

**RULES OF PROCEDURE**

**for the**

**Board**

**of**

**Ramirent Plc**

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## **1. GENERAL**

- 1.1 These rules of procedure for the Board of Directors (the "Board") of Ramirent Plc (the "Company") have been prepared as a supplement to the provisions of the Finnish Companies Act (the "FCA"), the Securities Markets Act (the "SMA"), the rules and regulations issued by the relevant authorities and Nasdaq OMX Helsinki Oy and the Company's Articles of Association.
- 1.2 The purpose of these rules of procedure is to regulate the internal work of the Board. The Board and each of its member shall in its work consider and duly comply with the relevant provisions of the FCA, the SMA, Articles of Association of the Company, stock exchange regulations and other mandatory provisions of applicable laws which shall prevail these rules. Pursuant to such principles, (i) the purpose of the Company is to provide profit to the shareholders; (ii) the Board of Directors shall not make a decision or take measures that may bring unjustifiable benefit to a specific shareholder or other party at the Company's or other shareholders' expense and (iii) the Board of Directors shall always act with due care and in the best interests of the Company.
- 1.3 These rules of procedure shall apply until such time as new rules of procedure have been adopted in accordance with Section 6.4 below.

## **2. DUTIES OF THE BOARD**

- 2.1 The Board is responsible for the Company's organisation and the management of the Company's affairs, including appropriate arrangement of the control of the Company's accounts and finances, pursuant to the provisions of the FCA. The members of the Board shall, subject to any limitations set forth in the FCA, the Company's Articles of Association, or these rules of procedure, carry out the work of the Board jointly or in a working group appointed for a particular matter.
- 2.2 The Managing Director is responsible for the day-to-day management of the Company's affairs in accordance with the guidelines and instructions issued by the Board and FCA. These guidelines and instructions shall be established by the Board in a separate work instruction (see Section 2.4(b) below). Any deviations from the guidelines and instructions must be duly recorded and presented with a proper reasoning to the Board.

- 2.3 The Board shall primarily be responsible for the Company's strategic issues and for issues which, with regard to the scope and nature of the Company's operations, are of material or financial, legal, or general character or, otherwise of great significance. However, in individual cases, the Board may make a decision in a matter falling to the general competence of the Managing Director. Further, the Board may bring a matter belonging to the general powers of the Managing Director or the Board to be resolved by the General Meeting of Shareholders.
- 2.4 Specifically, the Board is, among other things, charged with the following duties:
- (a) Appoint and remove the Managing Director of the Company, to approve the compensation system and the terms of employment of the Managing Director and to regularly evaluate his performance.
  - (b) Establish work instructions for the Managing Director and any other corporate bodies established by the Board, and to evaluate and consider possible revisions to such work instructions on annual basis, normally at the first ordinary meeting of the Board following the Annual General Meeting.
  - (c) Approve the overall organisation of the Company and the composition of the Group Management Team of the Company.
  - (d) Approve the compensation systems and the main terms of employment of the managers reporting directly to the Managing Director.
  - (e) Ensure that the Company's organisation is designed in such a manner that accounting, management of funds, management of risks and financial circumstances in general are supervised in a prudent manner.
  - (f) Approve strategic business plans and goals of the Company.
  - (g) Establish general policies for among other decision-making, reporting and monitoring the activities of the Company and to continuously ensure that they are complied with and that they are updated and revised where needed.
  - (h) Continuous monitoring and revising of the aforementioned plans, policies and goals shall be recorded in the appropriate minutes, including information, among other things, on the progress of achieving such goals, plans and/or policies.
  - (i) Approve yearly budgets in respect of income statement, balance sheet and cash flow statement of the Company.
  - (j) Approve the investment budget and any investments beyond the investment budget, as well as agreements regarding the purchase, sale or other transfer or acquisition of real property and businesses.
  - (k) Approve all economic and financial reports to be published by the Company.
  - (l) Regularly monitor and assess the Company's financial situation and financial development.
  - (m) Approve the finance policy, risk management policy and accounting and reporting manual.

