



# FINNVERA

Statement on the Corporate Governance  
and Steering System 2022

# Finnvera's Statement on the Corporate Governance and Steering System has been drawn up in accordance with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association, and with the provisions of the Securities Markets Act.



The Finnvera Group complies with good corporate governance and strives to ensure transparency at all levels of the organisation.

The Code of Conduct approved by the Board of Directors covers both ethical principles and legal rules.

The Finnvera Group's parent company is Finnvera plc and its subsidiary is Finnish Export Credit Ltd.

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When creating the PDF documents of Finnvera's Annual Report, the accessibility requirements for online services have been taken into account, and the publications can be read using a screen reader.

## Statement on the Corporate Governance and Steering System

Finnvera's Statement on the Corporate Governance and Steering System has been drawn up in accordance with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association, and with the provisions of the Securities Markets Act. Finnvera publishes the Statement on the Corporate Governance and Steering System as a separate statement attached to the Annual Report. The Finnish Corporate Governance Code is available on the website of the Securities Market Association, at [cgfinland.fi/en](http://cgfinland.fi/en).

Finnvera is a specialised financing company fully owned by the State of Finland. For this reason, Finnvera complies with recommendations 1–4 of the Finnish Corporate Governance Code concerning the Annual General Meeting whenever appropriate and applicable.

Apart from the parent company Finnvera plc, the Finnvera Group comprises Finnish Export Credit Ltd., which provides export credit financing and administers interest equalisation. The operations of Veraventure Ltd, a former subsidiary that engaged in venture capital investment, were discontinued, and the company merged with the parent company on 31 July 2022.

Finnvera's Statement on the Corporate Governance and Steering System also includes a description of the principal features of the internal control and risk management systems pertaining to the financial reporting process as well as the remuneration report of the governing bodies.

The Audit Committee of Finnvera's Board of Directors has reviewed the statement, and Finnvera's auditor, KPMG Oy Ab, has checked that the statement has been issued and that its description of the principal features of the internal control and risk management systems pertaining to the financial reporting process is in agreement with the financial statements.

### Acts and rules governing the operations

Finnvera's operations are steered by the Limited Liability Companies Act (624/2006), the special legislation on Finnvera, the obligations laid down in international treaties, and the industrial and ownership policy goals determined by the State. When performing public administrative tasks, Finnvera complies with the Administrative Procedure Act (434/2003).

Under Directive 2013/36/EC of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions, the Credit Institutions Directive does not apply to Finnvera. However, Finnvera adheres to the regulations and recommendations of the Financial Supervisory Authority, whenever applicable. On 23 March 2022, the Ministry of Economic Affairs and Employment issued an updated decision on the Financial Supervisory Authority's guidelines and regulations, which the ministry applies in the financial supervision of Finnvera.

When presenting reports and financial information, Finnvera – as an issuer of bonds – is bound by the guidelines of the Financial Supervisory Authority and the Securities Market Association, the Securities Markets Act (746/2012), the stock exchange rules (NASDAQ OMX Helsinki and London stock exchanges), and the decisions of the Ministry of Finance.

Finnvera draws up the consolidated and parent company's financial statements, half-year report and Q1 and Q3 reports in keeping with the International Financial Reporting Standards (IFRS). The notes to the consolidated financial statements and the parent company's financial statements also comply with Finnish accounting and corporate law.

The Finnvera Group's Annual Report, including the Report of the Board of Directors, the financial statements, the annual review, the corporate responsibility report and the Statement on the Corporate Governance and Steering System, is published in February. The half-year report for the period 1 January–30 June is published in August. Finnvera additionally publishes interim management statements in May (Q1) and November (Q3). The Annual Report, the half-year report and the interim reports are published in Finnish and English.

The auditor's task is, pursuant to the Auditing Act in force and in accordance with good auditing practice, to audit the company's financial statements, accounting records and governance, as well as to issue an auditor's report on the audit work conducted. In addition, it is the auditor's responsibility to read the Report of the Board of Directors and other information contained in the Annual Report as well as to consider whether any other information is materially inconsistent with the financial statements or knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the Report of the Board of Directors, the auditors' responsibilities also include con-

sidering whether the report of the Board of Directors has been prepared in accordance with the applicable provisions. The auditors' work includes the statutory audit of Finnish Export Credit Ltd, a subsidiary of the Finnvera Group.

### The goals of good corporate governance

The Finnvera Group complies with good corporate governance and strives to ensure transparency at all levels of the organisation.

Finnvera's Board of Directors has approved the key policies, principles and guidelines that direct the company's operations.

Finnvera's operations are guided by the Code of Conduct ratified by the Board of Directors. The Code of Conduct covers corporate responsibility, the ethical principles and legal rules. The Code of Conduct includes the general operating policy outlines and the principles of responsible financing emphasised in Finnvera's social role, the basic premises for the confidentiality of our operations, and the principles applied to the work community.

The Code of Conduct is supplemented by Finnvera's ethical guidelines that consist of the principles of good governance, guidelines for ensuring impartiality in decision-making and in the preparation of matters, guidelines on non-disclosure, information security and data protection, and guidelines on insider information. The Code of Conduct and the ethical guidelines apply to both Finnvera's employees and the members of the governing bodies.

The principles of good governance include guidelines on compliance with the legal principles decreed by the Administrative Procedure Act. These legal principles are service and publicity principles as well as the principles of equality, commitment to purpose, impartiality, proportionality, and protection of legitimate expectations.

The impartiality guidelines are intended to reinforce the objectivity in Finnvera's operations as well as the equal treatment of clients. The guidelines on non-disclosure and exchange of information define the points of departure for confidentiality in Finnvera's operations and steer the management of permissible exchange of information in an appropriate manner. The guidelines on insider information provide Finnvera's employees with the concept of insider information so that they are prepared to identify in advance what type of information on client enterprises is classified as insider information and to prevent its misuse.

