



## CORPORATE GOVERNANCE STATEMENT 2019

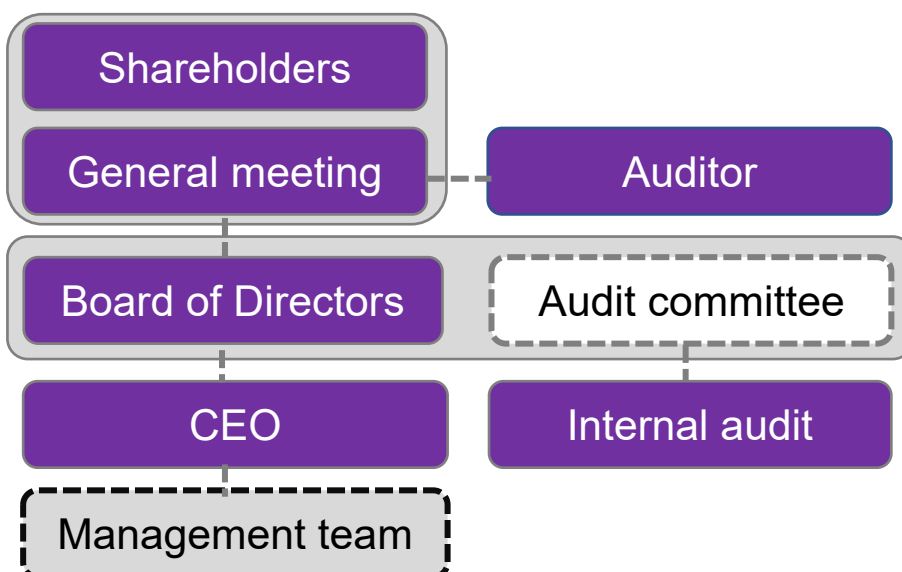
The governance of Eezy Plc (the “Company” or “EEZY”) complies with the Finnish Limited Liability Companies Act (624/2006), the rules pertaining to listed companies, the Company’s articles of association, and the rules and guidelines of Nasdaq Helsinki Ltd. In addition, the company complied with the Finnish Corporate Governance Code (2015) for listed companies (the “Corporate Governance Code”) published by the Securities Market Association, with the exception of recommendations 3 (Attendance at the General Meeting), 17 (Remuneration Committee) and 18a (Nomination Committee). According to the agenda approved by the Board of Directors at the annual general meeting, all members of the Board of Directors must attend the meeting, as must the person standing for election to the Board of Directors for the first time. The majority of the Board of Directors must attend extraordinary general meetings, depending on the nature of the matter. The Board of Directors has not deemed it necessary to establish remuneration or nomination committees because the Board of Directors is capable of handling matters efficiently without them, taking into consideration the scope and nature of the Company’s operations and the operating methods of the Board of Directors.

As of 1 January 2020, the Company has begun following the Corporate Governance Code (2020) for listed companies, and it will prepare a Corporate Governance Statement on the basis of this in 2020. The Corporate Governance Code is available on the Securities Market Association’s website at <https://cgfinland.fi/en/>

This statement has been prepared separately from the annual report of the Board of Directors. The statement is not updated over the course of the financial period, but the topics and other necessary and up-to-date investor details are presented on the Company’s website at <https://www.eezy.fi/sijoittajat/>.

### EEZY’s administrative organs

In line with the articles of association and the Limited Liability Companies Act, EEZY’s administrative organs are the general meeting, the Board of Directors and the CEO. The Company’s ultimate decision-making authority is exercised by the shareholders at general meetings. The Board of Directors and the CEO are responsible for management. The work of the Board of Directors is supported by the audit committee. The management team assists the CEO in managing the Company and the Group.



*vapaus*  
TYÖHÖN.

## General meeting

EEZY's most senior decision-making organ is the general meeting. An annual general meeting must be held by the end of June every year, and it must cover the matters within its remit according to the articles of association, as well as the proposals made to the meeting. The Company's annual general meeting is usually held in March or April.

Extraordinary general meetings can be convened if necessary. The Board of Directors is also obliged to convene a general meeting if the auditor or shareholders holding at least 10% of the Company's shares demand such a meeting in writing in order to discuss a certain matter. An invitation to the meeting must be delivered within one month of receipt of the demand.

