

## Charter of the Shareholders' Nomination Board

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## Charter of the Shareholders' Nomination Board

### 1 Purpose of the Shareholders' Nomination Board

Huhtamäki Oyj's (hereinafter "Huhtamäki" or the "Company") Shareholders' Nomination Board (hereinafter the "Nomination Board") is a body appointed by the Company's shareholders, responsible for preparing proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors.

The Nomination Board's duty is to ensure that the Board of Directors and its members have the expertise, knowledge and competence corresponding to the needs of the Company while having regard to diversity. In its duties, the Nomination Board shall comply with applicable laws and regulations, such as the stock exchange rules and the Corporate Governance Code for listed companies in Finland ("Corporate Governance Code").

This Charter regulates the principles governing the appointment 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

Each of the four largest shareholders of the Company have a right to appoint one member to the Nomination Board. In addition, the Chair of the Board of Directors of the Company shall serve as an expert member of the Nomination Board. The Chair of the Board of Directors shall not have a vote in the Nomination Board and he/she shall not be counted in the quorum of the Nomination Board. The Company's treasury shares shall not be taken into account in determining the appointment right.

The shareholders entitled to appoint a member are determined annually on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on May 31. The Chair of the Board of Directors requests that the four largest shareholders, determined by the holdings as specified above, each appoint one member to the Nomination Board. Should a shareholder not wish to use the appointment right, the next largest shareholder who would otherwise not have an appointment right becomes entitled to appoint a member to the Nomination Board. In case two or several shareholders hold an equal number of shares and the representatives of such shareholders cannot be appointed to the Nomination Board as specified above, the decision on the appointing shareholder(s) shall be made by drawing lots.

If a shareholder who has distributed its holdings e.g. into several funds or group companies and has an obligation under the Finnish Securities Markets Act (746/2012, as amended) to take these holdings into account when disclosing changes in share of ownership (shareholder obligated to disclose major shareholdings via flagging notifications), makes a written request to the Chair of the Board of Directors no later than on May 30, such holdings will be taken into account when calculating the share of votes which determines the nomination right.

If a holder of nominee-registered shares wishes to use a right to nominate, it shall make a written request for taking such shareholder into account when determining the appointment right to the Chair of the Board of Directors no later than on May 30 as well as be prepared to present a reliable account of the number of shares in its ownership on May 31, if necessary.

When appointing the Nomination Board, the Company is under no obligation to, at its own initiative, examine or consider nominee-registered holdings or holdings which have been aggregated in connection with flagging notifications. Such holdings will be taken into account in the appointment of the Nomination Board upon request made within the aforementioned time limit.

The Chair of the Board of Directors of the Company convenes the first meeting of the Nomination Board and acts as a Chair of the Nomination Board until the Nomination Board has elected a Chair from among its members. The representative of the largest shareholder will be the Chair of the Nomination Board, unless the Nomination Board decides otherwise. The Nomination Board convenes thereafter at the notice of the Chair of the Nomination Board.

The Company shall publish the composition of the Nomination Board and any changes to it.

A member designated by a shareholder must resign from the Nomination Board if the shareholder in question is no longer one of the ten largest shareholders in the Company, unless the other three nominated members of the Nomination Board unanimously decide otherwise. The Nomination Board must nominate a new member if the number of nominated members in the Nomination Board is reduced to fewer than three during a term of office. The right to appoint a member to replace the resigned member shall be offered to the shareholder who is immediately on the settlement date following the execution and settlement of the relevant share transfer the largest holder of shares who has not yet appointed a member to the Nomination Board based on the Company's shareholders' ownership data in the shareholders' register. If such shareholder does not wish to use his/her appointment right, the next largest holder of shares who would otherwise not have an appointment right becomes entitled to appoint a member to the Nomination Board.

A shareholder shall be entitled to replace the member nominated by it during the term of office by informing the Chair of the Nomination Board.

The Nomination Board is established until further notice until the General Meeting decides otherwise. The term of office of the members of the Nomination Board ends annually after the new Nomination Board has been nominated.

### **3 Duties of the Nomination Board and remuneration**

The duty of the Nomination Board is to:

- (a) prepare and present to the General Meeting a proposal for the remuneration and coverage of expenses of the members of the Board of Directors in accordance with the Company's remuneration policy for the governing bodies;
- (b) prepare and present to the General Meeting a proposal for the number of the members of the Board of Directors as well as for the election of the members of the Board of Directors, Chair and Vice-Chair.
- (c) prepare and present to the General Meeting a proposal for the remuneration of the members of the Committees of the Board of Directors;
- (d) seek prospective successor candidates for the members of the Board of Directors of the Company; and

- (e) participate in the development of the principles on diversity of the Board of Directors.

The members of the Nomination Board shall not be entitled to any remuneration on the basis of their membership in the Nomination Board. The members' travel expenses shall be reimbursed in accordance with the Company's travel policy.