**Finnvera’s Board approved corporate responsibility policies updated in 2022**

Finnvera’s Code of Conduct, Anti-bribery policy, Tax haven and tax avoidance prevention policy, and Environmental and social risk management policy for financing are updated annually. The updates in 2022 were technical in nature. Finnvera integrated measures to prevent money laundering and terrorist financing into its new operational risk management policy. In particular, the policy measures cover the KYC principles and basic premises of compliance with sanctions in finance. Further information on these policies is available in the Corporate responsibility management section of the Annual Review.

**Ownership and ownership policy**

Finnvera plc is a specialised financing company fully owned by the State of Finland.

The legislation on Finnvera defines the tasks whereby Finnvera influences the development of enterprising and employment in Finland. The Ministry of Economic Affairs and Employment supervises and monitors Finnvera’s operations. As the body responsible for the ownership and industrial policy steering of Finnvera, the Innovations and Enterprise Financing Department of the ministry sets industrial and ownership policy goals for the company for a period of four years at a time. Whenever necessary, the ministry revises these goals annually.

On the basis of the industrial policy goals confirmed by the Ministry of Economic Affairs and Employment, an assessment is made annually of how well Finnvera has succeeded, for instance in correcting market failures in corporate financing and risk-sharing as well as in promoting start-ups, transfers of ownership, investments, employment, the growth of enterprises, internationalisation, and exports. After exceptional years in 2020 and 2021, goals focusing on normal financing were again set for Finnvera, however taking into account any sectors that would need special support, should the exceptional situation continue. In line with these goals, Finnvera may play a larger role, and the company may take higher risks in exceptional circumstances than during normal times.

The ownership policy goals set by the Ministry of Economic Affairs and Employment apply to the self-sustainability and efficiency of the company’s

operations, risk management and capital adequacy. Finnvera should conduct its business so that the income from the company’s operations covers the expenses of the operations over a period exceeding a business cycle. The funds in the reserve for export credit guarantee and special guarantee operations are taken into consideration when assessing the self-sustainability of export credit guarantee and special guarantee financing. The review period is 10 years for SME financing and 20 years for export financing. Finnvera should operate efficiently and improve the productivity of work.

**Governing bodies of Finnvera**

Responsibility for Finnvera’s administration is vested in the General Meeting of Shareholders, the Supervisory Board, the Board of Directors, and the Chief Executive Officer.

**General Meeting of Shareholders**

The General Meeting of Shareholders can make decisions on issues assigned to it by law and the Articles of Association. The General Meeting of Shareholders elects the members of the Supervisory Board and the Board of Directors, the Chairs and Vice Chairs of both bodies, and the auditors for a term of one year at a time.

The Annual General Meeting is held yearly, by the end of June.

**Supervisory Board**

The Supervisory Board supervises the company’s governance. It gives the Annual General Meeting its opinion on the financial statements and the auditor’s report, and counsels on issues that concern considerable reduction or expansion of the company’s operations or substantial reorganisation of the company. In addition, the Supervisory Board advises the Board of Directors on matters that have far-reaching consequences or are otherwise important as questions of principle. The Supervisory Board consists of a minimum of eight and a maximum of eighteen members.

In 2022, the Supervisory Board had 18 members. The Supervisory Board met 7 times (7) in 2022. The average attendance rate at the Supervisory Board meetings was 94% (94).



**Finnvera’s key guidelines, principles and policies:**

- Code of Conduct – the principles governing Finnvera’s business operations
- Finnvera Group’s Internal Capital Adequacy Assessment Process (ICLAAP)
- Internal control policy
- Policy for managing operational risks
- Credit policy
- Market and liquidity risk policy
- Asset management policy
- Risk protection policy associated with export credit guarantee operations
- Environmental and social risk management policy for Finnvera’s financing operations
- Country policies
- Anti-bribery Policy
- Policy on tax havens and tax avoidance
- Publicity policy in export credit guarantee operations
- IT policy outlines
- Comprehensive security management model
- Communications and marketing principles
- Principles for cooperation agreements
- Guidelines and procedures for procurement
- Development operating model
- ISO 9001: 2015 certified operating system.