According to EEZY's articles of association:

At the general meeting, the following must be presented:

- The financial statements, consisting of the consolidated financial statements;
- The report of the Board of Directors;
- The auditor's statement

The following must be decided at the general meeting:

- The adoption of the financial statements;
- The action to be taken on the basis of the profit recognised on the balance sheet;
- Releasing the members of the Board of Directors and the CEO from liability;
- The number of members of the Board of Directors and the emoluments payable to them;
- The auditor's fees

The following must be elected at the general meeting:

- The members of the Board of Directors;
- The auditor;

and:

- Any other business stated on the invitation to the meeting.

The invitation to the general meeting shall be delivered to the shareholders by publishing a notice on the Company's website no more than three (3) months and no less than three (3) weeks before the general meeting, and, under all circumstances, no less than nine (9) days before the record date stated in the Limited Liability Companies Act. The invitation to the meeting and the Board of Directors' proposals to the general meeting shall also be published as company bulletins. Invitations to general meetings and the documents presented to the general meeting and the decisions proposed by the Board of Directors or other competent organs shall be placed on the Company's website at least three (3) weeks before the general meeting.

## Audits

The statutory purpose of an independent external audit is to ensure that the financial statements and the report of the Board of Directors gives a true and fair view of EEZY's profit and financial position during the financial period. As part of the annual audit, the auditor audits the Company's accounts and governance. In addition, the auditor examines the interrelations between the consolidated financial statements and the other Group companies. EEZY's financial period is the calendar year.

The audit issues a statutory auditor's statement to EEZY's shareholders in conjunction with the Company's financial statements. The auditor regularly reports to the Board of Directors' audit committee and attends its meetings.

The annual general meeting elects the auditor on the basis of a Board of Directors proposal prepared by the audit committee. The general meeting also decides on the fee payable to the auditor, as well as the basis for payment. According to EEZY's articles of association, the Company has one (1) auditor. The auditor's term of office covers the financial period during which the auditor is elected, and the term ends at the end of the annual general meeting following the election. According to the articles of association, the Company's auditor shall be an audit firm approved by the Finnish Patent and Registration Office.

## Auditor 2019

KPMG Oy Ab, a firm of auditors, acted as EEZY's auditor in 2019 in line with the decision of the general meeting. The auditor with principal responsibility was Esa Kailiala, Authorised Public Accountant. The auditor's fees for the financial period amounted to EUR 167,000 for auditing, EUR 26,000 for tax advice and EUR 212,000 for other services, resulting in a total of EUR 405,000. The auditing fees decreased year-on-year, having been elevated in 2018 by EEZY's operations on Nasdaq Helsinki's First North market and the large number and scale of acquisitions made in 2018.

## Board of Directors

The Board of Directors is responsible for EEZY's governance and the appropriate arrangement of its operations. The Board of Directors has established an audit committee to support its work. The Board of Directors may decide to establish a nomination and remuneration committee and other permanent committees if it deems this necessary.

According to the version of EEZY's articles of association currently in force, the Board of Directors shall have at least three (3) and at most ten (10) members, who are elected at the annual general meeting. The term of office of a member of the Board of Directors shall end at the end of the annual general meeting following the member's election. The Board of Directors shall elect a chair from among its membership. The members of the Board of Directors do not have any special order of precedence.

## Activities of the Board of Directors

The duties and operating principles of the Board of Directors are based on Finnish legislation – in particular, the Limited Liability Companies Act and the Securities Markets Act (746/2012) – as well as the Company's articles of association. The Board of Directors is tasked with promoting the interests of the shareholders and the Company by taking care of matters such as EEZY's strategic policies and business and the appropriate arrangement of EEZY's governance and operations: The Board of Directors discusses and decides upon all significant matters pertaining to the Company's operations. The Board of Directors is also responsible for ensuring appropriate control over the Company's accounting and asset management.

EEZY's articles of association do not specify any other duties for the Board of Directors. The Board of Directors is the competent body in all matters that do not concern other administrative organs in accordance with the law or the articles of association.

The Board of Directors monitors the development of the Group's operations primarily by making use of the CEO's reviews and monthly reporting. The chair of the Board of Directors manages the work of the Board to ensure that the Board's duties are effectively and appropriately discharged.

