

# Charter of the Board of Directors of Sitowise Group Plc

## 1 General

Sitowise Group Plc ("**Sitowise**" or the "**Company**") is a public limited liability company incorporated and registered in Finland. This Charter will supplement the provisions of the Finnish Companies Act (624/2006, as amended), the Finnish Securities Markets Act (746/2012, as amended), Sitowise's Articles of Association, instructions and recommendations given by relevant supervisory authorities and Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code (the "**Corporate Governance Code**"). As a publicly listed company, the Rules of Nasdaq Helsinki Ltd will apply to the Company.

## 2 Composition and Selection

### 2.1 Composition of the Board and selection of the Board members

Under the Articles of Association, the Company's Board of Directors has a minimum of 3 and a maximum of 9 members. The Board members are elected at each Annual General Meeting of the Shareholders for a term that ends upon the conclusion of the Annual General Meeting following the election.

The Shareholders' Nomination Board of Directors prepares the proposal for the composition of the Board of Directors to the Annual General Meeting. The Board of Directors appoints the Chairman and vice Chairman of the Board of Directors from among its members and appoints the secretary. The tasks of the Chairman and vice Chairman are described in Section 5.

### 2.2 Qualification, Diversity, Independence and Assessment of the Board Members

The Board members shall have the qualifications and expertise required to discharge directors' duties and they shall devote sufficient time to fulfill the duties arising from the board membership. The members shall have sufficient and versatile expertise as well as mutually complementary experience and knowledge of the industry and business operations of the Company.



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The Board of Directors shall consist of both male and female members. The Company recognizes that the diversity of the Board of Directors supports the Company's business operations and development and that the diversity of the knowhow, experience, and opinions of the directors promotes the ability to have an open-minded approach to innovative ideas. Accordingly, the Company has established and adopted Board's Diversity Principles, which shall be taken into account in the preparation of the proposal for the composition of the Board of Directors, in addition to the Corporate Governance Code's requirements regarding gender balance and diversity of the Board of Directors.

The majority of the directors shall be independent of the Company as defined in the Corporate Governance Code. In addition, at least two of the directors representing this majority shall be independent of the significant shareholders of the Company. The Board of Directors will monitor its compliance with the independence criteria on an ongoing basis. The Board of Directors will also conduct an annual evaluation of whether its members are independent of the Company and its significant shareholders, which will be included in the Company's Corporate Governance Statement. For each member considered to be non-independent, the rationale on which this is based shall be indicated in the evaluation.

The performance of the Board of Directors and its individual members is assessed annually.

### **3 Duties of the Board of Directors**

The Board of Directors has general competence to decide and act in all such matters that are not reserved by the Companies Act or Articles of Association to other corporate governing bodies. The Board of Directors is responsible for the appropriate organization, administration and supervision of the Company's operations.

The Board of Directors has a general obligation to pursue the best interest of the Company and all of its shareholders. The members of the Board of Directors shall act in good faith and with due care, exercising their business judgement on an informed basis to strive for outcomes that they believe to be in the best interest of the Company and its shareholder community as a whole.

The Board approves the Company's strategic objectives and the principles for risk management and ensures that the Company's management, control and internal audit systems function effectively.

In order to carry out its tasks the Board shall:

- confirm the Charter of the Board of Directors, assess its appropriateness on a regular basis, and update the Charter as needed;



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- confirm the Charters of the Committees, and appoint their Chairs and members;
- annually approve the Company's strategy, budget and business plan and supervise their execution;
- arrange the control, supervision and audit of the Company's accounts and finances;
- review and approve interim reports, financial statements and the board of director's report;
- define the Company's dividend policy;
- appoint and discharge from his/her duties the CEO and the deputy CEO/CEO's;
- approve the appointment and discharge of the Group Management Team based on the CEO's proposal;
- resolve on the remuneration and incentives of the CEO and the Group Management Team;
- monitor performance of the CEO and resourcing of the Group Management Team;
- steer and supervise the CEO, including the monitoring and supervision of the key project risk management;
- confirm the group's organizational structure and decide on any material organizational changes;
- decide on completion of corporate acquisitions;
- decide on strategically significant investments and divestments and on any other matters that are of particularly material importance to Company;
- decide on the guidance and financial targets as well as any amendments to these;
- annually assess the performance of the Board of Directors, including its activities and working methods, and its individual members;
- summon the General Meetings of Shareholders and prepare proposals on matters to be considered in the meetings;
- decide on the publication of important information concerning the group and its activities;
- monitor issues pertaining to significant risks and risk management activities; and
- ensure that adequate policies for risk management are in place.

With regard to financial reporting and audit, the duty of the Board of Directors is in particular to monitor and assess the Company's financial reporting system, the efficiency of internal controls, internal audit, and risk management systems and how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arm's length terms. The Board also supervises the Company's audit, the independence of the Company's auditor and that the auditor's non-audit services are compatible with the auditor's independence. The Board also prepares the appointment of the auditor. Preparation of matters relating to these duties is the responsibility of the Audit Committee.