### Members and remuneration of the Supervisory Board in 2022

Members	Membership 2022	Attendance at meetings	Fees (EUR)
<b>Chairman</b>			
Sofia Vikman, Member of Parliament (National Coalition Party)	1 Jan.–31 Dec.	7/7	5,600
<b>Vice Chairman</b>			
Johannes Koskinen, Member of Parliament (Social Democratic Party of Finland)	1 Jan.–31 Dec.	7/7	4,200
<b>Members:</b>			
Eeva-Johanna Eloranta, Member of Parliament (Social Democratic Party of Finland)	1 Jan.–31 Dec.	7/7	3,500
Mari Holopainen, Member of Parliament (Green Party)	1 Jan.–31 Dec.	5/7	2,500
Anne Kalmari, Member of Parliament (Centre Party)	1 Jan.–31 Dec.	7/7	3,500
Juho Kautto, Member of Parliament (Left Alliance)	1 Jan.–31 Dec.	7/7	3,500
Leila Kurki, Senior Adviser, Finnish Confederation of Professionals STTK	1 Jan.–25 Mar.	2/2	1,500
Kari Luoto, Managing Director, Finnish Grocery Trade Association	1 Jan.–31 Dec.	7/7	3,500
Anni Marttinen, Economist, Central Organisation of Finnish Trade Unions SAK	1 Jan.–25 Mar.	2/2	1,500
Veli-Matti Mattila, Director, Chief Economist, Finance Finland	1 Jan.–31 Dec.	7/7	3,500
Seppo Nevalainen, Economist, Finnish Confederation of Professionals STTK	1 Jan.–25 Mar.	5/5	2,000
Anne Niemi, Vice Chair, Federation of Finnish Enterprises	1 Jan.–31 Dec.	7/7	3,500
Martin Paasi, Chairman, Finnish Business School Graduates	1 Jan.–31 Dec.	7/7	3,000
Arja Parkkinen, Development Manager, the personnel organisation Erityisrahoituksen ammattilaiset ERA	1 Jan.–31 Dec.	7/7	3,500
Juha Pylväs, Member of Parliament (Centre Party)	1 Jan.–31 Dec.	6/7	3,000
Lulu Ranne, Member of Parliament (Finns Party)	1 Jan.–31 Dec.	6/7	3,500
Wille Rydman, Member of Parliament (Finns Party)	1 Jan.–31 Dec.	7/7	3,500
Joakim Strand, Member of Parliament (Swedish People's Party of Finland)	1 Jan.–31 Dec.	7/7	3,500
Katja Syvärinen, Director, Central Organisation of Finnish Trade Unions SAK	1 Jan.–25 Mar.	3/5	1,500
Tommi Toivola, Director, Confederation of Finnish Industries EK	1 Jan.–31 Dec.	6/7	3,000
<b>Total remuneration for the members of the Supervisory Board (incl. that for Finnvera's personnel representative)</b>			<b>62,800</b>

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### Board of Directors

The Board of Directors is responsible for the company's governance and for the proper organisation of its operations. The Board approves the company's strategy and annual plans, the budget, the half-year reports, the Report of the Board of Directors and the financial statements, risk appetite, the credit policy and other key policies.

The Board advances the company's development and ensures that the operations conform to law and meet the goals set by the owner. The Board ensures the supervision of accounting and asset management and approves other matters of principle. The Board also decides important individual cases of financing.

The Board of Directors steers and supervises Finnvera's executive management and ensures the functioning of the management system. The Board decides on the appointment and dismissal of the company's Chief Executive Officer, Deputy to the CEO, and other members of the company's senior management; on appointment and dismissal of the Head of Internal Auditing; and on salaries and fees. The Board appoints the Audit Committee, Risk Committee and Remuneration and Nomination Committee from among its members to assist the Board in its tasks.

Separate agreement has been made on the division of operational duties and business-related decision-making between the Board of Directors, the Chief Executive Officer and other management.

Rules of procedure have been confirmed for the Board of Directors and its committees.

According to the goal set by the company, the Board should have a suitable combination of continuity, experience, know-how and variety with respect to education and experience so that it can successfully complete its tasks at any given time. When the Board is elected, the goal is that the Board and its committees as a whole have sufficient know-how and experience in the sectors important for the company's operations.

When Board members are elected, attention is paid to the aspects of equality pertaining to State-owned companies.

The Board of Directors assesses the independence of its members annually and indicates which members are independent of the company and which members are independent of significant shareholders. In 2022, all members were independent of the company. The members were also independent of the company's sole shareholder, with the exception of First Vice Chairman Antti Neimala and Second Vice Chairman Terhi Järvikare who have an employment relationship with the State of Finland.

The Ministry of Economic Affairs and Employment is responsible for the ownership steering of Finnvera and for the proposal concerning the composition of the Board of Directors submitted to the General Meeting. The company strives to influence the proposal on the Board's composition so that the principles concerning variety are taken into account.

The plan for Board meetings is drawn up yearly. Besides the issues discussed at each specific meeting, the meeting plan includes issues discussed quarterly, semi-annually or annually, such as the financial statements, the half-year report, interim management reports and the attainment of strategic and annual targets, risk reviews, measures to strengthen the credit policy and other key risk policies, compliance reports, the report on internal auditing, and certain specifically named themes, such as reviews of the Large Corporates and SME units as well as Finnvera's digitalisation project.

Finnvera's Board of Directors consists of at least six members and at most nine members. The General Meeting elects the members for a term of one year at a time. One Board member is elected among candidates named by the Ministry of Economic Affairs and Employment and one among candidates named by the Ministry of Finance.

In 2022, the Board had eight members, four of whom were women and four men. The Board met a total of 20 times (26) in 2022. The members' average attendance rate at the Board meetings was 97% (98).

**Members on 31 December 2022**

Chairman  
**Petri Ekman**  
(1958), M.Sc. (Eng), entrepreneur

Petri Ekman has chaired Finnvera's Board of Directors and Board of Directors' Remuneration and Nomination Committee since 2021. He has worked in expert and managerial roles in corporate banking for over 20 years in total: since 1987, in Postipankki, ABN AMRO Bank and Pohjola Pankki, as well as in business insurance management in If Vahinkovakuutus and Pohjola Vakuutus in 2005–2017. Currently, Ekman is Chairman of Euroclear Finland's Board of Directors and a Board Member in XMLdata Oy.

First Vice Chairman  
**Antti Neimala**  
(1963), LL.M. with court training, Director General of the Employment and Well-functioning Markets Department of the Ministry of Economic Affairs and Employment

Antti Neimala is a member of Finnvera's Board of Directors (2019–) and the Board's Remuneration and Nomination Committee and Risk Committee. Neimala has worked as Director General of the Employment and Well-functioning Markets Department of the Ministry of Economic Affairs and Employment since August 2018. Before that, he worked as Director General of the Finnish Competition and Consumer Authority and as Consumer Ombudsman. Neimala held the position of Vice Managing Director and other executive posts at the Federation of Finnish Enterprises in 2001–2004 and 2007–2017 and worked as Director of the SME Unit at the Confederation of Finnish Industries in 2010 and as Project Manager at the Ministry of Trade and Industry in 2004–2007.