The Board of Directors has prepared written rules of procedure that specify its duties and activities in detail. According to the rules of procedure, the Board of Directors shall steer and control the executive management. In addition, the Board of Directors:

- directs the Company's operations in such a way that it generates as much added value on the invested capital as possible over the long term while taking various stakeholders into consideration;
- confirms the strategy and annual budget, and monitors the realisation of these;
- approves the Company's strategic targets and risk management principles;
- decides on the Group's corporate governance systems and ensures the operation of the management system;
- nominates and dismisses the CEO and the Deputy CEO, and decides on the terms of employment of these personnel;
- nominates the senior managers who report directly to the CEO in line with the CEO's proposal and decides on the principles of remuneration for the members of the management team;
- approves the incentive schemes for the CEO and other managers, as well as the principles for remuneration, which the Company follows;
- confirms any applicable practices related to the Market Abuse Regulation and the Company's insider guidelines, determines the people who are always considered insiders, and monitors compliance with the insider guidelines and the regulations applying to insiders;
- confirms the Group's internal control and audit principles and monitors compliance with them;
- decides on the Group's disclosure policy and monitors compliance with the policy, and approves significant press releases by the Group;
- decides on matters related to the Group's loans and collateral, financing policy, financing agreements and purchases and sales of significant asset items;
- processes and approves the interim reports and financial statements;
- processes and approves all corporate acquisitions and mergers, as well as investments with a total value of more than EUR 250,000, as well as all other particularly significant decisions;
- processes all agreements and commercial transactions with the Company's owners and management team, as well as their related parties and companies under their control;
- approves structural changes to the Company and confirms the Company's operational structure and organisation in line with the CEO's proposal;
- evaluates its own operations and cooperation with the senior management annually; and
- processes other matters that the chair of the Board of Directors and the CEO have agreed to submit to the Board of Directors or that otherwise fall under the Board of Directors' competence on the basis of the Limited Liability Companies Act, other laws, the articles of association or any other regulations.

Once per year, the Board of Directors self-evaluates its activities and working methods. The Board of Directors' self-evaluation took place in January 2019.

The Board of Directors convenes regularly and whenever necessary. The Board of Directors holds at least one strategy meeting per year, during which it confirms the Company's long-term strategic targets, among other things. The Board of Directors meets the auditor during at least one meeting.

At Board meetings, the Company's executive management is regularly represented by the CEO and CFO, who are not members of the Board of Directors. The meetings are also attended by the secretary invited by the Board of Directors.

The Board of Directors has a quorum when more than half of its members are present. The Board of Directors

endeavours to make unanimous decisions, but matters may be put to the vote if necessary. Decisions are made by majority voting. If the votes are split evenly, the chair's opinion is carried.

## **Independence, qualifications and diversity of members of the Board of Directors**

Overall, the Board of Directors must have sufficient and varied expertise and experience related to its work. When proposals are prepared concerning the members of the Board of Directors, the requirements placed on the Company's operations and the Company's stage of development are taken into consideration. Members can be elected to the Board of Directors if they possess the qualifications required for the position and are able to devote sufficient time to discharging their duties.

The Board of Directors must be sufficiently diverse. As such, when Board members are elected, the Board of Directors must include members of both sexes. Overall, the aim is for the Board of Directors to possess sufficient expertise and experience to implement the Company's strategy.

In 2019, 29% of the members of the Board of Directors were women and 71% were men until the general meeting in March 2019. After this, 25% were women and 75% were men. The proportion of women was slightly lower than in other Finnish listed companies in 2019 (source: Report by the Finland Chamber of Commerce on the proportion of women on the Boards of Directors of listed companies in 2019).

According to the Corporate Governance Code, the majority of the members of the Board of Directors must be independent of the Company and, in addition, at least two of the members independent of the Company must also be independent of the Company's major shareholders. The members of the Board of Directors must provide the Board of Directors with adequate information to enable their qualifications and independence to be assessed, and they must declare changes in this information.

The Board of Directors assesses the independence of its members with regard to the Company and its major shareholders annually. Further information on the independence of members of the Board of Directors in 2019 is presented under "*Board of Directors in 2019*" herein.

## **Board of Directors in 2019**

From 1 January 2019 to 28 March 2019, the Board of Directors had a chair and six (6) ordinary members. Liisa Harjula chaired the Board of Directors. The ordinary members were Tapio Pajuharju, Paul Savolainen, Mika Uotila, Virva Vesanen, Heimo Hakkarainen and Joni Aaltonen.

