

Caverion

Charter Of The Board Of Caverion Corporation

Internal

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1 Basis of the duties and operation of the Board

The duties and principles of the operation of the Board are based on Finnish legislation, especially on the Limited Liability Companies Act and the Securities Markets Act, as well as on the Caverion Corporation's ("Company") articles of association, the rules of Nasdaq Helsinki Oy and the Finnish Corporate Governance Code.

2 Board Members and their election

According to Company's articles of association, the general meeting shall elect the Chairman of the Board, the Vice Chairman and a minimum of three (3) and a maximum of five (5) members. The term of a Board member begins from the general meeting in which they have been elected and ends at the end of the next Annual General Meeting.

When preparing the composition of the Board, the recommendation 10 of the Finnish Corporate Governance Code stating that the majority of the members shall be independent of Caverion Corporation shall be taken into account. In addition, in accordance with the same Code, at least two members who are independent of Caverion Corporation shall also be independent of the significant shareholders of Caverion Corporation. When preparing the proposal to the general meeting concerning the members of the Board, the Board shall ensure that all candidates have the expertise and experience referred to in the recommendation 8 in the Finnish Corporate Governance Code. Additionally, the principles concerning the diversity of the Board shall be considered as described in the recommendation 9 of the Finnish Corporate Governance Code and the diversity principles established by the Company.

The Board shall evaluate the independence of the Board members annually. A Board member shall also discuss the evaluation of their independence in meetings of the Board whenever a change has taken place in circumstances affecting such an evaluation. Independence is evaluated according to the criteria set out in recommendation 10 of the Finnish Corporate Governance Code.

The Board shall evaluate its performance annually in line with the Recommendation 13 in the Finnish Corporate Governance Code.

3 Board Committees

3.1 Audit Committee

The Board shall have an Audit Committee consisting of three to five (3-5) members as decided by the Board. The Board Members appointed as members of the Audit Committee shall have knowledge of the operations and fields of business of the Caverion Group as well as expertise in accounting, bookkeeping or auditing.

The Board shall appoint the members of the Audit Committee annually in the first Board meeting following the general meeting in which they have been elected. The Board shall appoint one of the Audit Committee members as its Chairman. The majority of the members of the Audit Committee shall be independent of Caverion Corporation and at least one member shall be independent of the significant

shareholders as required in recommendation 16 in the Finnish Corporate Governance Code.

3.2 Human Resources Committee

The Board shall have a Human Resources Committee consisting of three to five (3-5) members as decided by the Board, with duties covering the duties of the Remuneration Committee and the Nomination Committee specified in the Corporate Governance Code recommendations 17 and 18a. The Board Members appointed as members of the Human Resources Committee shall have expertise in the business operations of the Caverion Group as well as in matters related to remuneration, incentive systems, successor planning and talent management as well as other HR related matters.

The Board shall appoint the members of the Human Resources Committee annually in the first Board meeting following the general meeting. The Board shall appoint one of the Human Resources Committee members as its Chairman. The majority of the members of the Human Resources Committee shall be independent of Caverion Corporation as required in respective recommendations 17 and 18a of the Finnish Corporate Governance Code.

4 Duties of the Board

The Board of Caverion Corporation, which is the parent company of the Caverion Group, shall

- oversee the management and organisation of operations of the entire Caverion Group and control and supervise the operations of the Caverion Group;
- promote the best interests of the Caverion Group and those of all shareholders of Caverion Corporation;
- be responsible for the appropriate arrangement of the control of the company accounts and finances;
- discuss and approve Caverion Corporation's financial statements and consolidated financial statements at the end of a financial year as well as interim reports annually for the periods ending at the end of March, June and September;
- appoint the President and CEO and when deemed necessary a deputy and release them from their duties;
- guide and supervise Caverion Corporation's President and CEO;
- approve company's strategic goals and the principles of risk management and governance and ensure the functionality of the management system; and
- send notices of general meetings and prepare proposals on matters to be considered in the meetings.

Members of the Board are not representatives of any shareholders who may have proposed them for the position.

5 Meetings of the Board

The Board shall convene eight to ten times during its term according to an approved meeting schedule. Additional meetings may be held at the invitation of the Chairman. Teleconferencing can also be used.

The Board shall be deemed to be a quorum when more than half of the members are present. The opinion of the majority shall constitute the decision of the Board of Directors, unless a qualified majority is required in the Articles of Association. In the event of a tie, the Chairman of the Board of Directors shall have the casting vote.

The President and CEO of Caverion Corporation and a secretary called by the Board shall usually attend the meetings of the Board. The President and CEO and the secretary of the Board shall prepare the meetings and the agenda in cooperation with the Chairman of the Board.

