

## METSO OUTOTEC OYJ BOARD CHARTER

The Board of Directors of Metso Outotec Oyj has adopted this Charter to govern its work as part of the Corporate Governance in Metso Outotec Oyj (the “Company”).

### 1. Duties of the Board

The duties of the Board and the CEO are defined in the applicable laws and regulations, Metso Outotec’s Articles of Association, Finnish Corporate Governance Code 2020 and Metso Outotec’s Corporate Governance as well as in the Charters of the Board, Audit Committee and Remuneration and Human Resources Committee.

The Board makes its decisions as a collegial body at the Board meetings.

The Board shall have a quorum when more than half of the members are present and one of these is the Chairman or the Vice Chairman. The decision of the Board shall be carried by a majority of those present or, in case of a tie, the Chairman shall have the casting vote.

The Board may not undertake action or measure that is likely to result in an unjust and/or unequal benefit to a shareholder or any other person at the cost of the Company or another shareholder.

### 2. Composition of the Board

The Board shall comply with the criteria for qualifications, independence and diversity set out in the Companies Act and the Corporate Governance Code. The majority of the Board members shall be independent of the Company. In addition, at least two of the Board members representing this majority shall be independent of significant shareholders of the Company.

The Board shall evaluate the independence of the Board members based on recommendations of the Finnish Corporate Governance Code 2020 and report which Board members it determines to be independent of the Company and which Board members it determines to be independent of significant shareholders, including the reasoning determining that a Board member is not independent.

The Board shall define its principles of diversity and report annually in accordance with the Corporate Governance Code.

### 3. Duty of care of the Board

The Board shall act with due care and diligently promote the best interests of the Company, in accordance with the duty of loyalty of executives towards the Company and thereby ultimately also towards all the Company’s shareholders. Acting in the best interest of the Company means working in accordance with the purpose of the company. Acting contrary to the duty of care may lead to liability for damages towards the Company.

#### **4. Instructions and orders of the Board**

Duties of the Board include giving instructions concerning the management and the proper arrangement of the operations of the Company. The instructions and orders shall be addressed to the CEO, who shall be responsible for their execution.

The Board may decide to delegate its decision-making authority on specifically defined matters to the CEO, who shall have a reporting obligation to the Board on how such delegated decision-making authority has been used by the CEO.

#### **5. Informing the Board of Directors**

All members of the Board of Directors shall have access to sufficient information about the company's business operations, operating environment, and financial position, including proper introduction to the new directors to the operations of the Company.

The President and CEO shall regularly provide the Board of Directors with business and financial information, including strategic plans; significant financial, accounting and risk management issues; compliance programs; as well as duties and responsibilities of the members of the Board. In addition immediately inform the Chairman of the Board of significant events concerning the company. After communication about the matter, the Chairman of the Board and the CEO decide whether the Board has to be convened or informed.

#### **6. Board Committees**

The Board has two permanent committees, the Audit Committee and the Remuneration and Human Resources Committee. The Board supervises the activities of these Committees. The Committees shall regularly report on its work to the Board.

The Audit Committee shall consist of three Board members, who shall be independent of the Company. The Committee's duties and operation procedures have been specified further in the Board Audit Committee Charter approved by the Board.

The Remuneration and HR Committee shall consist of three Board members. The Committee's duties and operation procedures have been specified further in the Remuneration and HR Committee Charter approved by the Board.

#### **7. Board Meetings**

The Board meets regularly, according to a schedule established by the Board.

If requested by a Board member or the CEO, a Board meeting shall be held within three days of the date of request or earlier if convenient to all Board members.

The Chairman of the Board, the CEO and the Secretary to the Board prepare the matters on the agenda of the Board, if not otherwise decided by the Board.

Board meetings can be either physical or they can be held in the form of teleconference. In matters of purely formal nature, unanimous decisions can be recorded in minutes on a *per capsulam* basis.

Minutes shall be prepared in the English language for each meeting of the Board of Directors, and all decisions by the Board shall be recorded in the minutes. Minutes of physical meetings are signed by the Chairman together with one member of the Board and the Secretary. Minutes of teleconferences and *per capsulam* meetings shall be signed by all the members and the Secretary to the Board.

The agenda for Board meetings with all attached material shall be sent to the Board members at least five days before the meeting (except for quarterly financial reports which shall be sent at least three days before the meeting), unless the Board decides otherwise.

## 8. Matters to be handled at Board meetings

The Board shall review the following matters:

- Report by the CEO on Company's operations, including the Company's financial, competition and market situation.
- Reports of the Audit Committee and the Remuneration and HR Committee by the Chairmen of the respective committees.