Second Vice Chairman  
**Terhi Järvikare**  
(1970), Lic.Sc. (Econ.), Director General of the Tax Department of the Ministry of Finance

Terhi Järvikare has been a member of Finnvera's Board of Directors since 2017 and chairs the Board's Audit Committee. She has worked as Director General of the Tax Department of the Ministry of Finance since 2015. In 2012–2015, Järvikare was Director, Taxation at the Finland Chamber of Commerce. Before that, she worked in the Ministry of Finance: as a Ministerial Adviser in 2005–2012 and as a Senior Officer in 1996–2005.

**Hannu Jaatinen**  
(1957), M.Sc. (Econ.), eMBA

Hannu Jaatinen has been a member of Finnvera's Board of Directors since 2021 and is a member of the Board's Audit Committee. In 1985–2020, he held expert and managerial positions in OP Financial Group's business research, risk management and corporate banking functions, most recently as Vice President of OP Corporate Bank. Jaatinen is currently a board member in Kisko Consulting Oy and Kisko Capital Oy.

**Ritva Laukkanen**  
(1954), M.Sc. (Econ.)

Ritva Laukkanen has been a member of Finnvera's Board of Directors since 2017 and chairs the Board's Risk Committee. In 1990–2011, she held several expert and executive posts at International Finance Corporation IFC, which is part of the World Bank Group. Before joining IFC, Laukkanen worked for 10 years in various positions at American Scandinavian Banking Corporation in New York, including as a director in corporate lending. She has held various board positions since 2012.

**Anne Nurminen (1981)**

Anne Nurminen has been a member of Finnvera's Board of Directors since 13 October 2022 and the Board's Risk Committee since 9 November 2022. Nurminen is the CEO of Helkone Group Oy, a family-owned engineering company, and Pixy Finland Oy, which focuses on riding coaching. She is

**Total remuneration for the Board of Directors 2022**

Members on 31 December 2022	Membership 2022	Committee membership	Attendance at the Board of Directors	Attendance at the committee	Salaries and fees (EUR)
Chairman Petri Ekman	1 Jan.–31 Dec.	Remuneration and Nomination Committee	20/20	5/5	36,600
First Vice Chairman Antti Neimala	1 Jan.–31 Dec.	Remuneration and Nominations Committee Risk Committee	19/20	5/5 5/5	29,400
Second Vice Chairman Terhi Järvikare	1 Jan.–31 Dec.	Audit Committee	20/20	4/4	25,800
Hannu Jaatinen	1 Jan.–31 Dec.	Risk Committee 1 Jan.–25 Mar. Audit Committee 25 Mar.–31 Dec.	20/20	1/1 3/3	23,400
Ritva Laukkanen	1 Jan.–31 Dec.	Risk Committee	20/20	5/5	25,800
Anne Nurminen	13 Oct.–31 Dec.	Risk Committee 9 Nov.–31 Dec.	5/6	1/2	3,200
Elina Piispanen	25 Mar.–31 Dec.	Remuneration and Nomination Committee Audit Committee	13/14	3/3 3/3	18,200
Pirkko Rantanen-Kervinen	1 Jan.–25 Mar.	Audit Committee	5/6	1/1	7,200
Petri Viertiö	25 Mar.–31 Dec.	Risk Committee	13/14	3/4	15,200
Antti Zitting	1 Jan.–25 Mar.	Remuneration Committee Audit Committee	6/6	2/2 1/1	9,000
<b>Salaries and fees of the members of the Board of Directors paid in 2022, total</b>					<b>193,800</b>

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also Chair of the Board of Directors at Hellman Konepaja Oy and Pro-tools Oy. Among other things, Nurminen is a Board member in Technology Industries of Finland and a member of the Entrepreneur Delegation in the Confederation of Finnish Industries EK.

**Elina Piispanen**

(1963), M.Sc. (Econ.)

Elina Piispanen is a member of Finnvera's Board of Directors and the Board's Remuneration and Nomination Committee and Audit Committee as of 25 March 2022. She held the post of Transformation Director at Sanoma Media Finland between 2016 and 2018, and previously worked for nearly 30 years in several executive and expert positions at Accenture, the world's largest consulting and technology expert service company. Currently a professional board member, Piispanen chairs the Board of Finnish Red Cross Ensiaapuyhtiö and is a Board member in Loihde Oyj, Oiva Isännöinti Oy, Sitowise Oyj and Telko Oy.

**Petri Viertiö**

(1962), M.Sc. (Tech.)

Petri Viertiö is a member of Finnvera's Board of Directors and the Board's Risk Committee since 25 March 2022. Viertiö is Chief Risk Officer at S-Bank and also leads the bank's ESG coordination group, which focuses on corporate responsibility. He has previously held risk management executive positions at Nordea, Danske Bank, Pohjola Bank and Sampo plc, among others. In addition, Viertiö has been a member of OP Life Assurance's Board of Directors and director of management advisory services at Ernst & Young.

**Audit Committee of the Board of Directors**

The Audit Committee assists Finnvera's Board of Directors in ensuring that the company's and its Group's financial reporting and supervision of asset management are arranged appropriately and that auditing of the accounts and internal auditing have been organised in compliance with laws, regulations and the operating principles confirmed by the Board of Directors. A plan is drawn up yearly for the Audit Committee's meetings.

The Audit Committee:

- monitors Finnvera Group's financial and funding situation and monitors and evaluates the financial reporting system and financial reporting process of the company and its subsidiaries
- monitors and evaluates the efficiency of the company's internal auditing
- monitors the statutory auditing of the company's financial statements and the consolidated financial statements and assesses the independence of the statutory auditor and the auditing company and the quality and scope of ancillary services
- handles matters related to supervision by the authorities and compliance with acts and regulations, if necessary in cooperation with the Risk Committee
- approves the report issued on the company's Corporate Governance and Steering System.