The Company elected a new Board of Directors at its general meeting on 28 March 2019. Two (2) new members were elected to the Board of Directors and, consequently, from 28 March 2019 to 22 August 2019, the Board of Directors had a chair and seven (7) ordinary members. Liisa Harjula chaired the Board of Directors. The ordinary members were Tapio Pajuharju, Paul Savolainen, Mika Uotila, Heimo Hakkarainen and Joni Aaltonen, with Kati Hagros and Timur Kärki elected as new ordinary members.

The Company held an extraordinary general meeting on 22 August 2019 at which the composition of the Board of Directors was changed as a result of the acquisition of Smile Henkilöstöpalvelut Oyj. Three (3) new ordinary members were elected to the Board of Directors: Timo Laine, Jarno Suominen and Timo Mänty. The term of

office of the newly elected Board members began on 23 August 2019. At the same juncture, Heimo Hakkarainen, Joni Aaltonen and Timur Kärki were removed from the Board of Directors.

Following the change, the Board of Directors had a chair and seven (7) members from 23 August 2019 to 31 December 2019. The Board of Directors was chaired by Tapio Pajuharju, and the ordinary members were Liisa Harjula, Mika Uotila, Paul Savolainen, Kati Hagros, Timo Laine, Jarno Suominen and Timo Mänty.

Name	Year of birth	Nationality	Education	Main occupation	Member
<b>Tapio Pajuharju</b>	1963	Finland	MSc (Econ.)	CEO	Chair
<b>Liisa Harjula</b>	1972	Finland	MSc (Econ.), LLM with bench training	Investment Director	Member
<b>Paul Savolainen</b>	1976	Finland	Vocational Qualification in IT, entrepreneurs' qualification	CEO	Member
<b>Mika Uotila</b>	1971	Finland	MSc (Econ.)	CEO	Member
<b>Kati Hagros</b>	1970	Finland	MSc (Tech.), MSocSci	Digitalisation and IT Director	Member
<b>Jarno Suominen</b>	1972	Finland	Supervisor in the hospitality and catering sector	CFO	Member
<b>Timo Mänty</b>	1960	Finland	MSc (Econ.)	Board professional	Member
<b>Timo Laine</b>	1966	Finland	Agricultural qualification	CEO	Member

For further information on the members of the Board of Directors, visit EEZY's website at: <https://www.eezy.fi/sijoittajat/hallinnointi/hallitus>

The Board of Directors convened a total of 29 times in 2019. From 1 January 2019 to 28 March 2019, the Board of Directors convened seven times, and the ordinary members were Liisa Harjula (chair), Tapio Pajuharju, Paul Savolainen, Mika Uotila, Virva Vesänen, Heimo Hakkarainen and Joni Aaltonen.

From 28 March 2019 to 28 August 2019, the Board of Directors convened 12 times, and the ordinary members were Liisa Harjula (chair), Tapio Pajuharju, Paul Savolainen, Mika Uotila, Heimo Hakkarainen, Joni Aaltonen, Kati Hagros and Timur Kärki.

From 28 August 2019 to 31 December 2019, the Board of Directors convened 10 times, and the ordinary members were Tapio Pajuharju (chair), Liisa Harjula, Mika Uotila, Paul Savolainen, Kati Hagros, Timo Laine, Jarno Suominen and Timo Mänty. The secretary to the Board of Directors was Olli Kotila, LLM, a lawyer. The average attendance at Board meetings was 95%. The table below shows each Board member's attendance at Board meetings.

Member	Attendance at meetings	Attendance rate
Tapio Pajuharju	27/29	93%
Liisa Harjula	29/29	100%
Paul Savolainen	29/29	100%
Mika Uotila	28/29	97%
Kati Hagros	22/22	100%
Timo Laine	6/10	60%
Jarno Suominen	10/10	100%
Timo Mänty	10/10	100%
Virva Vesanen	7/7	100%
Heimo Hakkarainen	19/19	100%
Joni Aaltonen	18/19	95%
Timur Kärki	12/12	100%

