

# LEMONSOFT OYJ

## CHARTER OF THE SHAREHOLDERS' NOMINATION BOARD

### 1. General

Lemonsoft Oyj's (the "Company") Shareholders' Nomination Board (the "Nomination Board") is a body comprised of the Company's shareholders or their representatives, the duty of which is to prepare proposals on the election and remuneration of the members of the Board of Directors (the "Board") for the Annual General Meeting and, when necessary, for the Extraordinary General Meeting.

The primary purpose of the Nomination Board is to ensure that the Board and its members have sufficient expertise, competence and experience in view of the Company's needs, and to prepare proposals, with justifications, on the election and remuneration of members of the Board to the General Meeting for this purpose.

The Nomination Board shall comply with applicable legislation in its operations as well as other regulations, such as the Nasdaq First North Growth Market – Rulebook, and to the extent considered applicable, the Finnish Corporate Governance Code.

This Charter of the Shareholders' Nomination Board (the "Charter") regulates the appointment and composition of the Nomination Board and defines the responsibilities of the Nomination Board.

### 2. Appointment and Composition of the Nomination Board

The Nomination Board consists of three members which represent the Company's three largest shareholders, or the representatives nominated by such shareholders. The Chairman of the Board acts as an expert member of the Nomination Board, provided that the Chairman is not a member of the Nomination Board on other grounds (for the avoidance of doubt, while acting as an expert member, the Chairman of the Board is not an official member of the Nomination Board and does not have voting rights).

The right to nominate members to represent shareholders rests with three shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd or another operator on the last business day of August in the year preceding the Annual General Meeting and who hold the largest number of votes conferred by shares according to the shareholder register. If two or more shareholders have the same number of shares and votes and cannot all have the right to nominate one of the members of the Nomination Board, the decision is made by drawing lots among such shareholders by the Chairman of the Board.

If a holder of nominee registered shares wishes to use his/her right to nominate, they shall present a reliable account of the number of shares in their ownership by the last business day of August in the year preceding the Annual General Meeting. The account shall be submitted to the Chairman of the Board on the fourth business day of September, at the latest.

Should one of the three largest shareholders relinquish their right to appoint a member of the Nomination Board, the next largest shareholder in size (who would not otherwise have the right to nominate) shall be given the opportunity to appoint a member, and in such case shall state within five business days from the written request whether they wish to nominate a member or not. Should several shareholders renounce their rights to appoint members of the Nomination Board, it shall not be necessary to ask more than the ten largest shareholders, unless required in order for the Nomination Board to consist of not less than three members.

The Chairman of the Board shall request the three shareholders who have the most shares on the last business day of August to nominate one member each for the Nomination Board. Each shareholder entitled to nominate a member to the Nomination Board shall endeavour to elect a person who has the qualifications and experience necessary to meet the responsibilities and duties of the Nomination Board.

### **3. Convening the Nomination Board**

The Chairman of the Board convenes the first meeting of the Nomination Board and acts as the Chairman of the Nomination Board until the Nomination Board selects a Chairman from among its members. Thereafter, the Chairman of the Nomination Board will convene the meetings.

The Company issues a release on the composition of the Nomination Board when the members have been appointed and the Chairman selected.

A member nominated by a shareholder must resign from the Nomination Board, if the shareholder transfers more than half of his/her shares that gave him/her the right to nominate members on the basis of shareholding on the last business day of August, and if the shareholder as a result is no longer one of the ten largest shareholders of the Company.

The Nomination Board may appoint a new member to replace the resigned member prematurely. If the number of the Nomination Board members is less than two during the term of office of the Nomination Board, the Nomination Board shall decide on the appointment of new members. The Nomination Board shall offer the positions to be filled in the order of the number of votes conferred by shares to those shareholders of the Company who have not nominated a member to the Nomination Board. In such case, such shareholder shall state within five business days from the written request whether they wish to nominate a member or not. The number of votes is determined by the holding information in the Company's shareholder register on the day preceding the offer to nominate.

The Nomination Board is established to serve until further notice. The term of the members of the Nomination Board shall end upon the nomination of the following Nomination Board in accordance with this Charter.

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

The responsibilities of the Nomination Board shall include:

- (i) to prepare and present to the General Meeting a proposal on the remuneration of the members of the Board as well as a proposal on the remuneration of the Board committees, in accordance with the remuneration policy;
- (ii) to prepare and present to the General Meeting a proposal on the number of the members of the Board;
- (iii) to prepare and present to the General Meeting a proposal on the members of the Board; and
- (iv) to seek for prospective successors for the members of the Board.

## **5. Preparation of the Proposal on the Board Composition**

The Nomination Board prepares a proposal for the composition of the Board to the Company's Annual General Meeting and, if necessary, to the Extraordinary General Meeting. Each shareholder may, however, make their own proposals directly to the General Meeting, in accordance with the Finnish Companies Act.

In addition, the Nomination Board shall take into consideration the independence requirements and other requirements under applicable laws and regulations (such as the Nasdaq First North Growth Market – Rulebook, and to the extent considered applicable, the Finnish Corporate Governance Code). The assessment of each Director's independence of the Company and of significant shareholders of the Company are reported to the Nomination Board. The Nomination Board may also use external specialists in order to find and evaluate suitable candidates, within the cost framework approved by the Company beforehand.

The Board of the Company shall have sufficient expertise, knowledge of and competence in the Company's field of business. In particular, the Board shall collectively have sufficient skills and competence in:

- (i) the Company's business activities and industry;
- (ii) the management of a public company of corresponding size;
- (iii) corporate and financial administration;
- (iv) strategy work as well as mergers and acquisitions;
- (v) internal control and risk management; and
- (vi) corporate governance.

## **6. Proposals to the General Meeting**

The Nomination Board shall submit its proposal to the Board every year, by the last business day of February preceding the next Annual General Meeting. The proposals of the Nomination Board are published through a release and included in the notice of meeting. Furthermore, the Nomination Board shall present and justify their proposal and give an account of its operations to 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 the Company in sufficient time for it to be included in the notice to the General Meeting.

## **7. Decision-making in the Nomination Board Meetings**

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 may 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 signed by the Chairman of the Nomination Board together with at least one Nomination Board member.

#### **8. 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, among other:

- (i) convene meetings of the Nomination Board, prepare the agenda and the material for the meetings as well as chair the meeting;
- (ii) supervise that the scheduled meetings of the Nomination Board are duly convened; and
- (iii) convene extraordinary meetings in case necessary and in any event, within 14 days from a request by a Nomination Board member to that effect.

#### **9. Confidentiality**

The Nomination Board members and the shareholders they represent shall keep all the information pertaining to the proposals presented to the General Meeting confidential until the Nomination Board has given its final proposals and the Company has made them public.

The obligation of confidentiality of the Nomination Board members and the shareholders they represent also covers other confidential information related to the operation of the Nomination Board, and it remains valid for each piece of information until the Company has made such information public.

The Chairman of the Nomination Board may, at his/her discretion, propose the making of non-disclosure agreements between the Company and the shareholders or the representatives nominated by these to the Board.

#### **10. Changes to the Charter**

The Nomination Board shall review this Charter annually and propose changes to it, where necessary, to the next Annual General Meeting. Decisions on the Changes to the number or selection process and grounds of Nomination Board members shall always be made at the General Meeting. The Nomination Board is authorized to make updates and changes of a technical nature to this Charter, where necessary.

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