

30.3.2023

Neova Oy

Charter of the Board of Directors

This Board Charter was adopted by the Board of Directors (the "Board") of Neova Oy (the "Company") on 1 November 2019, and has been last amended on 31 March 2022.

1. General

In addition to the Board, the CEO and the Supervisory Board also participate in the governance and supervision of the Company's business. The division of responsibilities between the Board and the CEO depends on how the Board sets it up. The Board's consideration of the CEO's duties is set out below in this document. The duties of the Company's Supervisory Board are described in the Articles of Association and the Companies Act.

2. Composition and Election

Pursuant to Clause 5 of its Articles of Association, the Company has a Board to which the Annual General Meeting of Shareholders elects no less than four and no more than eight members for one year at a time. The term of office of the members of the Board shall end at the close of the Annual General Meeting of Shareholders following the election. The Board elects its Chairman and Vice Chairman from among its members annually considering the provisions of the shareholders' agreement.

The Board members shall have the necessary skills and competencies required for the Board work and shall have sufficient time to devote to the task. Both genders shall be represented on the Board.

3. Tasks of the Board

The Board shall decide upon the far-reaching and significant policies and matters concerning the Company. It is the task of the Board to ensure that decisions are in the best interests of the Company and support the increase in the value of the Company, also taking into account that the Company's shareholders are treated equally.

For such purposes, the Board shall, *inter alia*,

- Mission, strategy, values and policies
 - o decide on the mission, strategy and values of the Company and monitor the realization thereof
 - o decide on the Company's Code of Conduct and operating policies and monitor the topicality thereof
 - o resolve on expansions to new business segments within the scope of the line of business of the Company determined in the Articles of Association and upon exiting old business operations
- Financial statements and Financial reporting
 - o monitor the financial performance
 - o approve the financial information published by the Company, such as financial statements, interim reports and the related releases

- affirm the financial targets and budgets of the group companies as part of the consolidated budget and monitor the realization of the consolidated budget regularly
- prepare a proposal to the General Meeting of Shareholders for the resolution regarding dividend distribution
- Internal Control and Internal Audit
 - ensure that the Company has a functioning internal control system the operating principles of which have been defined and the functioning of which is monitored
 - approve the operational instructions and annual audit plan for the internal audit function, review the internal audit report annually and regularly assess the functioning of the internal audit
 - monitor the efficiency of the Company's internal control and internal audit
- Risk Management
 - ensure that the Company's risk management principles have been defined and ensure annually that the fundamental risks of business operations are identified and that they are monitored methodically
 - monitor the efficiency of the Company's risk management systems
- External audit
 - monitor the external audit process;
 - evaluate the independence of the statutory auditor or audit firm and, in particular, the provision of non-audit services to the Company
 - prepare a proposal to the General Meeting of Shareholders for the resolution regarding the appointment and remuneration of the auditor
- Management and remuneration
 - appoint and dismiss the CEO and his/her immediate subordinates, as well as decide upon their salaries, remuneration and other benefits;
 - decide upon the principles of the incentive systems and annually affirm the threshold values for the management's incentive plan
 - monitor on a regular basis the manner in which the management and personnel are succeeding in their tasks
 - monitor on a regular basis the status of successors to the management;
 - decide upon the appointment and dismissal as well as remuneration of Board members in the main subsidiaries
- Acquisitions and divestures
 - decide upon corporate or business acquisitions and divestures, mergers, demergers and other structural arrangements. the CEO shall, however, be entitled to make non-binding letters of intent provided that the final agreement is subject to Board approval
- Investments
 - make decisions and follow-up on investments, other long-term expenditures, asset divestments and financing arrangements material for the Company based on proposals made by the management
- Specifications:
 - the Board shall decide on all loans, mortgages, pledges, guarantees
 - the Group's treasury management is authorized to make the financial arrangements according to the budget and the financing strategy with its current financing partners on terms that do not materially deviate from the normal and already applicable terms and conditions
 - the Board shall decide on establishing and liquidation of legal entities
- Compliance
 - Review and approve the annual sustainability report prepared by the management

- ensure that the decision-making process for transactions concluded between the Company and its related parties appropriately takes into account any conflicts of interest
- monitoring compliance with laws and regulations
- monitoring the compliance with the State Ownership Policy
- annually evaluate the independence of its members
- Other tasks
 - prepare the matters to be presented to the General Meeting and the Supervisory Board
 - affirm the Group organization structure

When exercising their duties as members of the Board (or any of its committees), the Board members shall act in good faith and with due care and exercise their business judgement on an informed basis in what they reasonably believe to be in the best interests of the Company.

It is the responsibility of the CEO to furnish the Board with adequate information on the Company's operations, business and markets to facilitate informed decision making.

4. Board meetings, decision-making process and meeting minutes

The Board shall convene in accordance with a Board meeting schedule prepared well in advance. If necessary, the Chairman shall convene additional Board meetings to be held at other times. Meetings may also be held by telephone or electronically.