The Board's Audit Committee has 2–4 Board members. The Board of Directors selects the Audit Committee's members and chairman from among the Board members, for a term of one year at a time. A minimum of one half of the members must be independent of the company and the company's shareholder.

The Audit Committee elected after the Annual General Meeting of 2022 consisted of Second Vice Chairman Terhi Järvikare (Chair), Board member Hannu Jaatinen and Board member Elina Piispanen.

In 2022, the Committee met 4 times (5) and the members' attendance rate was 100% (100).

**Risk Committee of the Board of Directors**

The purpose of the Risk Committee is to assist the Board in matters related to risk appetite and risk management. The Risk Committee assists the Board of Directors in ensuring that the internal control covering the operations of the entire Group and the risk management are arranged appropriately in compliance with laws, regulations and the operating principles confirmed by the company's Board of Directors.

The Risk Committee:

- assists and supports the Board of Directors in defining and monitoring the risk appetite and risk strategy
- handles key reporting concerning the Committee's line of business, such as risk reports, compliance reports as well as information security and data protection reviews
- monitors the efficiency of the company's and its subsidiary's internal control and risk management systems
- assesses compliance with laws, regulations and other rules in the organisation
- handles matters related to supervision by the authorities in cooperation with Audit Committee, when needed
- when needed, assists the Remuneration and Nomination Committee of the Board of Directors in the preparation of appropriate salary and fee principles.

The Risk Committee consists of 2–4 members of the Board of Directors. A minimum of one half of the members must be independent of the company and the company's shareholder. The Board of Directors selects the Risk Committee's members and chairman from among the Board members, for a term of one year at a time.

The Risk Committee elected after the Annual General Meeting of 2022 comprised Ritva Laukkanen (Chair), First Vice Chairman Antti Neimala, Board member Petri Viertiö and, as of 9 November 2022, Board member Anne Nurminen.

The Risk Committee met 5 times (5) and the members' attendance rate was 88% (100) in 2022.

**Remuneration and Nomination Committee of the Board of Directors**

The Remuneration and Nomination Committee assists Finnvera's Board of Directors in managing issues pertaining to the appointment, terms of employment and salaries of senior executives, and the rewards and incentive systems applied to the management and personnel.

The role of this Committee was modified in 2022, and it now also deals with matters related to selecting the company's Board of Directors, the

preparation of which is the task of the Ministry of Economic Affairs and Employment as the ministry responsible for the company's ownership steering. At the same time, the Committee's name was changed from the Remuneration Committee to Remuneration and Nomination Committee.

A meeting plan is drawn up annually for the Remuneration and Nomination Committee. The Remuneration and Nomination Committee consists of at least three members. The Board of Directors selects the Committee members and Chairman from among the Board members for a term of one year at a time.

The Remuneration and Nomination Committee elected after the Annual General Meeting of 2022 comprised Chairman of the Board Petri Ekman (chair), First Vice Chairman Antti Neimala and Board Member Elina Piispanen.

In 2022, the Remuneration and Nomination Committee met 5 times (6) and the members' attendance rate was 100% (100).

**Chief Executive Officer, Management Group and Corporate Management Team**

The Chief Executive Officer is responsible for the company's operational management in keeping with the guidelines and regulations issued by the Board of Directors. The Chief Executive Officer is assisted by the Management Group and the Corporate Management Team in performing the tasks specified in the Limited Liability Companies Act. The Management

Group discusses issues relating to Finnvera's strategy, policy outlines for business and client work, objectives and productivity, process development, risk management and ownership steering. The Corporate Management Team discusses matters that have a major impact on the company's personnel. The Corporate Management Team serves as a collaborative body, as defined more specifically in Finnvera plc's cooperation agreement, which covers, among other things, the negotiation and notification obligations laid down in the Act on Co-operation within Undertakings.

Pauli Heikkilä (1962), D.Sc. (Tech.), has served as Finnvera's Chief Executive Officer since 2005.

For a description of Finnvera's operational management, see the organogram of the company.

**Governing bodies of the subsidiary Finnish Export Credit Ltd.**

Finnish Export Credit Ltd. is a subsidiary fully owned by Finnvera plc. The responsibility for Finnish Export Credit Ltd.'s governance is vested in the General Meeting of Shareholders, the Board of Directors, and the Chief Executive Officer. In 2022, the Board had five members, of whom two were women and three men. The Chairman of the Board of Directors of Finnish Export Credit Ltd. is Finnvera's CEO Pauli Heikkilä D.Sc. (Tech.) and the Vice Chairman is Finnvera's CFO Ulla Hagman M.Sc. (Econ.). The members are Finnvera's Executive Vice President Jussi Haarasilta LL.M., M.Sc. (Econ.),

Financial Manager Taina Vähimaa M.Sc. (Econ.) from the Ministry of Economic Affairs and Employment, and Financial Counsellor Arto Eno (M.Soc. Sc.) from the Ministry of Finance. The CEO of Finnish Export Credit Ltd was Anita Muona, LL.M., until 14 September 2022 and as of 15 September 2022 Pia Peltoniemi, LL.M. with court training. As Finnish Export Credit Ltd. does not have personnel of its own, the parent company Finnvera plc conducts its duties based on an agreement between the companies.

**Salaries, remuneration and remuneration report**

When remunerating its governing bodies, Finnvera applies the guidelines on remuneration issued by the Government's Ownership Steering Department. The fees paid to the governing bodies are confirmed by the General Meeting of Shareholders and prepared by the Ministry of Economic Affairs and Employment as the body in charge of ownership steering. As Finnvera only has one shareholder, the State of Finland, no separate remuneration policy has been drawn up by the company with respect to the remuneration of the governing bodies.

