-to-day” administration as prescribed by law and the instructions and regulations issued by the Board of Directors.

Day-to-day administration means ordinary, recurring activities that fall within the scope of the Company’s business operations. The key tasks of the CEO include:

- Decisions on investments, expenditure, property assignments and financial arrangements which, according to the Board’s standing orders or other corporate guidelines approved by the Board of Directors, are not included in the matters to be decided on by the Board of Directors

- Management of the most significant subsidiaries in accordance with the Corporate Governance regulations approved by the Board of Directors of the parent company
- Planning, management and supervision of the Company's business operations
- Recruitment of personnel, other than recruitment within the decision power of the Board of Directors as described above
- Normal procurement and customer contracts
- Preparation and presentation of the activities of the management organs of the Company, and implementation of the decisions.

Day-to-day administration does not include activities that are unusual or of far-reaching consequences considering the scope and quality of the Company's business operations.

The Board of Directors is always entitled to issue instructions and regulations to the CEO and is even obliged to do so when the interests of the Company so require. The CEO is liable to comply with such instructions, including separate instructions regarding individual cases and permanent general orders. Instructions may be given orally or in writing.

The CEO is liable to independently inform the Company' Board of Directors of important matters pertaining to the company's operations, including sales development, material changes in liquidity and profitability, substantial credit losses and significant acquisition and other agreements. The CEO must also report to the Supervisory Board on matters that the Board must know in order to perform its duties.

If necessary, the Board of Directors may authorise the CEO to take measures beyond the scope of day-to-day business. The authorisation may apply to one specific action or serve as a more general permanent authorisation. The authorisation shall be given in writing or as an entry in the minutes of a Board meeting. The authorisation may, however, never concern measures that, on the basis of mandatory law or the Articles of Association of the Company, can only be taken by the Board of Directors.

The Limited Liability Companies Act includes special provisions concerning the duties and position of the CEO.

5.2 Urgent Measures

The CEO is entitled to take extraordinary or extensive measures if waiting for the Board of Director's decision would cause the Company substantial losses. The right to take such action may arise if the Board of Directors cannot convene with a quorum at sufficiently short notice, for example due to the resignation, death or illness of a Board member.

The CEO's authority may also extend to extraordinary and far-reaching action if the Board convenes with a quorum but cannot reach a decision due to, for example, differences of opinion between the members.

The CEO must inform the Board of his or her actions as soon as possible and, as far as possible, inform any available Board members of such action as it is being taken.