

Orthex Corporation

Principles Concerning Diversity of the Board of Directors

Approver:	Board of Directors
Approval Date:	9.12.2024
Version:	1.1

Orthex Corporation (“Orthex” or “the Company”) regards diversity as an important and natural approach in its operations. Diversity shall be part of such cooperative and functional Board of Directors which is able to respond to the requirements set out in the Company's business and strategic objectives. Such Board of Directors will also be able to support and challenge the Company's operative management in a proactive and constructive manner. The principles concerning the diversity of the Board of Directors are in line with this premise.

In accordance with the Company's Articles of Association, the Board of Directors shall comprise at least four (4) and at most eight (8) members. The term of the members of the Board of Directors shall end at the end of the Annual General Meeting of the Shareholders following the election. The Board of Directors shall elect the Chair of the Board of Directors from among its members for the same term.

The Finnish Corporate Governance Code (“the Code”) for listed companies provides that the composition of the board of directors shall reflect the requirements set by the company's operations and development stage. A person elected as a director must have the competence required by the position and the possibility to devote sufficient time to attending the duties. The number of directors and the composition of the board of directors shall be such that they enable the board of directors to see to its duties efficiently. There shall be a balanced representation of different genders in the Board of Directors. The Code also provides recommendations concerning the independence of the members of the Board of Directors.

The proposal for the composition of the Board of Directors of Orthex is prepared by the Company's Shareholders' Nomination Board (“Nomination Board”). The Nomination Board consists of the four (4) largest shareholders of the Company or, if the Company has more than four (4) shareholders whose shareholding and voting rights in the Company are more than 10 percent, the corresponding number of shareholders or persons appointed by them, and the Chair of the Board of Directors. The Chair of the Board of Directors acts as an expert member of the Nomination Board. The Nomination Board is responsible for preparing and presenting proposals for the number of members of the Board of Directors and for members of the Board of Directors to the Annual General Meeting and finding candidates for successors of the members of the Board of Directors. The Chair of the Nomination Board presents the Nomination Board's proposals at the General Meeting. The composition of the Board of Directors is decided by the General Meeting.

In the preparation of the composition of the Board of Directors of Orthex, attention is paid to the aforementioned requirements set by the Company's Articles of Association and the Code, as well as to the requirements set by the Company's operations, and the premises of diversity derived therefrom.

Significant factors concerning the composition of the Board of Directors include mutually complementary variety of competences, education and experience in different professional fields and in management and business operations existing in different development phases, as well as the personal capabilities of each member, all of which add to the diversity to the Board of Directors. Diversity is considered not only from the aspect of gender but also from other factors promoting the Board's diversity, such as the age structure of the Board, the members' educational and professional background, their experience relevant for the position, and personal characteristics. When preparing the composition, it is also assessed how the members' skills, education and experience complement each other. The Company's long-term needs are also considered.

The purpose of the diversity principles is to contribute to making sure that the Board of Directors' combined competence and experience and the diversity of its composition are sufficiently aligned with Orthex's operational needs. With regard to gender structure, the objective is that there is a balanced representation of different genders in the Board.