As a general rule, the agenda and materials pertaining to the matters to be discussed are provided electronically to the members no less than five days before the meeting. Supplementary materials may be provided in the meeting, if necessary.

The meetings shall be held in the Company's domicile unless otherwise decided by the Board.

The minutes of each meeting of the Board shall be signed by the Chairman and the secretary as well as by one member of the Board as the verifier of the minutes. The members of the Board shall take turns as verifiers of the minutes. Copies of the minutes shall be distributed to the members of the Board with the materials of the next meeting. The secretary of the Board shall make the Board's decisions known and submit excerpts of the minutes to the parties who need them.

A member of the Board shall not participate in the discussion of a matter concerning a contract between the member in question and any company belonging to Caverion Group. They shall also not participate in the discussion of a matter between the any Group company and a third party if any substantial benefit is expected to result to the member which could contradict the Group's best interest.

6 Duties of the Chairman of the Board

The Chairman of the Board shall lead the work of the Board in a way that ensures the efficient and appropriate execution of the Board's duties. To carry out these duties, the Chairman shall

- supervise that the meetings are scheduled as appropriate;
- call up an additional meeting of the Board when necessary;
- approve the agenda and the presenters of matters of each meeting and the invitation of other necessary participants in the meeting;
- control that the minutes of the meeting correspond to the course of the meeting and sign the minutes in his/her part;
- communicate with the President and CEO and monitor the operations and corporate atmosphere of Caverion Group;
- when necessary, communicate with the members of the Board between the meetings;
- when necessary, communicate with the owners and other stakeholders of the company; and
- be in charge of the planning of the Board's activities and the execution of the annual Board performance evaluation.

When the Chairman is not available, the Vice Chairman shall undertake the duties of the Chairman.

7 Execution of the Board's duties

7.1 Financial statements and interim reports

The Board shall discuss and approve the Financial Statements and the Consolidated Financial Statements for the previous financial year by the end of February. This includes

- the supervision of the accounting principles;
- the preparation and approval of the Board of Directors' Report and Financial Statements and the Consolidated Financial Statements;
- the preparation of the proposal concerning the handling of distributable equity shown in the Financial Statements;
- signing the Financial Statements and the Consolidated Financial Statements; and
- presenting the Financial Statements and the Board of Directors' Report to the Annual General Meeting for adoption.

The Board shall discuss and approve the interim reports describing the situation at the end of March, June and September.

7.2 Other matters to be decided by the Board

The Board shall discuss the matters presented to it by the Chairman, the President and CEO or a member of the Board. The following matters shall especially be discussed and decided upon by the Board:

- Group's strategy and goals;
- Group's annual planning and budget;
- Acquisitions and divestments which are significant for the Group or which deviate from the adopted strategy. Any acquisition or divestment with an enterprise value equal to or exceeding EUR 100 million is considered significant;
- Capex investments with a value equal to or exceeding EUR 5 million;
- Authorisations to bid when the bid value is equal to or exceeds EUR 100 million;
- Matters related to the Group's financing:
 - Approval of the Treasury Policy and duties addressed to the Board therein
 - Loan and debt facility agreements, loan emissions
 - Mortgaging the Company's property as well as floating charges
 - Guarantee Facility Agreements, specific guarantees and pledging arrangements
 - Subordinated loans
 - Issuing securities on behalf of entities outside of the Group and approval of principles of granting financing to them
- Granting rights to represent Caverion Corporation
- Values and Code of Conduct of the Group;
- Agreements related to the employment of the President and CEO and his/her deputy, if nominated, as well as the evaluation of their performance;
- Appointment of the Group's Management Board members;
- Functional structure and organisation of the Group, and
- Group incentive plans.

- The following measures resulting from the Securities Markets Act and the rules and recommendations of the Nasdaq Helsinki Oy:
 - Deciding on the Group's Governance;
 - Reviewing the Corporate Governance Statement;
 - Adopting Insider Guidelines and the supervision of the observance;
 - Approval and supervision of the internal control principles;
 - Approval and supervision of the Risk Management Policy;
 - Supervision of the information duties required by the rules of Nasdaq Helsinki Oy, the Securities Markets Act, the Limited Liability Companies Act as well as other legislation and regulations of the authorities;
 - Approval of the Group's Disclosure Policy as well as the adoption and supervision of the policy, and
 - Approval of significant stock exchange releases.

As a general rule, the Board shall receive Group's monthly reports, the auditor's reports and shall hear the auditor's view of Group's financial state and its development annually.

8 Version History

Version	Date	Remarks	Approval
001	17.06.2013	Charter approved	Board
002	23.04.2014	Charter up-date approved	Board
003	20.07.2016	Charter renewal approved	Board