

# EVLI

---

EVLI PLC

---

# CORPORATE GOVERNANCE STATEMENT

---

2023

---





# Corporate Governance Statement

The governance of Evli Plc (“Evli” or “company”) is based on the Articles of Association, the Finnish Limited Liability Companies Act, applicable statutory provisions governing the Finnish securities markets, the Market Abuse Regulation (MAR), the regulations of the Finnish Financial Supervisory Authority, the rules and regulations of Nasdaq Helsinki Ltd, and other statutes and regulations concerning the governance of public limited companies. The Articles of Association, the published policies and other information on Evli’s corporate governance can be found at the company’s website [evli.com/en/investors](https://evli.com/en/investors).

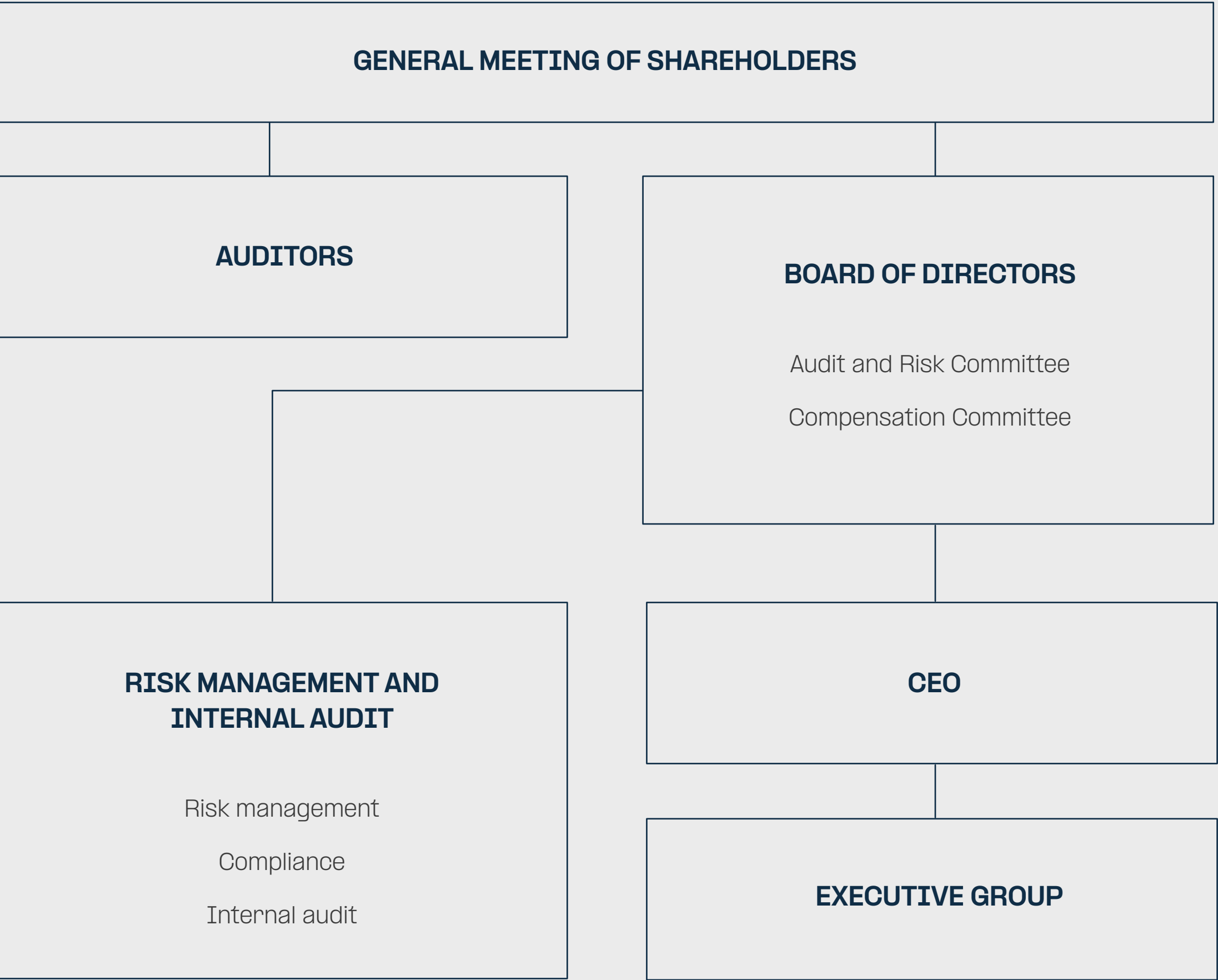
Evli also complies with the Finnish Corporate Governance Code issued by the Securities Market Association. The Code can be viewed in full on the Securities Market Association’s website at [cgfinland.fi/en](https://cgfinland.fi/en). This Corporate Governance Statement referred to in Chapter 7, section 7 of the Securities Markets Act (746/2012) has been compiled in compliance with the Finnish Corporate Governance Code and it has been prepared as a separate report from the Board of Directors’ Report.