The Annual General Meeting on 25 March 2022 decided on the following attendance allowances for the Supervisory Board: EUR 800 per meeting for the Chairman, EUR 600 per meeting for the Vice Chairman and EUR 500 per meeting for members. The Annual General Meeting decided on the following remuneration payable to the Board of Directors: the monthly remuneration for the Chairman EUR 1,800, the monthly remuneration for the Vice Chairman EUR 1,000, the monthly remuneration for a member who chairs a Board committee EUR 1,000, the monthly remuneration for other members EUR 800, and the attendance allowance for Board and committee meetings EUR 600 per meeting.

In 2022, a total of EUR 256,600 was paid to the governance bodies (the fees of the Supervisory Board include the fee for Finnvera's personnel representative). The fees confirmed by the General Meeting of Shareholders and the total fees paid to each member are presented above.

The Board of Directors, upon presentation of the Remuneration and Nomination Committee, decides on the salaries and fees paid to the CEO, Deputy to the CEO and other executives appointed by the Board.

**Salaries and fees 2018-2022**

	2018	2019	2020	2021	2022
Fees for the members of the Board of Directors	138,450.00	145,800.00	220,800.00	219,500.00	193,800.00
Total remuneration for the members of the Supervisory Board	60,700.00	58,600.00	62,700.00	61,800.00	62,800.00
CEO's salaries and fees	399,000.00	410,000.00	414,029.80	397,219.03	431,072.91
Deputy CEO's salaries and fees	266,000.00	229,000.00 (1 Jan. - 31 Aug. 2019)	No Deputy CEO	No Deputy CEO	No Deputy CEO
Salaries and fees of deputy to the CEO	Deputised by Deputy CEO	118,000.00 (20 June - 31 Dec. 2019)	235,329.34	222,771.16	237,414.20
<b>Personnel's salaries and fees</b>	<b>22,687,000.00</b>	<b>22,891,000.00</b>	<b>24,291,181.52</b>	<b>25,059,033.54</b>	<b>24,781,905.12</b>

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The salaries and fees paid to Finnvera's CEO in 2022 totalled EUR 431,072.91. The total remuneration includes the taxable value of the car benefit.

The CEO has a notice period of six months. In addition, the CEO is entitled to a severance compensation corresponding to 18 months' pay if he is dismissed by the company. The Executive Vice President of the Large Corporates business unit acts as a substitute to the Chief Executive Officer. The salaries and fees paid to the Executive Vice President of the Large Corporates business unit in 2022 totalled EUR 237,414.20.

A new CEO took over in Finnvera's subsidiary, Finnish Export Credit Ltd, on 15 September 2022, by which time EUR 106,083.92 of salaries and fees had been paid. Between 15 September and 31 December 2022, the salaries and fees paid to the CEO totalled EUR 33,250.00.

The salaries and fees paid to the rest of the members of the Management Group totalled EUR 1,279,846.86 in 2022. The supplementary pension contributions had an impact of EUR 107,486.98 on the company. The Chief Executive Officer's supplementary pension accounted for EUR 49,444.06 of this.

The Management Group members' salaries are based on total remuneration. The total remuneration includes a phone benefit and it may include a car benefit.

The Board of Directors has approved the principles of the Management Group's performance bonus system and the targets set for the system in 2022. The performance bonus system adheres to the guidelines that the State owner has issued on the executive management's remuneration.

The performance bonus system encompasses the CEO and the members of the Management Group.

The maximum performance bonus is 15% of the annual earnings when the target level is reached, and 30% of the annual earnings if the company's and the bonus recipient's performance has been exceptionally good.

The determination of the performance bonus depends on the achievement of the company's annual goals and personal performance. Indicators on the basis of which the performance bonus may be partially or totally left unpaid are the company's financial performance during the year under review and cumulatively as well as other factors related to corporate responsibility, the company's risk position and personnel satisfaction.

The average performance bonus paid to the CEO and the other members of the Management Group in 2021 was on average 16% of the annual

earnings (7.06%). This performance bonus was paid in 2022. No decision has been made on the payment of a performance bonus for 2022.

Finnvera's personnel are covered by an incentive bonus system, the objective of which is to reward employees for exceptionally good work performance. The members of the Management Group are outside the scope of the incentive bonus system.

The CEO and one member of the Management Group are included in a defined contribution pension plan, in which supplementary pension can be withdrawn at the age of 63 years at the earliest. In addition, two other senior executives at Finnvera are included in a defined contribution pension plan.

### Operating principles for internal control

Internal control is an integral element of the Finnvera Group's operations and management. Its aim is to ensure the achievement of the goals defined by Finnvera and its subsidiary. The Boards of Directors and senior executives of Finnvera and its subsidiary are responsible for arranging and organising internal control, which is implemented by the entire organisation. Each supervisor is responsible for the functioning of internal control for their own area of responsibility.

The control system is tasked with supporting the implementation of the Group's strategy and ensuring for the management that the company's operations are efficient and profitable, that the identification, measurement and management of risks cover the operations as a whole, that financial reporting and information other than financial information are reliable, and that laws and other regulations pertaining to the operations are followed.

Finnvera's corporate culture, the ethical guidelines adopted by the Board of Directors, the corporate responsibility policies, risk management policies and the personnel's high professional standards, as well as the guidelines and practices agreed upon lay the foundation for the internal control environment throughout the whole Group. Operations are based on predetermined and planned processes and the associated approval procedures, reconciliations and other checks associated with them.

The daily operations are steered by an operating system conforming to the ISO 9001 standard. The operating system helps ensure the quality of Finnvera's services and the management of operational risks. At the same time, it provides a solid foundation for the completion of development pro-

jects. The operating system includes descriptions of processes agreed specifically for the parent company and the subsidiary, as well as operating instructions supplementing these processes.

