

SRV Group Plc

17.2.2016

CHARTER OF THE BOARD OF DIRECTORS

The Board of Directors of SRV Group Plc (hereinafter "Company") has approved this charter as part of the Group's corporate governance. The charter shall guide the work of the Board of Directors and supplement the provisions of the Finnish Companies Act as well as the SRV Group Plc's Articles of Association in organizing the work of the Board of Directors. In addition, the activities of the Board of Directors are regulated by the Finnish Securities Market Act as well as regulations, instructions and recommendations of the authorities and the Helsinki Stock Exchange. Furthermore, the Company adheres to the Finnish Corporate Governance Code 2015.

The Company's share is listed on the Helsinki Stock Exchange.

1. Members of the Board and independence

According to SRV Group Plc's Articles of Association, the Board of Directors consist of 5-8 members. A General Meeting of Shareholders shall elect the Chairman of the Board. The Board of Directors shall elect the Vice Chairman from amongst its number. A General Meeting shall also decide on the remuneration paid to the members of the Board of Directors and of its committees.

The term of office of a Board member shall begin at the General Meeting electing the member and shall expire at the close of the next Annual General Meeting.

The Board of Directors shall evaluate the independence of its members and notify which of its members have been deemed to be independent of the Company and of its major shareholders. The independence of Board members shall be evaluated in the manner determined in the Finnish Corporate Governance Code.

Board members shall provide the Board of Directors with sufficient information to evaluate their competence and independence and they shall report any changes that occur in this information.

2. Responsibility and duties of the Board of Directors

The Board of Directors is responsible for guiding and supervising of the Company's operations in accordance with the Finnish Companies Act, the Articles of Association and other applicable legislation, rules and regulations.

In performing its duty, the Board of Directors shall in every way promote the best interests of the Company and all of its shareholders and act in accordance with good business practice. In their duties, Board members shall act diligently. Board members shall not represent the parties who proposed them as members.

The Board of Directors shall decide on issues having far-reaching and fundamental importance for the Group. The Board of Directors' most important duties are:

- Approving the Group's strategy and objectives based on the strategy as well as supervising their implementation.
- Approving the annual budget and operating plans as well as supervising their implementation.
- Approving and implementing the Company's principles of risk management and internal control.
- Deciding on the most significant business matters in accordance with the Company's decision-making authorisations approved by the Board of Directors. These may include acquisitions or major construction contracts, investments, divestments and other financial commitments.
- The election of the President and CEO, the Deputy CEO and other members of the Group's Corporate Executive Team as well as approving their salaries, bonuses and other terms of service.
- Approving short- and long-term incentive and bonus schemes for personnel.

The duty of the President and CEO is to ensure that the Board of Directors has sufficient information to make the decisions and that the Board of Directors is informed about significant strategic issues and transactions.

3. Board of Directors' work and decision-making

The Board of Directors' meeting schedule and work plan shall be confirmed for each calendar year. The agenda for the meeting, preparatory materials and the minutes of the previous meeting shall be sent to Board members in time prior to each meeting, so that Board members have sufficient time to get acquainted with the matters on the agenda.

For specific reasons, a meeting of the Board of Directors may also be held as a telephone conference.

Board members should devote sufficient time to prepare for meetings and should participate to the best of their ability in all meetings.

The Board of Directors shall have a quorum when more than half of the Board members are present and one of them is the Chairman or the Vice Chairman. Decisions shall be made by a simple majority of votes. In the event of a vote being tied, the Chairman shall have the casting vote.

A Board member shall not participate in

- handling any matter regarding an agreement or other issue between him-/herself and the Company;
- handling any matter regarding an issue between the Company and a third party from which he/she may expect to benefit and which may conflict with the Company's interests; nor

- handling any matter regarding the relationship between the Company and the employer of the Board member or other interested party.

A Board member shall immediately inform the Board of Directors if he/she believes that there are factors that may jeopardise his/her impartiality regarding a matter under review or in general.

Board members shall have no specific duties or special areas of responsibility. Liability for decisions made at meetings of the Board of Directors shall be collective, unless a proposal supported by each Board member and the voting result are recorded in the minutes of the meeting or the Board member's note of dissent on a matter reviewed at a Board meeting has been recorded in the minutes of the meeting.

Board members shall adhere to the Company's insider guidelines. In addition, Board members shall keep confidential all information they receive in their role, relating to the Company or other confidential information.

The Company's President and CEO shall have the right to attend and be heard at Board meetings, except when the Board handles matters regarding the President and CEO. In addition, Board meetings are attended by the Secretary appointed by the Board of Directors and any persons presenting items at a meeting. When the Board reviews the financial statements, the Auditor or the Chief Auditor appointed by the auditing firm responsible for the audit shall also attend the meeting. The Board may also consult with other external experts to support its decision-making.

Minutes shall be kept of the meetings of the Board of Directors. The minutes shall be signed by the Chairman of the Board, an examiner of the minutes selected by the Board from amongst its number and the Secretary of the Board. Minutes kept of a telephone conference shall be signed by all Board members and the Secretary of the Board.

4. Duties of the Chairman of the Board

The general duty of the Chairman of the Board shall be to lead the work of the Board in a manner that the Board handles its duties as efficiently and appropriately as possible. To this end, the Chairman shall:

- be responsible for planning and evaluating the activities of the Board
- ensure that all the meetings recorded in the meeting schedule of the Board of Directors are convened and, if necessary, convene additional meetings
- adopt the agenda prepared for each meeting
- communicate with the President and CEO
- communicate with Board members between the meetings as necessary
- communicate with shareholders and other stakeholders as necessary.

5. Committees of the Board of Directors

The Board of Directors shall establish from amongst its number an Audit Committee and a Nomination and Remuneration Committee, whose charters have been approved by the Board of Directors. Both of the committees shall have 2-3 members, elected by the Board from amongst its number at the time in question. The committees shall report on their work to the Board of Directors. The Board of Directors shall be responsible for the handling of the duties assigned to the committees.

6. Participation in General Meetings

The Chairman of the Board and the Board members shall attend General Meetings in order to ensure the interaction between the shareholders and the administrative bodies of SRV Group Plc as well as the shareholders' right to ask questions.

7. Orientation of Board members

All new Board members shall be oriented in the operations of the Company. In the orientation process following their election, Board members shall meet the Company's senior management, who will introduce them the Company's business operations, strategy and financial position as well as administrative functions.

8. Planning and assessing the activities of the Board of Directors

The Board of Directors shall prepare an annual meeting programme specifying the meeting schedule and the key matters to be dealt with at the meetings.

The Board of Directors assess its activities and working practices annually. The results of this assessment shall be taken into consideration in the development of Board work.

9. Representing the Company

The Board of Directors shall represent the company. In addition, according to Article 6 of SRV Group Plc's Articles of Association, the Company shall be represented by the Chairman of the Board solely, or a Board member jointly with the President and CEO, Deputy CEO or other person entitled to represent the company, two jointly.