### Evli’s governance structure

Evli’s management and business operations are the responsibility of the General Meeting, the Board of Directors and the CEO, whose tasks are determined in the Finnish Limited Liability Companies Act and in Evli’s Articles of Association. Evli Group’s Executive Group assists the CEO in the operative management of the company. The Executive Group consists of managers of the business areas and group functions, and it helps the CEO in the approval and execution of Group–level operating principles and procedures.

Evli’s Board of Directors is primarily responsible for Evli Group’s risk management. The Board of Directors confirms the principles and responsibilities of risk management, the risk limits of the Group and other general guidelines according to which the risk management and internal audit are organized.

## EVLI PLC’S GOVERNANCE STRUCTURE



General Meeting of Shareholders

The ultimate decision—making power in the company is exercised by shareholders at General Meetings. By participating in the General Meeting either personally or via a proxy, a shareholder may exercise his/her right to vote and make inquiries and participate in decision—making on matters concerning the company. At the General Meeting, each Series A share of Evli entitles its holder to twenty (20) votes and each Series B share to one (1) vote. General Meetings are held at least once a year. The Annual General Meeting (AGM) is held upon completion of the company’s financial statements, at a place and on a date designated by the Board of Directors. The date must be no later than the end of June.

Matters to be discussed at a General Meeting are specified in the Limited Liability Companies Act and in Evli’s Articles of Association. The General Meeting normally discusses not only the matters specified by law and in the Articles of Association but also items presented to the meeting by the Board of Directors. Under the Limited Liability Companies Act, shareholders are also entitled to bring up for discussion at a General Meeting any matter that falls within the authority of the meeting.

A notice to the General Meeting is published no earlier than three (3) months prior the record date of the General Meeting, and no later than three (3) weeks prior to the General Meeting, however, no later than nine (9) days before the record date of the General Meeting. The notice is published on Evli’s website (evli.com) and as a stock exchange release. The Board of Directors may, at their discretion, announce the General Meeting in one or more newspapers. Documents to be presented in the General Meeting and the Board’s proposals for decisions to the General Meeting are made available at Evli’s website (evli.com) three (3) weeks before the General Meeting.

Annual General Meeting (AGM)

At the AGM, information is presented about the company’s activities. The AGM also decides on the following:

- the adoption of the financial statements of the previous financial year
- the company’s profit distribution
- discharging the Board members and the CEO and his/her deputy from liability
- the election of Board members and their remuneration
- the appointment of auditors and their remuneration.

Extraordinary General Meeting

The Board of Directors may convene an Extraordinary General Meeting if it considers this necessary. The auditor and any shareholder with more than ten percent of the company’s shares also have the right to demand that an Extraordinary General Meeting be called to discuss a matter to be presented by the auditor or shareholder.

Board of Directors

Evli’s AGM elects each year a Board of Directors (“Board”), which, between General Meetings, exercises the ultimate decision—making power in Evli Group. The task of Evli’s Board is to manage the company in accordance with the laws and official regulations, and in compliance with the Articles of Association and the decisions of the General Meeting.

Duties of the Board of Directors

The Board has approved a written procedure defining its duties and meeting practices. The tasks of the Board are, among others:

- taking responsibility for the company’s administration and appropriate organization of operations
- ensuring that the company’s accounting and asset management are monitored in an appropriate manner
- handling all matters that are of extensive and fundamental importance for the operation of the company and the entire Group
- deciding upon the Evli Group’s business strategy and approving the budget
- confirming the principles for the arrangement of Evli Group’s risk management and internal audit
- appointing the CEO and the members of the Executive Group and relieving them of their duties
- deciding on the CEO’s salary and other benefits
- approving the objectives for the Group’s human resources planning and monitoring their implementation
- deciding the basis for the Group’s remuneration system and other comprehensive matters that concern the personnel.

In accordance with the principles of good governance, the Board also ensures that the company, in its operations, endorses the corporate values that have been set out for compliance. The Board conducts an annual review of its activities and working practices in the form of an internal self—assessment.

Composition of the Board of Directors

At the AGM, four to eight (4—8) members are elected to the Board of Directors of Evli by representatives of major shareholders and external independent experts. The major shareholders of the company prepare a proposal on the composition of the Board for the AGM. The Board members should be elected so that the composition of the Board is as diverse as possible and supports Evli’s business goals and meets the following principles:

- The Board as a whole must have sufficient competence and experience to be able to carry out its duties diligently and efficiently, taking into consideration the type and scope of the company’s operations and its strategic goals and the changes within business and the rest of society.
- The members of the Board should have supplementary education and skills and experience in areas that are important to the company.
- The members of the Board should have experience of Board work and executive duties in business or other areas of society.
- The Board should include both men and women as far as it is possible.
- The Board should also be diverse in terms of age distribution and number of terms.

In addition, in accordance with the Corporate Governance Code 2020, persons elected to the Board must have the opportunity to spend sufficient time carrying out their duties. All Board candidates must submit their own assessment of their independence to the Board at least once every year. In addition, the company also evaluates the independence of all existing members on the basis of documents in its possession and, when needed, using public documents in accordance with the Corporate Governance Code issued by the Securities Market Association in 2020 or other applicable regulations.