Monitoring under the Act on Information Management in Public Administration is carried out following the company's information management model and the recommendations of the Information Management Board. For a more detailed description of the monitoring and responsibilities related to information management, see the information management model.

The company supports internal control by means of control functions that are independent of the business operations: Risk Control and Compliance. Together with internal auditing, these functions monitor that internal control, good governance and risk management are implemented in accordance with the three lines of defence in the company.

Finnvera's Code of Conduct lays the foundation for corporate responsibility. The Code covers financial, social and environmental responsibility as well as the key regulatory framework and the principles of ethical conduct. Corporate responsibility is an important part of the company's risk control system, and internal rules are part of corporate responsibility.

### Risk management

Risk management is an integral part of the company's internal control. Finnvera's Board of Directors approves the principles of the Group's risk management and risk appetite, on the basis of which all key risk policies, such as the credit policy, market and liquidity risk policy, asset management policy and operational risk management policy are approved. In keeping with Finnvera's internal control and the "three lines of defence" model, the business units and support functions bear the primary responsibility for internal control and risk management.

Credit risk is the principal risk type for the Finnvera Group. Other key risks are market and liquidity risks as well as operational risks associated with the activities. Business risk is also considered a key risk. Operational risks pertaining to financial reporting are identified, assessed and controlled as part of operational risk management.

The internal reporting system for risk management works at all levels of the Group. The parent company manages risks that have arisen in subsidiaries through ownership steering and by keeping all subsidiaries within the sphere of the risk management and internal auditing practised within the Group.

### Controlling the financial reporting process

The Finance and Treasury unit is responsible for financial reporting and its processes and development in accordance with the valid International Financial Reporting Standards and national rules and regulations. The operating policies and guidelines for Finnvera's financial operations ensure the management and control of financial operations and financial reporting.

Financial processes, operations and reporting are developed regularly. Process descriptions have been drawn up for the main financial processes.

Detailed instructions have been compiled for activities associated with financial systems and financial reporting. These instructions set the norms for financial operations and financial reporting. The internal controls, reconciliations and checks included in these activities are a central element of the range of functions ensuring the correctness, reliability and timeliness of monthly, quarterly and annual reporting. Designated persons have been assigned responsibility for maintaining guidelines for financial reporting, which are available for everyone participating in financial reporting.

Utilisation of information technology and investing in the quality of operations play a central role in the financial reporting systems.

Finance and Risk Control determine, together with the business units, the criteria for loss provisions. Risk Control is responsible for determining the criteria for calculating capital adequacy.

### Risk Control function

The purpose of the Risk Control function as part of the second line of defence is, independently of the business and support units, to monitor and evaluate risk management in the Finnvera Group and to assess the Group's risk position in relation to the risk appetite decided by the Board of Directors and set out in the strategy. Risk Control reports to the company's Management Group, the Board of Directors' Risk Committee and the Board of Directors.

Risk Control must ensure that the company has an adequate and appropriate risk control system that covers the identification, assessment, measurement, control, management and reporting of the company's mate-

rial risks. This must be done with regard to individual risks, but also at different levels of consolidation and at Group level.

### Compliance function

The purpose of Finnvera's Compliance function is to ensure that the organisation operates in accordance with rules and internal operating principles. Compliance is a second line of defence function independent of the business operations which regularly reports on its observations to the company's Management Group, the Board's Risk Committee and the Board of Directors.

The Compliance function assists the organisation's management and other functions in managing the risks associated with non-compliance with rules. To this end, the Compliance function provides proactive legal monitoring, control and consulting. The added value produced by the Compliance function is not limited to the management of the legal risk. It also increases the transparency of operations, thereby helping to sustain the trust of the owner, clients and markets.

### The State's responsibility for Finnvera's commitments

Finnvera's objective is to ensure that, in the long term, the expenses incurred in the company's operations can be covered by the income received from operations. If the Government decides to support some of Finnvera's activities separately, the necessary appropriations are included in the State Budget. For instance, the State has made a commitment to Finnvera concerning compensation for the parent company's credit and guarantee losses.

The State's commitments enable Finnvera to take higher risks in domestic operations than those taken by commercial financial institutions. In addition, the Government is entitled to grant State guarantees as security for domestic and foreign loans taken by Finnvera.

The annual profits from domestic financing and export financing are transferred to two separate reserves on Finnvera's balance sheet: the reserve for domestic operations and the reserve for export credit guarantee and special guarantee operations. In consequence, losses from domestic operations are covered from the reserve for domestic operations, while losses from export credit guarantees and special guarantees are covered from the reserve for export credit guarantee and special guar-

antee operations. There is no cross-subvention between the reserves. At the end of the year, taking the result of the 2022 financial period into consideration, the assets of the reserves totalled EUR 1,260 million (1,224).

The State's responsibility for export credit guarantees and special guarantees is determined by the Act on the State Guarantee Fund (444/1998). If the losses incurred by these operations cannot be covered by the assets in the reserve for export credit guarantee and special guarantee operations on Finnvera's balance sheet, they will be covered by the State Guarantee Fund's assets that are supplemented, if necessary, with appropriations included in the State Budget.

### Funding

Finnvera's long-term acquisition of funds takes place primarily by issuing bonds under the Euro Medium Term Note (EMTN) programme of EUR 15.0 billion. The programme is guaranteed by the State of Finland. Short-term funding is acquired through a State-guaranteed Euro Commercial Paper loan facility (ECP). Both Moody's and Fitch have rated the loan programme. The rating given by Moody's to Finnvera is Aa1 and that given by Fitch is AA+.

