

Report on Shareholders' Nomination Board functions

SHAREHOLDERS' NOMINATION BOARD

In 2012 it was decided at Elisa's Annual General Meeting to establish a shareholders' nomination board which is a body with the responsibility for preparing proposals for the Annual General Meeting for the election and remuneration of the members of the board of directors of Elisa and accepted a charter for the nomination board. The shareholders' nomination board has been established indefinitely. The term of each nomination board expires when the next shareholders' nomination board has been appointed.

The biggest shareholders were determined according to the shareholder register of Elisa on 31 August 2021, and they named the members of the nomination board. The composition of the nomination board since September 2021 has been as follows:

- Mr Pauli Anttila, Investment Director, appointed by Solidium Oy (chair of the Nomination Board)
- Mr Jouko Pölönen, Chief Executive Officer, appointed by Ilmarinen Mutual Pension Insurance Company
- Mr Reima Rytsölä, Chief Investment Officer, appointed by Varma Mutual Pension Insurance Company
- Ms Hanna Hiidenpalo, Chief Investment Officer, appointed by Elo Mutual Pension Insurance Company
- Mr Anssi Vanjoki, Chairman of Elisa's Board of Directors

The shareholders' nomination board convened 4 times in 2021. In addition, the member candidates were interviewed between the meetings. The nomination board discussed the size of the Board, its composition and diversity, and the areas of expertise that are seen as best for the company. The nomination board also examined the remuneration of Board members. Additionally the nomination board reviewed and discussed the self-evaluation of the Board.

On 1 December 2021, the nomination board announced its proposal to Elisa's Board for the notice of the Annual General Meeting.

Elisa shareholders' nomination board proposes to the Annual General Meeting that

- The amount of annual remuneration for the members of the Board of Directors be changed, but that the level of remuneration for participating in meetings should remain unchanged.
- The Chair is paid an annual remuneration of EUR 130,000 (EUR 126,000 in 2021), the Deputy Chair and the Chairs of the Committees EUR 85,000 (EUR 84,000 in 2021), and other Board members EUR 70,000 (EUR 69,000 in 2021). In addition, a meeting fee of EUR 800 (EUR 800 in 2021) per meeting of the Board and of a Committee would be paid. However, if a Board member is physically present in the Board or Committee meeting, which is held in a country other than his/her permanent home country, then the meeting fee would be EUR 1,600 (in 2021 EUR 1,600 only for Board members who have their permanent residence outside Finland).

- According to the proposal, the annual remuneration will be paid partly in Company shares and partly in cash so that 40% of the remuneration is used to acquire Company shares in the name of and on behalf of the Board members, and the remainder will be paid in cash in order to cover withholding tax on the annual remuneration. The shares will be acquired for the Board members from the stock exchange on the third trading day following the publication of the first quarter interim report of 2022.
- The number of members of the Board of Directors would be nine (8 members in 2021).
- Ms Clarisse Berggårdh, Mr Kim Ignatius, Mr Topi Manner, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara be re-elected.
- Ms Katariina Kravi and Ms Pia Kåll to be elected as new members of the Board.
- Mr Anssi Vanjoki be elected as the Chair of the Board and Ms Clarisse Berggårdh be elected as the Vice Chair.
- With regard to the selection procedure for the members of the Board of Directors, the Shareholders' Nomination Board recommends that shareholders take a position on the proposal as a whole at the General Meeting. This recommendation is based on the fact that at Elisa, in line with a good Nordic governance model, the Shareholders' Nomination Board is separate from the Board of Directors. The Shareholders' Nomination Board, in addition to ensuring that individual nominees for membership of the Board of Directors possess the required competences, is also responsible for making sure that the proposed Board of Directors as a whole also has the best possible expertise and experience for the company and that the composition of the Board of Directors also meets other requirements of the Finnish Corporate Governance Code for listed companies.