**In the area of business organization and remunerations**, the Board shall decide the following matters:

- Appointment and dismissal of the Chief Executive Officer and other members of the Metso Outotec Executive Team
- Monitoring issues relating to top management resources
- Significant changes in the business organization of the Company
- Approval of the main principles of incentive systems

**In the area of investments, acquisitions and divestments**, the Board shall approve the following matters:

- major investments over EUR 10 million provided those are not already approved as a part of Annual Plan
- acquisitions and mergers
- major divestments
- major credits and equity investments relating to joint ventures (over EUR 10 million)
- significant sales cases over EUR 70 million

**In the area of economic and financial matters**, the Board

- Approves significant financing arrangements by the Group companies. of loans taken and giving financial guarantees by the Company

- Ensures that supervision of the accounting and the financial matters is properly organized
- Ensures the adequacy and functioning of planning, information and control systems for financial reporting and risk management
- Ensures the proper preparation of and reviews the interim and the annual financial statements

**In the area of corporate governance, strategy, annual plans and policies in key management areas,** the Board shall review and

- Approve Vision, Strategy and Financial Targets
- Approve Annual Plan (and other major plans)
- Approve Charters of the Board of Directors, the Audit Committee and the Remuneration and HR Committee, as well as the Internal Audit Charter and Company's Corporate Governance Statement including Statement of Non-financial Information
- Approve Diversity principles of the Board of Directors, and shall monitor and assess Company's related party transactions
- Approve Code of Conduct
- Approve the Dividend Policy
- Approve Enterprise Risk Management Policy
- Approve Treasury Policy
- Approve Insider Policy
- Approve principles on Related Party Transactions
- Approve of Disclosure Policy
- Approve of Internal Control Policy
- Approve Anti-Corruption Policy
- Approve Competition Compliance Policy
- Approves Donations and Sponsorship Policy
- Approve Remunerations Policy
- Approve Pre-Approval Policy for the Provision of Non-Audit Services by the External Auditor Matters submitted by a Board member or the CEO.

- Approve any other matters specified by the Finnish Companies Act.

## 9. Board Evaluation

The Board shall conduct an annual evaluation of its operations and working methods either as self-assessment or by external assessor when deemed appropriate. The purpose of the evaluation is to review how the Board has executed its tasks during its term and to act as a basis for development of the Board's work.

## 10. Prohibition to disclose insider information

The Board applies the Guidelines for Insiders published by NASDAQ Helsinki, as in effect.

Insider information refers to any information relating to securities of a company, information which is precise in nature and has not been published or otherwise available in the market and which is likely to have a significant effect on the value of the said securities.

A Board member may not use insider information 1) by acquiring or conveying, on his own behalf or on behalf of another, directly or indirectly, a security to which the information pertains (trading ban), or 2) give advice directly or indirectly to another in a transaction relating to such security (consultation ban). Insider information may neither 3) be disclosed to a party who is not an insider in the matter (disclosure ban). In acquiring and conveying Company's securities, the companies controlled by a Board member (controlled companies) have to comply with the same insider regulations as the Board member. In companies in which a Board member exercises influence, the Board member shall refrain from all discussion, decision and preparation of decisions with regard to Company's securities.

## 11. Position and competence of an individual member

An individual Board member does not have, by the virtue of law, a general right based on his/her position to actively represent the Company or on his/her own initiative to take any actions assigned to the Board. Accordingly, the Board members shall refrain from all statements to the media concerning the Company. The CEO represents the Company and maintains contact with the media, unless the Board decides otherwise for a specific reason.

## 12. Disqualification in a conflict of interest situation

A Board member may not participate in the decision-making on a contract between himself/herself and the Company or participate in the decision-making on a contract between the Company and a third party if he/she may thereby receive material benefit which may be or may appear to be in contradiction with the interests of the Company.

## 13. Obligation of confidentiality

A Board member is obligated to maintain confidential all information considered as the Company's business secrets. A Board member shall take into account the provisions of the Finnish Unfair Business Practices Act, according to which a person who obtains information regarding a business

secret while in the service of an entrepreneur may not unjustifiably use or disclose while being a board member for their own personal gain, for the gain of another, or in order to harm another.

In addition, the Board members undertake not to convey unpublicized verbal or written information concerning the Company to anyone outside the Company, including the shareholders. In order to fulfill their obligation of confidentiality, the Board members, notwithstanding the ordinary connections of the Chairman, further undertake not to contact any individual shareholders in matters concerning the Company or to discuss with them matters concerning the Company, unless the Board decides separately otherwise for a specific reason.

This Charter was adopted by the Board of Directors of Metso Outotec Oyj on June 30, 2020.