- (n) Make an assessment at the first meeting of the Board following the Annual General Meeting ("the Formative Meeting"), on members of the Board, which of the members are considered independent of the Company and of the significant shareholders of the Company.
- (o) Legally represent the Company and sign the company name; to approve a Policy for Signature and to decide who shall have the right to represent the company.  
Adopt Corporate Governance rules for the Company, which shall follow the principles set out in the Finnish Corporate Governance Code issued by Securities Market Association ("CGC").
- (p) Approve insider rules for the Company, which shall follow the Insider Guidelines prepared by Nasdaq OMX Helsinki Oy, the Central Chamber of Commerce and the Confederation of Finnish Industries and which shall include rules for permanent and project-specific insiders, management of insider issues as well as procedures defined for the Company.
- (q) Decide on other matters as defined in Ramirent Plc Decision-making Policy.

2.5 The Board will make yearly, normally at the end of the financial year, a written assessment of its work and work practices.

2.6 The CGC details the duties of the Board committees. The Board will nominate a Working Committee to more effectively fulfill such duties. The Working Committee has a separately defined charter which is appended hereto as Appendix 1.

### **3. DUTIES OF THE CHAIRMAN OF THE BOARD**

- 3.1 The Chairman of the Board is responsible for leading the work of the Board in such a manner that the tasks listed herein for the Board are fulfilled efficiently and appropriately. Thus in order to achieve this goal, the Chairman of the Board shall (in addition to what may be elsewhere defined in these rules of procedure as responsibilities of the Chairman of the Board):
- (a) Supervise the convening of the meetings of the Board scheduled for the respective fiscal year.
  - (b) Convene extraordinary Board meetings when necessary.
  - (c) Be responsible for the planning of the activities of the Board, e.g. approve agendas for the meetings and attendance of any other persons than Board members who are deemed necessary to be present in the meeting of the Board.
  - (d) Supervise that the minutes prepared of the meeting of the Board are appropriate.
  - (e) Maintain contacts with the Managing Director and members of the Board and overall monitor the activities of the Company and the general working atmosphere in the Company.

- (f) Contact, when appropriate, the shareholders of the Company and other interest groups of the Company.
  - (g) Supervise in general that the Board properly fulfills the duties set forth in the FCA, in the Articles of Association, other mandatory provisions and the duties set forth in these rules of procedure.
  - (h) Be responsible for initiating any new Board member into the duties of the Board.
  - (i) Attest the expenses of the Managing Director; or authorise a person to do so.
- 3.2 The Chairman of the Board shall specifically request that the Company's auditors immediately notify the members of the Board in respect of all circumstances which are, or may be assumed to be, of such character that the Board should be aware thereof.
- 3.3 The Chairman of the Board shall ensure that every new member of the Board obtains, upon appointment, a copy of these rules of procedure.

#### **4. RIGHT TO INFORMATION AND REPORTING**

- 4.1 The Chairman of the Board shall ensure that each of the members of the Board shall have equal access to the information relating to the Company and that the members of the Board be regularly furnished by the Managing Director with the information required to monitor the Company's business and financial position, financial planning, and development.
- 4.2 Where a member of the Board who was not present at a meeting with the Board wishes to obtain information or documentation concerning any circumstances relating to the Company which may be confidential, a request therefore shall be made to the Managing Director or the Chairman. The Managing Director shall process such request and, when appropriate, consult the Chairman of the Board, and provide a satisfactory answer to such question as soon as practicable possible.
- 4.3 Public announcements of resolutions made by the Board shall be handled by the Managing Director after consultation with the Chairman of the Board and, when appropriate, with the Board. All press and stock exchange releases and shall be provided to each of the members of the Board simultaneously through e-mail in connection with the public announcement.

#### **5. MEETINGS OF THE BOARD**

- 5.1 Unless otherwise agreed, it shall be the Managing Director who is responsible for preparing and presenting reports and matters to be transacted at the meeting of the Board.

