



## Charter of the Shareholders' Nomination Board of Detection Technology Plc

### 1. Purpose of the Nomination Board

The Shareholders' Nomination Board of Detection Technology Plc (the "Company") is the Company's shareholders' body, responsible for preparing and presenting proposals on the remuneration and number of members of the Board of Directors as well as proposal on the members of the Board of Directors, to the Annual General Meeting and, where needed, to an Extraordinary General Meeting. The Nomination Board shall also be responsible for identifying successors for existing Board members.

In its work, the Nomination Board shall comply with applicable legislation, rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code.

The Charter regulates the nomination and composition of the Nomination Board as well as defines the tasks and duties of the Nomination Board.

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

The Nomination Board shall consist of three (3) members, which shall be appointed by the company's three (3) largest shareholders, who shall be entitled to nominate one (1) member each. The Chairman of the Board of Directors shall act as an expert member of the Nomination Board. The Chairman of the Board is not an official member of the Nomination Board and does not have voting rights, but has the right to attend the meetings of the Nomination Board.

The Company's largest shareholders shall be determined on the basis of the holdings in the shareholders' register of the Company held by Euroclear Finland Ltd as of the first working day in September preceding the next Annual General Meeting. The Chairman of the Board of Directors shall request each of the three largest shareholders, as defined above, to appoint one member to the Nomination Board. In case two shareholders own an equal number of shares and votes and the representatives of both such shareholders cannot be appointed to the Nomination Board, the decision shall be made by drawing lots. Should a shareholder not wish to use its nomination right, the right transfers to the next largest shareholder who would otherwise not have a nomination right.

If a holder of nominee registered shares wishes to use its nomination right, it shall present a written request to that effect, accompanied by documentation evidencing such shareholders' ownership, to the Chairman of the Board no later than on the last working day of August preceding the Annual General Meeting.



The Chairman of the Board of Directors convenes the first meeting of the Nomination Board. The Nomination Board shall elect a chairman from among its members, and the Nomination Board convenes thereafter at the notice of the Chairman of the Nomination Board.

Once the Nomination Board has been appointed, the Company will publish the composition through a stock exchange release.

The members shall be nominated annually, and their term of office shall end when new members are nominated.

The representative nominated by a shareholder is obliged to resign from the Nomination Board if such shareholder transfers more than half of its shareholding and as a result thereof no longer is among the Company's ten largest shareholders. If a member resigns from the Nomination Board, the Nomination Board may decide to request for appointment of a new member. Should the number of members of the Nomination Board decrease to less than two, the Nomination Board is obliged to request for appointment of a new member. The request shall be presented to the largest shareholders, in order of shareholding, who have not nominated a member to the Nomination Board. The order of shareholdings shall be determined on the basis of holdings in the Company's shareholders' register on the day of the request.

### **3. Decision-making**

The Nomination Board shall constitute a quorum when at least two (2) 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 made unanimously. If consensus cannot be reached, members of the Nomination Board may present their own proposals to the General Meeting individually or jointly with other members of the Nomination Board.

All decisions of the Nomination Board shall be recorded in the minutes. The minutes shall be dated, numbered and retained in a safe manner. The minutes shall be signed by the Chairman of the Nomination Board together with at least one other member of the Nomination Board.

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

The duties of the Shareholders' Nomination Board shall include:

- to prepare and present to the Annual General Meeting a proposal on the remuneration of the members of the Board of Directors;
- to prepare and present to the Annual General Meeting a proposal on the number of members of the Board of Directors;

- to prepare and present to the Annual General Meeting a proposal on the members of the Board of Directors, including a recommendation on who of the proposed members of the Board of Directors shall be elected Chairman of the Board of Directors;
- to seek for prospective successor for the members of the Board of Directors.

## **5. Preparation of the proposals of Nomination Board**

The Nomination Board shall prepare a proposal on the composition of the Board of Directors to be presented to the Annual General Meeting and if necessary to the Extraordinary General Meeting. A shareholder of the Company may also prepare a proposal directly to the Annual General Meeting in accordance with the Finnish Limited Liability Companies' Act.

The Nomination Board shall take into consideration the independence requirements and other requirements under applicable laws and regulations, including the Finnish Corporate Governance Code. The Nomination Board is entitled to receive the results of the annual performance evaluation of the Company's Board of Directors. The Nomination Board may also retain the services of an external consultant in search for suitable candidates.

## **6. The qualifications of Board Members**

The Board of Directors of the Company must have sufficient expertise, knowledge of and competence in the Company's field of business and industry. The Board of Directors must particularly have sufficient knowledge of and competence in

- matters relating to the company's field of business and industry;
- the management of a publicly listed company of corresponding size;
- group and financial administration;
- strategy and corporate acquisitions;
- internal control and risk management; and
- good corporate governance.

## **7. Tasks of the Chairman of the Nomination Board**

The overall task of the Chairman of the Nomination Board is to direct the activities of the Nomination Board in such way that the Nomination Board achieve its objectives while observing the interests and expectations of the Company and its shareholders.

The Chairman shall convene the meetings, prepare the agenda and material for the meetings of the Nomination Board. The Chairman further convenes unscheduled meetings, if requested by a Nomination Board member. Such meetings shall be held within 14 days as of the date of request.

## **8. Proposals of the Nomination Board to the Annual General Meeting**

The Nomination Board shall submit its proposals to the Board of Directors at the latest on the last working day of January preceding the next Annual General Meeting. The proposals of the Nomination Board will be published through a stock exchange release and included in the notice 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 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.

## **9. Confidentiality**

The Nomination Board members and shareholders they represent shall keep the information regarding the proposals confidential until the final decision has been made by the Nomination Board and published by the Company. The confidentiality clause applies also to other confidential information received during the activity of the Nomination Board.

The Chairman of the Nomination Board may, if he/she considers it necessary, propose to the Board of Directors of the Company, that the Company enter into non-disclosure agreements with the shareholders or the members nominated by them. Applicable insider regulation applies to insider information that Nomination Board members potentially receive.

## **10. Amendments to the Charter and authorization**

The Nomination Board shall review this Charter annually and propose possible changes to the Annual General Meeting. The Nomination Board is authorised to execute necessary technical updates and amendments to this Charter.

## **11. Compensation to the members of the Nomination Board**

The shareholder representatives participating in the work of the Nomination Board, including board members participating in the work of the Nomination Board, will not receive any compensation. The members Travel costs will be compensated in accordance with the company's travel policy against an appropriate travel expense report.

This Charter has been prepared in Finnish and in English. In the event of discrepancies, the Finnish version shall prevail.