#### **4 Duties of the Chair of the Nomination Board**

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

The Chair of the Nomination Board:

- (a) shall convene the meetings of the Nomination Board, prepare the meeting agendas and materials and serve as the Chair of the meetings;
- (b) shall supervise that the intended meetings of the Nomination Board are held in accordance with the agreed schedule; and
- (c) shall convene extraordinary meetings of the Nomination Board when the duties of the Nomination Board so require.

In addition, the Chair of the Nomination Board shall convene extraordinary meetings of the Nomination Board within 14 days from a request by another member of the Nomination Board.

#### **5 Decision-making**

The Nomination Board constitutes a quorum when more than half of its members are present. The Nomination Board is not entitled to make decisions unless all members have been offered the opportunity to participate in the deliberation of the matter and to attend the meeting.

Decisions of the Nomination Board shall be unanimous. If consensus cannot be reached, the Nomination Board shall inform the Board of Directors that it is not able to make a proposal to the General Meeting.

Minutes shall be kept of all the decisions of the Nomination Board, and the minutes shall be dated, numbered and stored in a reliable way. The Chair of the Nomination Board and at least one other member of the Nomination Board must sign the minutes.

#### **6 Preparation of the proposal concerning the composition of the Board of Directors**

The Nomination Board shall prepare a proposal concerning the composition of the Board of Directors to be presented to the General Meeting. However, any shareholder of the Company may also make a proposal directly to the General Meeting in accordance with the Finnish Companies Act (624/2006, as amended).

When preparing its proposal concerning the composition of the Board of Directors, the Nomination Board shall take into account the independence requirements under the Corporate Governance Code, the results of the annual performance assessment of the Board of Directors conducted in accordance with the Corporate Governance Code, the principles on

diversity of the Board and other applicable rules and regulations. The Nomination Board may also consult an external expert at a cost approved by the Company in order to find and assess suitable candidates.

The Nomination Board is entitled to receive from the Company and from its member candidates for the Board of Directors the results of the annual performance assessment of the Board of Directors, information relevant to the evaluation of the candidates' independence, and other information reasonably required by the Nomination Board in preparing its proposals.

## **7 Competence of the members of the Board of Directors**

The Company's Board of Directors must have sufficient expertise, competence and experience related to the Company's line of business. The composition of the Company's Board of Directors shall reflect the requirements set by the Company's operations and development stage. The Board of Directors must specifically have sufficient collective knowledge and competence in:

- (a) matters pertaining to the Company's line of business and its business operations;
- (b) management of an internationally operating public limited company of corresponding size;
- (c) group and financial management;
- (d) strategy as well as mergers and acquisitions;
- (e) internal control and risk management; and
- (f) corporate governance.

The selection of the members of the Board of Directors is based on candidates' background and competence to understand Huhtamaki's current and future markets, strategy, employees and customers, including a sound understanding of financials and business dynamic. The Board of Directors must as a whole have combined experience in different markets, geographies and important topics like digitalization and sustainability. The most important nomination criteria for the candidates of the Board of Directors are competency, knowledge, personal qualities and integrity. Both genders shall be represented on the Board of Directors.

## **8 Proposals to the General Meeting**

The Nomination Board must submit its proposals to the Board of Directors no later than on January 20 preceding the Annual General Meeting. Should a matter that is to be prepared by the Nomination Board come up for decision-making in an Extraordinary General Meeting, the Nomination Board shall strive to submit its proposal to the Board of Directors of the Company in sufficient time for it to be included in the notice to the General Meeting. The proposals of the Nomination Board shall be published through a stock exchange release and included in the notice to the General Meeting. The Nomination Board shall present its proposals and the reasoning for the proposals to the General Meeting.

## **9 Confidentiality**

The members of the Nomination Board and the shareholders they represent shall keep the information regarding the proposals to the General Meeting confidential until the Nomination Board has made the final proposals and said proposals have been published by the Company. The duty of confidentiality of the members of the Nomination Board and of the shareholders represented by them encompasses also other confidential information received in connection with the work of the Nomination Board. The duty of confidentiality remains in force with respect to each piece of information until the Company has published it. The Chair of the Nomination Board or the Chair of the Board of Directors of the Company may, when he/she considers it necessary, propose to the Board of Directors of the Company that the Company should enter into separate non-disclosure agreements with the shareholders or their representatives in the Nomination Board.

## **10 Amending the Charter**

The Nomination Board shall review this Charter annually and, when necessary, the Nomination Board or the Company's Board of Directors shall propose possible amendments to the Annual General Meeting for adoption. The Nomination Board is authorized to make any necessary technical updates and changes to this Charter.

## **11 Other provisions**

In case any fixed date prescribed in this Charter does not fall on business day, the Charter shall be construed to refer to the business day immediately preceding such fixed date.