- 5.2 In addition to the members of the Board, the Managing Director and the Secretary of the Board of Directors attend the meetings of the Board.
- 5.3 The Board of Directors constitutes a quorum when more than half of the members of the Board of Directors are present. Presence of the Chairman or the Vice Chairman of the Board of Directors is also a condition for the quorum.
- 5.4 When votes are cast, the majority opinion will be the Board's decision and, in the case of a tie, the Chairman will have the casting vote. In an election, a tie will be decided by drawing lots.
- 5.5 The Board shall normally hold at least seven ordinary meetings per year:
- One meeting to be held for approving the annual accounts.
  - One meeting to be held after the Annual General Meeting for electing the Chairman and the Vice Chairman and the Secretary for the Board of Directors (the formative meeting).
  - Three meetings to be held for approving the interim accounts.
  - One meeting to be held to discuss and approve the strategy and the budget process.
  - One meeting to be held for discussing and approving the budget for the next financial year.

The meetings of the Board to review interim and annual accounts should normally be held at the head office in Vantaa. Other meetings shall preferably be arranged at the offices of Group companies, or other locations as agreed by the Board.

If the Chairman of the Board deems it appropriate, meetings can be held in form of video conference or telephone conference.

Board meeting *per capsulam* (meeting of the Board by signing the minutes) can be held, provided that (i) all members of the Board of Directors is given due opportunity to consider and participate in the matter on the agenda, (ii) material for the basis of decisions concerning the matter on the agenda have been provided to each of the members of the Board of Directors, and (iii) each of the members of the Board of Directors signs the minutes.

- 5.6 The Auditor of the Company shall be invited at least once in a year to attend the meeting of the Board of Directors.
- 5.7 In addition to ordinary meetings of the Board, extraordinary meetings of the Board may be held where necessary to deal with urgent matters.

The time and place for extraordinary meetings of the Board shall be determined by the Chairman of the Board of Directors in liaison with the Managing Director. The time and place for extraordinary meetings of the Board must be determined in such a manner that all members of the Board have a reasonable opportunity, under normal circumstances, to be present at the meeting of the Board of Directors.

Where a member of the Board is of the opinion that it is necessary to hold an extraordinary meeting of the Board, he shall present a reasoned request for such to the Managing Director and the Chairman of the Board. The Managing Director and the Chairman of the Board shall process such request and provide with a reasoned answer as soon as practicable possible.

- 5.8 In consultation with the Chairman of the Board, the Managing Director shall prepare an agenda for each meeting of the Board with detailed time slots per item. A member of the Board who wish to have a particular matter addressed at a meeting with the Board shall notify the same to the Chairman of the Board and/or Managing Director in sufficient time prior to the date set for the meeting in order that necessary informational material or material for the basis of decisions can be prepared.

Informational material or material for the basis of decisions concerning every significant matter on the agenda of the Board shall accompany the notice of the meeting of the Board. The Managing Director shall ensure that the necessary informational material or material for the basis of decisions is prepared.

Notice with the agenda and thereto related information material or material for the basis of decisions shall be delivered to the members of the Board by the Managing Director in due time, typically one week, prior to the established meeting date. The delivery shall be made by courier to the addresses the Board members have given to the Secretary and by e-mail. The items on the agenda shall contain only relevant information needed for the decision-making of the Board. The items on the agenda shall also be clear and accurate and be accompanied by decision proposals.

- 5.9 Minutes of board meetings shall be signed by the Secretary and verified by the Chairman of the Board and two board members selected as scrutinisers for the minutes. Minutes shall be written within one week from the meeting and scrutinised and distributed within 10 days from the meeting.

5.10 Minutes of meetings of the Board and matters addressed therein shall be assigned consecutive numbers from the commencement of each financial year. All members of the Board shall be provided with photocopies of the verified minutes, when requested.

The minutes shall be in English and must record the following:

- Decisions made.
- Material presented orally or in writing to the meeting which may be considered to have been of importance to decision making.

The original minutes shall be kept in a secure manner at the Company. The Managing Director is responsible for the storage of the original minutes.

5.11 At each meeting the following items shall be addressed:

- Opening and competence of the meeting.
- Election of the persons to scrutinise the minutes.
- Approval of the agenda.
- Review and approval of the minutes from preceding meeting.
- Operative report including financial results, forecasts, capital expenditure report, cash flow forecast, cost analysis and credit management report.
- Update on present market situation, material business transactions expectations and special risks.
- Decisions on specific transactions requiring approval by the Board.
- Other items.
- Next meeting.

