

~~28 March 2019~~ 26 March 2020

## **The Charter of the Shareholders' Nomination Board**

### 1. Purpose of the Shareholders' Nomination Board

Konecranes Plc's (hereinafter "Konecranes" or the "Company") Shareholders' Nomination Board (hereinafter the "Nomination Board") is a body of 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 and for identifying potential Board member candidates.

The Nomination Board shall ensure that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence as well as diversity. In its duties, the Nomination Board shall comply with applicable laws and regulations including the stock exchange rules and the Finnish Corporate Governance Code.

This Charter regulates the nomination and composition of the Nomination Board and defines the tasks and duties of the Nomination Board.

### 2. Nomination and composition of the Nomination Board

The Nomination Board comprises one member appointed by each of the four largest shareholders of the Company. The Chairman of the Company's Board of Directors shall serve as an expert in the Nomination Board without being a member, and shall not have a vote nor be counted in the quorum of the Nomination Board. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on 31 August each year. The Chairman of the Board of Directors shall request the four largest shareholders of the Company each to appoint one member to the Nomination Board. In case two shareholders hold an equal number of shares and the representatives of both such shareholders cannot be appointed to the Nomination Board, the decision shall be made by drawing lots.

If a shareholder who has an obligation under the Finnish Securities Market Act to take holdings of shares e.g. in several funds or group companies into account when disclosing changes in share ownership or who holds nominee registered shares makes a written request to the Chairman of the Board of Directors no later than on 30 August, such holdings of the shareholder will be taken into account when determining the appointment right.

Should a shareholder not wish to use his/her appointment right, the right transfers to the next largest holder of shares who would otherwise not have an appointment right.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and acts as a Chairman of the Nomination Board until the Nomination Board has elected a Chairman from among its members. The representative of the largest shareholder will be the Chairman of the Nomination Board, unless the Nomination Board decides otherwise. Other meetings are convened by the elected Chairman of the Nomination Board.

The composition of the Nomination Board and any changes to it are published by the Company through a stock exchange release.

The member appointed by a shareholder shall resign from the Nomination Board, if the shareholder concerned later transfers more than half of the shares he/she held on 31 August that entitled him/her to appoint a member and as a result thereof is no longer amongst the Company's ten largest shareholders. The right to appoint a member to replace the resigned member shall be offered to the shareholder who, immediately after the settlement of the relevant share transfer, is the largest holder of shares who has not yet appointed a member to the Nomination Board. If such shareholder does not wish to use his/her appointment right, the right transfers to the next largest holder of shares who would otherwise not have an appointment right.

An eligible shareholder who has appointed a representative to the Nomination Board has the right to replace its representative at any time.

The Nomination Board is established until the General Meeting of the Company decides otherwise. The members shall be appointed annually and their term of office shall end when new members are appointed to replace them.

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

The duties of the Nomination Board are:

- a. to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the number of the members of the Board of Directors;
- b. to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the election of the members of the Board of Directors taking into account the possible employee representative election described in section 6.2 below;
- ~~c.~~ the Nomination Board may also prepare and present to the Annual General Meeting, and if necessary, to an Extraordinary General Meeting, a proposal for the Chairman of the Board and, if deemed necessary, the Vice Chairman of the board;
- ~~ed.~~ to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the remuneration of the members of the Board of Directors;
- ~~de.~~ to seek prospective successors for the members of the Board of Directors; and
- ~~ef.~~ to participate in the future development of the Board diversity policy.

The members of the Nomination Board shall not be entitled to any remuneration from the Company on the basis of their membership. The travel expenses of the members will be compensated against receipt.

#### 4. Duties of the Chairman of the Nomination Board

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 of the Nomination Board shall convene meetings of the Nomination Board when the duties of the Nomination Board so require and 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. No decision may 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, 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 held of all decisions of the Nomination Board, and the minutes shall be dated, numbered and retained by the Company. The minutes shall be signed by the Chairman of the Nomination Board together with at least one member of the Nomination Board.

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

##### 6.1 Preparation of the proposal

The Nomination Board shall prepare a proposal to be presented to the General Meeting concerning the composition of the Board of Directors, including the possible employee representative selected in accordance with section 6.2 below. The Nomination Board may also prepare a proposal to the General Meeting regarding the Chairman of the Board of Directors and, if needed, Vice Chairman of the Board of Directors. However, any Any shareholder of the Company may also make a-proposals directly to the General Meeting in accordance with the Finnish Companies Act.

When preparing its proposal concerning the composition of the Board of Directors, the Nomination Board shall take into account also the independence requirements under the Finnish Corporate Governance Code, the results of the annual performance assessment of

the Board of Directors conducted in accordance with the Finnish Corporate Governance Code, the Board diversity policy and any other applicable rules and regulations. The Nomination Board may, at the Company's approved expense, make use of outside experts to identify and evaluate potential new candidates to the Board of Directors.

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

## 6.2 Employee representative election

If the Company has an agreement concerning employee participation in force with its relevant employee representative body or bodies concerning the election of an employee representative to the Board of Directors as full member or otherwise, the proposal of the Nomination Board concerning the composition of the Board of Directors made to the General Meeting shall take into account such agreement.

If an employee representative needs to be included in the Nomination Board's proposal in accordance with the above, he/she shall be selected by the Nomination Board from the candidates put forward by the Finnish employee representative body or bodies of the Company in accordance with the Company's employee participation agreement, provided that the Nomination Board is informed of such candidates in good time before making its proposals and is provided such information concerning the candidates as is reasonably required by the Nomination Board in preparing its proposals.

The Nomination Board may only deviate from the requirements set out in this section 6.2, including the obligation to include an employee representative in its proposal, or request that the employee representative body or bodies put forward new candidates, if there are weighty reasons to do so taking into account the overall interest of the Company.

The proposal of the Nomination Board does not limit the power of the General Meeting to ultimately decide on the election or non-election of any candidate put forward by the Nomination Board, including the proposed employee representative. The employee representative shall not be entitled to remuneration payable to the other members of the Board of Directors unless the General Meeting decides otherwise but the Nomination Board shall propose that the expenses of the employee representative are to be compensated in accordance with the same principles as for the other members of the Board of Directors.

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

The Board of Directors of the Company shall have sufficient expertise, knowledge of and competence in the Company's field of business, technology and industry. In particular, the Board of Directors as a whole shall have sufficient knowledge of and competence in:

- a. the Company's business activities, technology and industry;

- b. the management of a public limited company of corresponding size;
- c. group and financial management;
- d. strategy and corporate acquisitions and restructurings;
- e. internal control and risk management; and
- f. corporate governance.

Board selections are based on candidates' background and competence to understand Konecranes' current and future markets, strategy, employees and customers, including sound understanding of financials and business dynamic. Collectively the Board of Directors should have combined experience in different markets, geographies and important topics like digitalization and corporate responsibility. The most important nomination criteria for the Board candidates is 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 submits its proposals concerning Annual General Meetings to the Board of Directors at the latest on 31 January preceding the relevant Annual General Meeting. Proposals concerning Extraordinary General Meetings shall be presented when needed and in sufficient time to enable the Company to comply with applicable rules and regulations. The proposals of the Nomination Board shall be published through a stock exchange release and included in the notice to the Annual General Meeting. The Nomination Board shall also 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 Annual 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 Chairman of the Nomination Board or the Chairman of the Board of Directors 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 Board of Directors shall propose possible amendments to the next General Meeting for

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

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

This Charter has been prepared in Finnish, Swedish and English.