Based on an assessment of independence in accordance with the Corporate Governance Code for Finnish listed companies, in 2019, EEZY's Board members Tapio Pajuharju, Kati Hagros and Timo Mänty are considered to be independent of EEZY and its major shareholders. Liisa Harjula and Mika Uotila are employed by Sentic Partners Oy, which manages funds that are significant shareholders in EEZY, and they are, therefore, considered to be dependent on a major shareholder of EEZY. Timo Laine is considered to be independent of the Company and dependent on a significant shareholder in the form of Noho Partners Plc because he is a member of Noho Partners Plc's Board of Directors. Jarno Suominen is considered to be dependent on the Company and its major shareholder Noho Partners Plc because he belongs to the executive management of NoHo Partners Plc, which has a customer/supplier relationship of significance to NoHo Partners Plc with Smile Henkilöstöpalvelut Oyj, which belongs to the same group of companies as Eezy Plc. In addition, Paul Savolainen is employed by Meissa-Capital Oy, which is a major shareholder in EEZY, and he is therefore also considered dependent on a major shareholder of EEZY.

The members of the Board of Directors and the entities under their control held EEZY shares as follows on 31 December 2019:

Member	Shareholding, 31 December 2019
Tapio Pajuharju	186,577
Liisa Harjula	0
Paul Savolainen	75,000
Mika Uotila	0
Kati Hagros	5,000
Jarno Suominen	0
Timo Mänty	0
Timo Laine*	256,785

\* Via Laine Capital Oy

## Financial benefits of members of the Board of Directors in 2019

The financial benefits of members of the Board of Directors are described in EEZY's separate salary and bonus report.

## Board committees

The Board of Directors may set up committees or other permanent or temporary organs to discharge duties specified in accordance with the Board's rules of procedure. If the Board of Directors sets up committees, it shall elect the members and appoint the chair. The Board of Directors shall confirm the committees' rules of procedure, which specify the duties and operating principles of each committee.

The Board of Directors has established an audit committee to support its work. It has not been deemed necessary to establish other committees because the Board of Directors is capable of handling matters efficiently without them, taking into consideration the scope and nature of the Company's operations and the operating methods of the Board of Directors.

## Audit committee of the Board of Directors

The audit committee consists of a chair and two (2) members, whom the Board of Directors elects from among its number at the first Board meeting following the annual general meeting. The majority of the committee's members must be independent of the Company, and at least one member must be independent of the Company's major shareholders. The members of the audit committee must have qualifications relevant to the committee's remit. In addition, at least one of the members of the audit committee must possess specialist accounting, bookkeeping or auditing expertise.

The Board of Directors has confirmed the key obligations and operating principles of the audit committee in the audit committee's rules of procedure. The committee convenes regularly, at least four (4) times per year. The term of office of the members is one year. The Board of Directors appoints the committee's chair.

The audit committee's chair prepares the agenda for committee meetings and consults the Company's management before deciding on the content of the agenda. The CFO or another person appointed by the committee serves as the secretary to the audit committee. The minutes of meetings of the audit committee are provided to the Board of Directors, and the committee's chair reports to the Board of Directors on the committee's key observations.

According to the rules of procedure, the audit committee's obligations are as follows:

- Monitoring the Company's financial and financing position;
- Monitoring the Company's financial statement reporting process;
- Controlling the Company's financial reporting process and corporate acquisition process;
- Monitoring the effectiveness of the Company's internal control, internal audit and risk management systems;



- Processing the Company's corporate governance statement, including the description of internal control related to the financial reporting process and the main features of the risk management systems;
- Monitoring the statutory audit of the financial statements and consolidated financial statements;
- Assessing the independence of the statutory auditor or audit firm;
- Assessing the offering of ancillary services by the audit firm;
- Preparing a proposal for a decision concerning the selection of an auditor;
- Contacting the auditor and reviewing the reports that the auditor prepares for the audit committee; and
- Assessing compliance with laws and regulations

The table below shows the members of the audit committee in 2019:

Name	Education	Member	Period
<b>Liisa Harjula</b>	MSc (Tech.), LLM with bench training	Chair Member	23 August 2019 to present 1 January 2019 to 22 August 2019
<b>Jarno Suominen</b>	Supervisor in the hospitality and catering sector	Member	23 August 2019 to present
<b>Kati Hagros</b>	MSc (Tech.), MSocSci	Member	23 August 2019 to present
<b>Joni Aaltonen</b>	BBA	Chair	1 January 2019 to 23 August 2019
<b>Mika Uotila</b>	MSc (Econ.)	Member	1 January 2019 to 23 August 2019

For further information on the members of the audit committee, visit EEZY's website at: <https://www.eezy.fi/sijoittajat/hallinnointi/hallitus>

In 2019, the audit committee convened a total of five times. The CFO served as the committee's secretary. The average attendance at committee meetings was 100%. The table below shows each Board member's attendance at Board meetings.