The following items shall be addressed by the Board quarterly:

- Competitor benchmarking (after the release of results).
- Review of latest forecast (in connection with quarterly results).
- Treasury report with rolling covenant compliance analysis (in connection with quarterly results).
- Review of stock market expectations (in connection with quarterly results)

The following items shall be addressed by the Board annually at a suitable meeting:

- Review of Finance Policy, Accounting and Reporting Manuals and Operating Principles of Internal Controls.
- Report on Group Insurance Programs.

In addition to the above, the following items shall be addressed at respective Board Meeting:

### **Board Meeting - "Annual accounts" (February)**

- Review/approval of the financial statements for the previous year and the Board of Director`s report.
- Presentation of audit memorandum and comments by the auditor.
- Review of audit focus areas.
- Dividend proposal.
- Review of latest forecast.
- Review of stock market expectations.
- Review/approval of the Corporate Governance Statement for the previous year.
- Evaluation of performance and remuneration of Managing Director and employees reporting to the Managing Director.
- Outcome of the incentive systems for the Managing Director and employees reporting to the Managing Director, based on the fulfillment of the criteria for previous year
- Preparations for the Annual General Meeting and Annual Report.

### **Board Meeting - "Formative meeting" (after the Annual General Meeting)**

- Election of the Chairman and Vice Chairman of the Board.
- Election of the secretary for the Board.
- Assessment of the independency of the members of the Board of the Company and of the significant shareholders of the Company.
- Election of the members of the Working Committee.
- Eventual establishment of other Board committees.
- Review of the Board meeting time-schedule.
- Evaluation and approval of the Rules of Procedure for the Board and the Managing Director, and the Charter for the Board committee/committees.

### **Board Meeting - "Q1" (May)**

- Review/approval of interim report for Q1, latest monthly accounts and quarterly KPIs.
- Auditors' review and follow-up on open issues.
- Review of latest forecast.
- Review of stock market expectations.

### **Board Meeting - "Q2" (August)**

- Review/approval of interim report for Q2, latest monthly accounts and quarterly KPIs.
- Auditors' review and follow-up on open issues.
- Review of latest forecast.
- Review of stock market expectations.
- Budget objective and process.
- Preliminary investment allocation.

## **Board Meeting – “Strategy and budget process” (September/October)**

- Review of latest monthly accounts.
- Group strategy, business planning per segment and market research.
- Group organisation, internal governance and human resources management planning.
- Budget objective and process.

## **Board Meeting/Meeting focus – “Q3” (November)**

- Review/approval of interim report for Q3, latest monthly accounts and quarterly KPIs.
- Auditors’ review and follow-up on open issues.
- Review of stock market expectations.
- Review of finance policy, risk management, and accounting and reporting manual.

## **Board Meeting/Meeting focus – “Budget” (December)**

- Approval of the budget for next financial year.
- Evaluation of the performance and the working methods of the Board.
- Set up material principles for next fiscal year incentive systems for the Managing Director, other management team members as well as other employees.
- Corporate governance review.
- Preparation of year-end accounts and audit procedures.
- Internal audit report.

## **6. MISCELLANEOUS**

- 6.1 Every member of the Board is subject to a duty of confidentiality with respect to all matters of which such member becomes aware in his capacity as member of the Board, insofar as the Board does not resolve to make such information public.
- 6.2 According to FCA, a member of the Board or the Managing Director may not participate in the handling of a contract between himself and the company. Nor may he participate in the handling of a contract between the Company and a third party if he may thereby receive a material benefit which may be in contradiction with the interests of the Company. The aforementioned on contracts shall correspondingly apply to a court hearing or other similar matter.
- 6.3 The expenses of the Board members shall be verified by the Secretary of the Board and attested by the Managing Director.
- 6.4 The Board shall review the rules of procedure each year normally at the first ordinary meeting of the Board following the Annual General Meeting. The Chairman of the Board shall carry out, each year, a review of these rules of procedure and the work instruction for the Managing Director and work instructions for any other corporate bodies established by the Board, and propose any amendments to the same. Proposals for amendments to the rules of procedure and the work instruction for the Managing Director, and work instructions for any other corporate bodies established by the Board, shall be submitted to the members of the Board together with other informational material or material for the basis of decisions pursuant to Section 4 above.

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The current rules of procedure were adopted by the Board of Ramirent Plc at a meeting on 29 March 2010.