

## SHAREHOLDERS' NOMINATION BOARD CHARTER

### Purpose of the Nomination Board

QPR Software Plc's (the "**QPR Software**" or the "Company") Shareholders' Nomination Board is a body of the QPR Software's shareholders, responsible for preparing proposals to the Annual General Meeting for:

- the election and remuneration of the members of the Board of Directors and
- the remuneration of the Board committees.

In its work, the Nomination Board shall comply with applicable laws and regulations (including the rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code).

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

Where relevant, the references above to Annual General Meeting shall also apply to an Extraordinary General Meeting.

### Nomination and Composition

The Nomination Board consists of three members who represent the QPR Software's three largest shareholders who, on 30 August preceding the next year's Annual General Meeting, hold the largest number of votes calculated of all shares in QPR Software. Upon the Nomination Board's decision, the Chairman of the Company's Board of Directors may be invited to serve as an expert in the Nomination Board without being a member and without having a vote or being counted in the quorum of the Nomination Board.

The largest shareholders on 30 August are determined on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd. Pursuant to this shareholding, the Chairman of the Board of Directors shall request the three largest shareholders each to nominate one member to the Nomination Board. In case two of these 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.

Holdings by a holder of nominee registered shares will be considered when determining the three largest shareholders if the holder of the nominee registered shares presents a written request to that effect to the Chairman of the Company's Board of Directors and Company Secretary no later than on 30 August preceding the next Annual General Meeting. The written request shall be accompanied by documentation evidencing such shareholder's ownership of the nominee registered shares.

Holdings by a shareholder, who under the Finnish Securities Market Act has the obligation to disclose its shareholdings (flagging obligation) that are divided into several group companies, funds or registers will be summed up when calculating the share of all the voting rights when determining the three largest shareholders, provided that the shareholder presents a written request to that effect to the Chairman of the Company's Board of Directors and the Company Secretary no later than on 30 August preceding the next year's Annual General Meeting.

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.

QPR Software's employees shall not be eligible as members of the Nomination Board.

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

The appointed representative of a shareholder shall resign from the Nomination Board, if such shareholder transfers more than half of its shareholding and as a result thereof no longer is amongst the Company's ten

largest shareholders. The Nomination Board shall appoint a new member to the Nomination Board to replace the prematurely vacated seat. The Nomination Board shall offer the vacant seats that are to be filled to the shareholders of the Company (in the order of shareholders' number of votes calculated of all shares in the Company) who do not have a member appointed to the Nomination Board.

If a shareholder has become a shareholder among the Company's three largest registered shareholders after 30 August but earlier than four 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 Nomination Board's term.

The Nomination Board has been established for an indefinite period. The term of office of the members of the Nomination Board expires at the closing of the next Annual General Meeting following the appointment.

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

### **Duties**

The duties of the Nomination Board shall include:

- a. to prepare and present to the Annual General Meeting a proposal on the remuneration of the members of the Board of Directors as well as a proposal on the remuneration of the Board committees;
- b. to prepare and present to the Annual General Meeting a proposal on the number of the members of the Board of Directors;
- c. to prepare and present to the Annual General Meeting a proposal on the composition of the Board of Directors;
- d. to prepare and present to the Annual General Meeting a proposal on the Chairman and Vice Chairman of the Board of Directors;
- e. to seek for prospective successors for the members of the Board of Directors;
- f. to review and, if necessary, adjust the principles concerning the diversity of the Board of Directors and to report annually on the specific diversity objectives (for at least related to both genders) for the composition of the Board of Directors defined in the diversity principles, the means to achieve the objectives and an account of the progress in achieving the objectives; and
- g. to provide a report on how the Nomination Board conducted its work. The reports shall be published in QPR Software's Corporate Governance Statement.

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

The Company shall bear all reasonable costs of the Nomination Board. The travel expenses of the members will be compensated against receipt in accordance with the Company's policies.

### **Decision making**

The Nomination Board shall constitute a quorum when more than a 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, the members of the Nomination Board may present their own proposals to the Annual General Meeting individually or jointly with the other members of the Nomination Board.

All decisions of the Nomination Board shall be recorded in minutes retained by QPR Software. The minutes shall be signed by the Chairman of the Nomination Board together with at least one Nomination Board member. The Committee shall not have a designated secretary but the Chairman of the Nomination Committee (or a person designated by him/her) takes care of the recording.

### **Tasks 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 QPR Software.

The Chairman shall:

- a. convene and chair the meetings of the Nomination Board;
- b. supervise that the scheduled meetings of the Nomination Board are duly convened; and
- c. convene unscheduled meetings in case necessary and in any event, within 14 days from a request by a Nomination Board member to that effect.

### **Proposal on the Board Composition**

The Nomination Board shall prepare a proposal to be presented to the Annual General Meeting on the composition of the Board of Directors. However, any shareholder of the Company may also make a proposal directly to the Annual General Meeting in accordance with the Finnish Companies Act.

The Board of Directors of the Company shall have sufficient level of versatile competencies, mutually complementing experience and knowledge of the industry for the needs of QPR Software expressed in the strategy at any given time.

In addition to competency, experience and knowledge, the most important nomination criteria for the Board candidates *individually* are personal qualities and integrity whilst the Nomination Board shall pay attention to a range of diversity aspects (such as business experience, international experience, age, education and gender) when preparing the proposal. In particular, the Nomination Board shall take into account the specific diversity objectives for the Board of Directors.

In addition, the Nomination Board shall take into consideration the independence requirements and other requirements under applicable laws and regulations (including the Finnish Corporate Governance Code and the rules of Nasdaq Helsinki Ltd). The Nomination Board is entitled to receive on a confidential basis information on the factors affecting the evaluation of the independence of candidates.

The Nomination Board shall in its preparations of the proposal on the composition of the new Board of Directors also take into account the results of the annual performance evaluation of the Company's Board of Directors conducted in accordance with the Finnish Corporate Governance Code.

The Nomination Board may also employ the services of an outside consultant in the quest for suitable candidates.

The Nomination Board shall submit its proposals to the Board of Directors at the latest on the fourth Monday of January preceding the next Annual General Meeting. In the event of an Extraordinary General Meeting, any proposals by the Nomination Board shall be submitted early enough so as to be included in the notice to the Extraordinary General Meeting.

The proposals of the Nomination Board will be published through a stock exchange release and included in the notice to the General Meeting. The Chairman of the Nomination Board, or a member of the Nomination Board chosen by the Nomination Board to carry out the task, shall also present and explain its proposals to the General Meeting.

## **Confidentiality**

The Nomination Board members and the shareholders they represent shall keep the information regarding the proposals to the General Meeting confidential until it has made the final decision and the proposals have been published by QPR Software. 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 QPR Software has made such information public.

The Chairman of the Nomination Board shall have the right at his/her discretion to decide whether QPR Software should enter into non-disclosure agreements with the shareholders with respect to their representative in the Nomination Board.

## **General**

The Nomination Board shall review this Charter annually and propose necessary amendments to the next Annual General Meeting for adoption. The Nomination Board is authorised to make technical updates and amendments to the Charter.

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