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## 4 Board Meetings

The Board of Directors shall convene in accordance with a meeting schedule to be prepared annually in advance of the calendar year which it relates to. In addition to regular meetings, the Board of Directors can hold extraordinary meetings whenever required. Meetings may be held as physical meetings, conference calls, virtual or hybrid meetings as a combination of different methods.

The Board of Directors shall constitute a quorum when more than half of its members are present. Disqualified Board members shall be deemed to be absent for the purpose of calculating quorum. All members of the Board of Directors must be invited to the Board meetings.

The opinion of the majority of the Board members shall constitute the decision of the Board. In the event of a tie, the Chairman has the casting vote. However, if there is a tie in the election of the Chairman, the result shall be decided by drawing lots.

A member of the Board of Directors shall be disqualified from considering matters pertaining to a contract between the Board member and the Company. A board member cannot participate in the Board of Directors of the Company or its subsidiary in handling of such an agreement where a party is in a related party relation with him or her, and the agreement is not Company's usual business or it is not carried out in usual commercial terms. A decision concerning such an agreement is valid if it is supported by a required majority of the board members of the Company or its Finnish subsidiary who are not in a related party relation to the matter to be resolved. What is said here about an agreement, applies correspondingly to other legal acts and trial and other representation. The Company's Board of Directors decides on the Company's act unless the Finnish Companies Act stipulates or the articles of association govern otherwise concerning division of powers. What has been said above, does not apply to acts between the Company and its subsidiary if the Company and its other subsidiaries own all the shares in the first-mentioned subsidiary, or if the Company and its subsidiaries do not own all the shares in the first-mentioned subsidiary, no Company's related party has a financial interest in the first-mentioned subsidiary.

The CEO shall ensure that the Board of Directors receives adequate information on the Company's business operations, operating environment, and financial position to facilitate informed decision-making. Information and data of importance for the Board's understanding of the issues on the Board meeting agenda shall be distributed in writing to the Board sufficiently in advance of the meeting to permit a meaningful review.

The CEO or a person designated by him/her shall, as far as possible, present the agenda of each Board meeting to the Chairman of the Board for approval prior to each Board meeting. The Secretary of the Board shall send an invitation, including an agenda, and share related materials and reports, to the members of the Board of



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Directors in such a way that the Board members have sufficient time to familiarize themselves with the agenda and related materials and reports prior to each Board meeting.

The matters at the meetings of the Board of Directors are presented by the Chairman and the CEO or by their order.

At the Board meetings, minutes shall be kept by the Secretary to the Board of Directors. In his/her absence, the minutes shall be kept by another person appointed by the Board of Directors. The minutes of the Board meetings shall be signed by the Chairman and the person elected in the meeting as the scrutinizer of the minutes. In addition, the minutes shall be approved at the next Board meeting.

If the Board of Directors resolves on matters without convening a meeting, all Board members shall sign the minutes recording the resolutions made. The minutes shall be numbered consecutively and archived in a reliable manner.

## **5 Duties of the Chairman and vice Chairman of the Board**

The general duty of the Chairman of the Board of Directors is to control the administrative work of the Board and direct the work of the Board so that it carries out its work in an efficient and effective manner. For this purpose the Chairman:

- makes sure that the meetings of the Board of Directors are convened in accordance with the schedule of the Board of Directors, and that extraordinary meetings of the Board of Directors are convened whenever deemed necessary;
- ensures that the appropriate minutes are prepared for each Board meeting and signs the minutes together with the person elected in the meeting as the scrutinizer of the minutes;
- approves the meeting agenda and ensures that all required attendees to the meeting are invited;
- communicates required matters with the CEO and the members of the Board of Directors also between meetings, if necessary; and
- approves the expenses of the CEO and the Board members. The vice Chairman approves the expenses of the Chairman.

When the Chairman is unable to carry out his/her duties, his/her duties shall be carried out by the vice Chairman.



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## 6 The Committees of the Board of Directors

The Board of Directors may establish permanent or fixed-term committees to perform tasks assigned to them by the Board of Directors. The committees of the Board of Directors assist the Board by preparing matters for the Board to resolve on.

The members of the Board committees, as well as their Chairs, will be annually appointed by the Board of Directors amongst its members. Each committee shall have at least three members appointed by the Board of Directors. The members must have the expertise and experience required for the performance of the committee's duties.

The committees shall regularly report on their work to the Board. The Board of Directors shall also confirm Committee Charters for the committees, defining their purposes and tasks.

The Board has established the following committees: the Audit Committee, the Personnel Committee, and the Acquisitions Committee.

## 7 Approval of and updates to the charter

The Board of Directors of the Company has adopted this Charter of the Board of Directors on 25 April 2023. The Board of Directors will update and amend the Charter as required.