Member	Attendance at meetings	Attendance rate
<b>Liisa Harjula</b>	5/5	100%
<b>Jarno Suominen</b>	1/1	100%
<b>Kati Hagros</b>	1/1	100%
<b>Joni Aaltonen</b>	4/4	100%
<b>Mika Uotila</b>	4/4	100%

## CEO

EEZY's CEO is appointed by the Board of Directors. The CEO manages the Company's everyday operations in accordance with the authorisations and guidelines issued by the Board of Directors and the Limited Liability Companies Act. The CEO keeps the Board of Directors informed about the development of EEZY's strategy, business and financial position. The CEO is also responsible for ensuring that the Company's accounts comply with the law and its asset management is arranged in a reliable manner.

The CEO's duties include: processing and preparing matters discussed by the Board of Directors, developing EEZY's operations in conjunction with the Board of Directors and in line with the targets in the strategy approved by the Board of Directors, and appropriately implementing the decisions of the Board of Directors. The CEO is also responsible for arranging EEZY's ongoing administration, internal control and risk management reliably. The CEO is also responsible for ensuring that EEZY complies with the applicable legislation and regulations. The CEO chairs the meetings of EEZY's management team.

EEZY's Board of Directors appoints the CEO and decides on the salary and bonuses payable to the CEO, the long- and short-term incentive targets, and the other terms and conditions of the CEO's agreement. The terms and conditions of the CEO's employment are specified in the written CEO's agreement, which the Board of Directors has approved. The CEO is appointed for an indefinite period. The Board of Directors is entitled to dismiss the CEO. The CEO cannot be elected chair of the Board of Directors.

## CEO in 2019

The Board of Directors has appointed Sami Asikainen as EEZY's CEO. He is a Finnish citizen who was born in 1971. Asikainen holds a vocational qualification in business and administration. He has served as EEZY's CEO since 23 August 2019. Before this, the Group CEO was Juha Pesola (b. 1968, Finnish citizen, DSc (Econ.)).

The CEO's financial benefits are described in EEZY's separate remuneration report.

On 31 December 2019, Asikainen and the companies under his control held a total of 404,350 shares in EEZY.

## Management team

The members of EEZY's management team are appointed by the Board of Directors based on the CEO's proposals. The management team assists the CEO in steering and developing the business and coordinating Group management.

The most important matters handled by the management team are the Group strategy and annual planning, planning and monitoring of finances and sales, corporate acquisitions, business mergers and other business-related investments. The members of the management team have wide-ranging authorisation to act within the scope of their own areas of responsibility, and they are tasked with developing EEZY's business in line with the targets set by the Company's Board of Directors and CEO and the strategy approved by the Board of Directors.

The management team meets regularly once per month or whenever necessary. The CEO chairs the management team. The management team is not a decision-making organ; the matters it processes and recommends are dealt with by EEZY's Board of Directors or implemented with the CEO's authority. The members of the management team are tasked with implementing decisions within their own areas of responsibility. The CEO appoints the secretary to the management team.

## Management team in 2019

From 1 January 2019 to 8 September 2019, the Group's management team had seven (7) members, and from 9 September 2019 to 31 December 2019, it had seven (7) members. The management team paid special attention to promoting the targets in the strategy approved by EEZY's Board of Directors, fulfilling the requirements imposed on the Company's operations, reporting and processes when EEZY was listed on the stock exchange, managing the cash flow management and improving profitability, and actively promoting the effective integration of the Group's various businesses. Assuring the quality of financial reporting and forecasts was a key focus.

