

## Wärtsilä Corporation

### CHARTER FOR THE SHAREHOLDERS' NOMINATION BOARD

#### 1. Purpose

The shareholders' nomination board ("Nomination Board") is established by the general meeting of shareholders of Wärtsilä Corporation ("Wärtsilä") to prepare matters pertaining to the appointment and remuneration of the board of directors.

The duties of the Nomination Board are:

- to prepare the proposal to the general meeting relating to the composition of the board of directors,
- to prepare the proposal to the general meeting concerning the remuneration of the directors in accordance with the remuneration policy of Wärtsilä,
- to present the proposals to the general meeting,
- to review and adjust the diversity principles of the board of directors, as necessary, and
- successor planning of the directors.

In its work the Nomination Board shall consider the independence requirements of the directors under the Finnish Corporate Governance Code, the results of the yearly evaluations of the board of directors, the diversity principles of the board of directors and the remuneration policy of Wärtsilä.

The Nomination Board has been established for an indefinite period. Its members are elected annually. Their term of office shall end when the composition of the Nomination Board for the following period has been determined.

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

The Nomination Board consists of five members. Four representatives are nominated by four largest shareholders. The fifth member is the chairman of the board of directors.

The four largest shareholders are determined on the basis of the shareholders' register maintained by Euroclear Finland Ltd. as of 1 June preceding the annual general meeting of shareholders. When 1 June is not a business day, the business day immediately preceding that day shall be used instead.

The nominee registered shareholders and shareholders whose holdings should be added together according to shareholding disclosure rules can be taken into account when determining the largest shareholders provided that such shareholders have made a written request to the chairman of the board of directors latest by 1 June. Each shareholder not visible on the shareholders' register and wishing to be taken into account in the appointment process must show evidence of its shareholding as of 1 June if so requested.

In case a shareholder does not wish to use its appointment right, the right transfers to the next largest shareholder who would not otherwise have such right.

The chairman of the board of directors shall ask the four largest shareholders to appoint one member each to the Nomination Board. If two shareholders hold an equal number of shares, and

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representatives of both cannot be appointed to the Nomination Board, the decision between them shall be made by drawing lots.

The shareholders who have appointed members to the Nomination Board are entitled to replace their representatives by informing the chairman of the Nomination Board of the change.

A member appointed by a shareholder must resign from the Nomination Board if the shareholder who has appointed the member has sold all its shareholding in Wärtsilä. In such a case the Nomination Board may decide to request for the nomination of a new member. The request shall be presented to the next largest registered shareholder who has not appointed a member to the Nomination Board. If such shareholder does not wish to appoint a member, the Nomination Board may decide to pass the appointment right to the next largest registered shareholder on the list until a new member has been appointed.

If a shareholder has become a shareholder among the four largest registered shareholders after 1 June but earlier than three months before the Annual General Meeting, the Nomination Board may, based on the significance of the change of the shareholder structure, decide to request such shareholder to appoint an additional member to the Nomination Board for the rest of the board's term.

As soon as practicable after 1 June each year, the chairman of the board of directors shall convene the first meeting of the Nomination Board. Unless the members of the Nomination Board agree otherwise, the chairman of the Nomination Board shall be the member who represents the largest shareholder. The chairman of the board of directors shall not act as the chairman of the Nomination Board.

Wärtsilä employees shall not be eligible as members of the Nomination Board.

The composition of the Nomination Board, their appointing shareholders and any changes to the board composition shall be published by a stock exchange release.

### **3. Decision-making by Nomination Board**

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.

The decisions of the Nomination Board shall be recorded in the minutes of meeting and the minutes shall be dated and numbered. Upon signing of the minutes as resolved by the Nomination Board, Wärtsilä shall retain the minutes of meeting.

### **4. Rights of Nomination Board**

The Nomination Board shall receive the results of the yearly evaluation of the board of directors as well as the assessment of each director as to their independence of the company and of significant shareholders.

Wärtsilä management shall assist the Nomination Board in fulfilling its duties by providing information and other support as required by the Nomination Board.

The Nomination Board is also entitled to use external consultants when deemed necessary.

### **5. No remuneration**

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The members of the Nomination Board shall not be entitled to receive remuneration from Wärtsilä for their duties on the Nomination Board.

### **6. Costs and expenses**

Wärtsilä shall bear all reasonable costs of the Nomination Board.

### **7. 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 proposals have been published by Wärtsilä. The members of the Nomination Board must also keep all information they receive due to their membership in the Nomination Board confidential whether the information relates to Wärtsilä or its board of directors.

### **8. Amendments of the Charter**

The Nomination Board shall review this charter annually and propose necessary amendments to the next meeting of shareholders. The Nomination Board is, however, authorized to make technical amendments to the Charter.