As defined in the Act on Finnvera, the outstanding principal of State-guaranteed loans cannot exceed the equivalent of EUR 15.0 billion. At the end of 2022, the principal of the loans guaranteed by the State totalled EUR 10.1 billion (10.0).

Finnvera uses the acquired funds both for financing export credits and for SME and midcap financing. By means of currency swaps, Finnvera converts the funds acquired into euros or US dollars, depending on the final use of the funds. Finnvera trades in currency and interest derivative products only for hedging purposes.

### Communications

Finnvera's external financial communications is based on a separate set of guidelines whose main principles are relevant information, correctly, promptly, simultaneously and available to all.

In keeping with the guidelines, the Chief Executive Officer is responsible for Finnvera's financial communications. The Finance and Treasury unit is responsible for the generation of financial information. The information is published by the Corporate Communications and HR unit.

The Act on the Provision of Digital Services applies to Finnvera's financing when services are provided to companies or natural persons. Finnvera complies with the requirements of the Accessibility Directive in all of its communications. Accessibility has been addressed on the intranet and in the reform of the external website prepared in 2022. When creating the PDF documents of Finnvera's Annual Report, the accessibility requirements for online services have been taken into account, and the publications can be read using a screen reader.

Finnvera also aims to improve accessibility in the online service and documents for customers through ongoing system reforms.

### Related party transactions

Finnvera complies with legislation associated with related party transactions and ensures, in compliance with the legislation, that the requirements set for monitoring, assessing, making decisions on and disclosing related party transactions are met.

Finnvera has determined its related parties and the company's Legal Affairs and Administration unit maintains a list of individuals and organisations that are regarded as related parties. Finnvera maintains up-to-date guidelines on the regulation associated with related parties and its monitoring. In addition to procedural guidelines on determining related parties and disclosing information, the guidelines include internal guidelines on related party transactions. The general guideline is that Finnvera refrains from making investments in a company that is its related party as referred to in the Market Abuse Regulation (MAR). As a rule, Finnvera does not enter into business transactions with individuals regarded as related parties, that is the company's management and its related parties. If, in exceptional cases, such a business transaction was deemed possible, the decision on this would be made for the company by the Board of Directors on the basis of diligent and impartial preparation.

Transactions between Finnvera and its State owner as well as business transactions within the Finnvera Group are based on special legislation, which defines the procedures to be applied in addition to the Limited Liability Companies Act. If an unusual business transaction in the State group or within the Finnvera Group, outside Finnvera's scope of business

operations, were deemed possible, the decision on this would be made for the company by the Board of Directors or the General Meeting of Shareholders on the basis of diligent and impartial preparation.

Finnvera reports in its financial statements annually on material related party transactions, loans and receivables in compliance with the accounting regulations. In the financial statements, related parties include the following: the parent company and its subsidiary; the Ministry of Economic Affairs and Employment; the Ministry of Finance; and companies outside the Finnvera Group where the State holds the majority of shares and where the Ministry of Economic Affairs and Employment exercises ownership steering. Related parties also include the members of the Supervisory Board and the Board of Directors, the Chief Executive Officer, and other members of the Management Group.

### Internal Auditing

Internal auditing supports Finnvera and its executive management in meeting goals by providing a systematic approach to evaluating and developing the functioning and efficiency of the organisation's risk management, control, and managerial and governance processes. Internal auditing consists of independent and objective assessment, assurance and consulting activities, aimed at the creation of added value for the organisation and the enhancement of the organisation's operations.

Finnvera's internal auditing is a function independent of the business operations that audits the sufficiency and efficiency of the internal control system, risk management and administration and management processes. The Board of Directors approves the action plan for internal auditing annually. Internal auditing reports regularly on audit results and observations to the Management Group, the Audit Committee of the Board of Directors and the Board. International professional standards and ethical rules of the field are complied with in auditing.

### External auditing

Finnvera has a minimum of one and a maximum of two auditors, depending on the decision made by the General Meeting of Shareholders. The auditors must be public accountants or accounting firms authorised by Finland Chamber of Commerce.

In a competitive tendering process arranged in 2019, the Finnvera Group selected KPMG Oy Ab to serve as its auditor. The auditor with the main responsibility is elected annually by the General Meeting. The Annual General Meeting of 2022 elected KPMG Oy Ab to serve as Finnvera's auditor. The auditor with the main responsibility is Marcus Tötterman, Authorised Public Accountant.

Once every quarter, the auditor participates in the meetings of the Audit Committee of the Board of Directors and draws up a separate semi-annual report to the Board and to its Audit Committee. In addition, the auditor's report is submitted to the Supervisory Board.

The fees paid by the Finnvera Group to the auditors in 2022 totalled approximately EUR 127,000 (128,000). In addition, the auditing company was paid EUR 13,000 (50,000) for advisory services.

The Report of the Board of Directors and the financial statements for 2022 can be found on Finnvera's [website](#).

### Supervision by the authorities

The Financial Supervisory Authority monitors Finnvera's bond issues. In other respects, Finnvera's finances are supervised by the Ministry of Economic Affairs and Employment's Unit for Internal Audit, applying the standards of the Financial Supervisory Authority. Realisation of the industrial and ownership policy goals set by the Ministry of Economic Affairs and Employment for Finnvera is monitored by the Ministry's Innovations and Enterprise Financing Department, which receives quarterly reports on the attainment of the goals from Finnvera.

In 2022, preparations were made for a regulatory amendment, under which Finnvera's financial supervision will be transferred from the Ministry of Economic Affairs and Employment to the Financial Supervisory Authority.

Finnvera improves and diversifies financing opportunities available for Finnish enterprises by offering loans, guarantees and export credit financing. As a State-owned company, Finnvera supplements the financial market and promotes the development of enterprises and exports.

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