## CEO and management team in 2019

Name	Date of birth	Nationality	Education	Position
<b>Sami Asikainen</b>	1971	Finland	Vocational qualification in business and administration	CEO
<b>Hannu Nyman</b>	1969	Finland	MSc (Tech.), MSc (Econ.)	CFO
<b>Jani Suominen</b>	1969	Finland	MA, eMBA	Director of Entrepreneur Services
<b>Aki Peiju</b>	1977	Finland	BBA	Director of Technology
<b>Tomi Laaksola</b>	1982	Finland	Baccalaureate of science (econ.)	Director of Temporary Personnel
<b>Laura Santasalo</b>	1962	Finland	MSc (Econ.)	Director of Organisational Development and Recruitment
<b>Hanna Lehto</b>	1984	Finland	MA	Director of Communications and Marketing

The Board of Directors released Juha Pesola from the position of EEZY's CEO on 23 August 2019. From 1 January 2019 to 9 September 2019, the Group's management team included Ilpo Toivonen (b. 1968, Finnish citizen, LL.M. with bench training, Certified Board Member) and Ari Juvonen (b. 1961, Finnish citizen, MSc (Econ.)), from 1 January 2019 to 7 March 2019 Titta Teittinen (b. 1972, Finnish citizen, marketing economist), from 1 January 2019 to 13 May 2019 Pauliina Soinio (b. 1975, Finnish citizen, MSc (Econ.)) and from 1 January 2019 to 4 June 2019 Matti Vuohiniemi (b. 1965, Finnish citizen, MA (Edu.)).

For further information on the CEO and the members of the management team, visit EEZY's website at: <https://www.eezy.fi/sijoittajat/hallinnointi/toimitusjohtaja-ja-johtoryhma>

The CEO, the members of the management team and the companies under their control held EEZY shares as follows on 31 December 2019:

Name	Shareholding, 31 December 2019
Sami Asikainen	404,350
Hannu Nyman	4,100
Jani Suominen	82,039
Aki Peiju	0
Tomi Laaksola*	10,000
Laura Santasalo	0
Hanna Lehto	500

\* Via 9ine Consulting Oy

## Main features of the risk management system and internal control related to the financial reporting process

### Overview of risk management

The goal of risk management is to ensure the achievement of the Group's targets and the uninterrupted continuity of operations. EEZY complies with the risk management principles and internal audit regulations approved by the Company's Board of Directors. The risk management principles are based on the Corporate Governance Code for Finnish listed companies.

EEZY's risk management is a part of the Group's enterprise resource planning system and, therefore, it is an integral part of the Group's management system. It is an integral part of EEZY's operational planning and management process, decision-making, everyday management and operations, and control and reporting procedures. Risk management is a part of internal control.

Risk management is systematic, proactive and comprehensive. It covers the entire Group's operations and takes all risk areas into consideration. This means that the key risks are identified, assessed, managed, monitored and reported on systematically as a part of the business operations.

The risks threatening the realisation of targets are identified in conjunction with the operational planning and strategy process, and the means of managing risks are determined. EEZY's risk management consists of the risk management target state, the risk management process, and the implementation, monitoring and reporting on the process. Risk management is continuously developed as part of EEZY's operations.

EEZY may take risks if it is aware of the risks, the risks can be managed, and the potential impact is reasonable. Risk-taking must be based on identifying and assessing the potential impacts in advance, as well as identifying

and comparing the advantages and disadvantages. Risk-taking must not jeopardise the achievement of the Group's targets or the continuity of the Group's operations over the short or long term.

The Board of Directors confirms the Company's internal control and risk management principles and changes affecting these, and it processes the material risks and uncertainties affecting the Company's operations.

EEZY's CEO, assisted by the Group's management team, is responsible for preparing the risk management principles. The CEO is responsible for ensuring that the Group implements risk management systematically and appropriately. In addition to this, the CEO must ensure that EEZY's risk management is comprehensive, and he must assess the implementation of risk management. The CEO reports to the Board of Directors on EEZY's strategic-level risks and the measures taken to manage them in accordance with the risk management principles and risk management process approved by the Board of Directors.

The Board of Directors processes the most significant strategic-level risks and the measures for managing them, and it assesses the effectiveness and functionality of risk management. The Group's management team processes the most significant business risks affecting the various businesses and the measures for managing them, and it assesses the effectiveness and functionality of risk management. The CEO and each member of the management team and franchise entrepreneur are responsible for the operational risk management, risk identification, specification of management methods and monitoring in their own areas of responsibility.

The General Counsel is responsible for coordinating risk management.

## **Internal control and audit**

The purpose of EEZY's internal control is to ensure that EEZY's goals and targets are achieved, the Group's resources are used economically and efficiently, the risks affecting operations are managed appropriately, and the financial and other information is reliable and correct. In addition, internal control is used in the endeavour to ensure business continuity in the event of changes in the operating environment and to ensure compliance with EEZY's internal operating methods, instructions and processes, as well as the laws and regulations applying to the Company. Internal control is an internal part of EEZY's corporate governance.