At the meetings of the Board, the CEO shall present his/her overview of the group's business segments, along with the group's financial reports. The Board meeting shall also address the matters mentioned in the annual plan and all other matters that the Chairman of the Board or the CEO have submitted to be included on the meeting agenda. Also, a member of the Board can bring a matter of their choosing to be discussed by the Board by notifying the Chairman thereof.

The Board shall constitute a quorum when more than one half of the members of the Board are present. Decisions shall be made by simple majority vote. In the case of a tie, the Chairman's vote shall be decisive.

Minutes of meeting recording the decisions made shall be kept of the meetings of the Board and they shall be signed by all Board members present at the meeting and the secretary. The Chief Legal Officer shall act as the Board's secretary.

5. Board member disqualification and conflicts of interest

A member of the Board shall be disqualified from the consideration of a matter pertaining to

- a contract between the Board member and the Company;
- a contract between the Company and a third party, if the Board member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the Company;
- a contract between the Company and a third party that the Board member represents alone or together with other persons.

The term "contract" in this context also includes other transactions and court proceedings.

The Board members shall act in the best interests of the Company and all its shareholders.

6. Tasks of the Chairman of the Board

The Chairman of the Board shall:

- liaison with the CEO;
- liaison with the Company's owners and other stakeholders, as required;
- liaison with the members of the Board in between meetings, as required;
- convene extraordinary Board meetings, as required;
- be responsible for planning and evaluating the Board's operations;
- supervises that the meetings recorded in the meeting schedule are convened and that the matters set forth in the annual plan are addressed;
- approve the agenda devised by the CEO for each Board meeting, along with the presenters of each topic and the inviting of other persons to the meeting; and
- supervise that the minutes of meeting correspond to the progression of the meeting.

Should the Chairman be prevented from attending a meeting, the Vice Chairman shall perform his/her tasks in a separately agreed scope.

7. Orientation of new Board members

All new members of the Board shall be provided with post-election orientation. The orientation initiatives will include presentations by the senior management to familiarize the newly elected director with the Company's business, strategic plans and its significant financial, accounting and risk management issues among other matters.

8. Committees and working groups

When required, the Board shall elect committees from among its members to prepare matters for the Board's decision and determine the Charter for the committees. The committees shall not be vested with any independent decision-making powers, and they shall report on their work to the Board.

The Board may also appoint ad hoc working groups to carry out a particular task. The reports of such working groups shall be addressed at the meetings of the Board.

9. Annual evaluation of the operations of the Board and review of Charter

The Board shall conduct an annual evaluation of its operations and working methods. The outcome of the evaluation shall be addressed at a meeting of the Board. The evaluation of the operations of the Board shall ascertain how the operating plan of the Board has materialized and whether the Board's Charter is up-to-date.

10. Duties of the CEO

10.1 Day-to-day management

The CEO is responsible for the day-to-day management of the Company in accordance with the law and instructions of the Board (general competence).

"Day-to-day management" means routine, recurring activities within the scope of the Company's field of business. The most important tasks of the CEO are:

- Deciding on business investments, expenditures, disposals of assets, and financing arrangements which, according to law, the Board's Charter, or other corporate guidelines approved by the Board, are not subject to decision by the Board,
- directing the boards of directors of major subsidiaries in accordance with the interest of the Company,
- business planning, management and control of the Company,
- recruitment of other personnel than his/her immediate subordinates,
- arranging for normal procurement and customer contracts,
- preparing, presenting and implementing the decisions of the executive bodies of the Company.

The CEO shall also see to it that the accounts of the Company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. The CEO shall supply the Board and its members with the information necessary for the performance of the duties of the Board.

Operations that are unusual or far-reaching in view of the scale and quality of the Company's activities are excluded from day-to-day management.

The Board shall always have the right and, if the interests of the Company so require, to give instructions and orders to the CEO. The CEO is required to comply with any instructions he/she receives, whether in the form of individual instructions or standing orders of a general nature. The instructions may be oral or written.

The CEO is obliged to inform the Board on his own initiative of important matters related to the Company's operations, such as sales development, material changes in liquidity and profitability, significant credit losses and significant acquisitions and contracts. The CEO shall also report to the Supervisory Board on matters necessary for the exercise of its functions.

The Board of Directors may authorize the CEO to take non-routine actions. The authorization may relate to a specific operation or be of a more permanent nature. The authorization shall be given in writing or recorded in the minutes of the Board meeting.

10.2 Unusual or urgent actions

The CEO may undertake measures that are unusual or extensive in view of the scope and nature of the activities of the Company only if so authorized by the Board or if it is not possible to wait for a decision of the Board of Directors without causing essential harm to the business operations of the Company.

In the latter case, the Board of Directors shall be notified of the measures as soon as possible .

Version 1.2	Approved by the Board	30.3.2023
Version 1.1	Amended by the Board	31.3.2022
Version 1.0	Original version approved by the Board	1.11.2019