The aim of internal control related to financial reporting is to ensure that the interim reports, half-year reports, financial statement releases, other financial information, financial statements and annual reports intended for publication are reliable and have been prepared in accordance with the accounting and reporting principles applied by the Company. The Company's Board of Directors processes and approves the interim reports and financial statements in accordance with its rules of procedure, and it confirms the principles of the Group's internal control and audit, and monitors compliance with these.

## **Description of the operating principles of internal control**

The CEO is responsible for the practical arrangement of internal control. This involves ensuring that the Company has implemented adequate internal control procedures as required by the Board of Directors. With the management team's support, the CEO is responsible for ensuring that the Group's everyday operations follow

the agreed principles, comply with laws and regulations, react to any deviations and shortcomings that are identified, and take the necessary corrective measures.

In the assessment of EEZY's Board of Directors, it is not appropriate for the Company to organise internal audit duties as a separate function in light of the nature of the Company's business activities, number of personnel and geographical scope. The Board of Directors annually assesses whether it is necessary to establish an internal audit function. The audit committee evaluates the effectiveness of internal audit. The Company's Board of Directors may use internal or external resources to implement separate internal audit assignments.

Internal audit is implemented in accordance with the internal audit regulations approved by the Board of Directors. The Company's CEO prepares an annual internal audit plan together with the outsourced service provider and submits it to the Board of Directors' audit committee for approval. Audits are conducted in accordance with the annual plan approved by the Board of Directors' audit committee.

A written audit report (The IIA) is prepared for every audit to record the audit observations, conclusions and recommendations for operational development. The completed audit report is delivered to the management of the audited entity, as well as the Group's CEO. Audit reports are presented in the Group's management team and the Board of Directors' audit committee.

The external service provider reports on the realisation of the annual internal audit plan to the audit committee of EEZY's Board of Directors at the end of each financial period.

EEZY's General Counsel assists the CEO in coordinating the implementation of internal audits.

In 2019, EEZY's internal audit was outsourced to KPMG Oy Ab. The focal point of the audit were processes related to and supporting the core business. The Company conducted one audit in accordance with the audit plan: Integrations of acquisitions.

## **Insider management**

EEZY complies with the Market Abuse Regulation (596/2014/EU, abbreviated to "MAR"), the second-level regulations issued by the European Commission on the basis of the MAR, and the standards related to the MAR as issued by the European Securities and Markets Authority (ESMA), the Securities Markets Act, the Criminal Code of Finland (89/1889, including amendments), the Nasdaq First North Nordic Rulebook and Nasdaq Helsinki Ltd's insider guidelines. In addition, the Company has supplemented the guidance with internal insider guidelines.

The Company keeps a list of employees and service providers who have access to insider information. The insider list includes one or more project-specific insider lists. The Company's lawyer acts as the administrator of the insider list.

The personnel in managerial roles in the Company and the people among their related parties must notify the Company and the Financial Supervisory Authority of all transactions that they make on their own behalf involving the Company's shares, debt instruments, other financial instruments or derivatives thereof.

The managerial personnel who are obliged to make notifications of transactions under the MAR are the members of the issuer's administrative, managerial and supervisory organs, as well as other top-level managers who are not members of the aforementioned organs but have regular access to insider information about the issuer and have the authorisation to make managerial decisions that affect the issuer's development and business outlook. The members of the Company's management personnel who are obliged to make notifications are the members of the Company's Board of Directors, the CEO and the other members of the management team.

Personnel are always forbidden from trading the Company's shares or other financial instruments when they are in possession of insider information related to the Company or its financial instruments, irrespective of whether they are on the insider list. Insiders must not trade the Company's shares or other financial instruments, nor may they disclose insider information to external parties.

In addition, managerial personnel must not enter into transactions that directly or indirectly involve the Company's shares or other financial instruments, whether on behalf of themselves or third parties, during the quiet period 30 days before the publication of an interim report or the financial statement release, including the date of publication.

EEZY has an online reporting channel which can be used to submit anonymous reports of suspected breaches of the rules and regulations concerning financial markets.

EEZY's General Counsel acts as the person responsible for insider issues and is responsible for the general arrangement of insider issues in the Company.