The Board members are elected for a term of one year, which starts at the conclusion of the AGM and ends at the conclusion of the next AGM following the election. The Board elects a Chairman and a Deputy Chairman among themselves.

The members of Evli’s Board of Directors in 2023 were Henrik Andersin, Fredrik Hacklin, Sari Helander, Robert Ingman and Antti Kuljukka as well as from January 1 to March 14, 2023 Teuvo Salminen and as of March 14, 2023 Christina Dahlblom.

The Board consists of industry experts and the company’s major shareholders. All Board members are independent of the company. With the exception of Henrik Andersin and Robert Ingman, the other Board members are independent of the company’s significant shareholders. Based on the shareholdings of controlled companies, Henrik Andersin and Robert Ingman are not independent of the company’s significant shareholders.

**Diversity of the Board of Directors**

The Board has a diversity policy that includes diversity principles. Diversity strengthens Evli’s goal of having a Board whose overall competence profile supports the development of Evli’s business. Diversity is seen as a key success factor that enables Evli to reach its strategic goals and continuously improve its client–centric operations.

The diversity of the Board is viewed from different perspectives. For Evli, the essential factors are the Board members’ versatile and complementary expertise, experience from various industries and management, and the personal qualities of the members. The age and gender distribution of the Board members is taken into account, which supports the diversity of the Board. The actualization and development of diversity towards the goals is evaluated in the annual self–evaluation discussion of the Board.

At the end of the financial year 2023, the Board members represented a wide range of expertise on management and board tasks in several industries, and their educational backgrounds and expertise complement each other. In addition, both genders were represented on the Board. Of the Board members, two were female and four were male. The median age was 56, and the age difference between the youngest and the oldest member was 18 years.

**Committees set up by the Board**

The Board has established an Audit and Risk Committee and a Compensation Committee to prepare matters to be handled by the Board. The committees have no independent decision–making power; instead, decisions are made by the Board on the basis of recommendations and information supplied by the committees. The committees make regular reports on their activities to the Board.

**Audit and Risk Committee**

The Audit and Risk Committee is responsible for assisting the Board in ensuring that the company has an adequate internal audit system covering all operations and that the company’s risk management has been arranged appropriately. It also monitors the financial statements reporting process.

The Audit and Risk Committee is also responsible for:

- Overseeing the accuracy and correctness of the company’s financial reporting and monitoring the statutory auditing of the financial statements and consolidated financial statements.
- Preparing the proposal on the appointment of auditors and the auditors’ fees, to be made to the AGM.
- Ensuring that the company’s operations and internal audit have been arranged in accordance with all applicable laws, regulations, and good management and governance practices.
- Monitoring the activity and efficiency of the internal audit function.
- Assessing the independence of the statutory auditor or auditing firm, and especially the provision of ancillary services to the company.



The Audit and Risk Committee consists of at least three members, who may not be part of the company's management and must be independent of the company. In addition to the Committee's regular members, the meetings are attended by the auditors, the CEO, the CFO, and the internal auditor. The Committee meets every quarter.

The Audit and Risk Committee's members in 2023 were Sari Helander (Chairman), Robert Ingman and Antti Kuljukka. The Committee met five times in 2023. The Audit and Risk Committee members' average attendance rate at meetings was 100 percent. The participation of each member in the meetings is listed in table 1.

Compensation Committee

The Compensation Committee is responsible for assisting the Board in the preparation of matters related to the company's employment terms and compensation.

In addition, the Compensation Committee assists the Board in the following:

- Preparation of matters related to the compensation and incentive systems for management and personnel.
- Regular assessment of the functioning of and compliance with the compensation system.

In addition, the Compensation Committee prepares the remuneration policy and remuneration report of the company's governing bodies.

The Committee consists of at least three members, elected by the Board from among its members. The Committee Chairman is chosen from among the Committee members and must be an independent Board member.

The members of Evli's Compensation Committee in 2023 were Fredrik Hacklin (chairman), Henrik Andersin and Christina Dahlblom. The Committee met five times in 2023. The Compensation Committee members' average attendance rate at meetings was 100 percent. The participation of each member in the meetings is listed in the table 1.

Table 1: Evli Plc's Board of Directors in 2023

Name	Personal data	ATTENDANCE AT BOARD MEETINGS IN 2023	ATTENDANCE IN AUDIT AND RISK COMMITTEE MEETINGS 2023	ATTENDANCE IN COMPEN- SATION COMMITTEE MEETINGS 2023	OWNERSHIP IN THE COMPANY <sup>1</sup> , NUMBER OF SHARES		INDEPENDENCY	
					A-SHARES	B-SHARES	OF THE COMPANY	OF THE SHARE- HOLDERS
Henrik Andersin	Chairman of the of the Board Member of the Compensation Committee Born 1960 M.Sc. (Econ.) Board professional	13/13	–	5/5	3,803,280	950,820	✓	
Christina Dahlblom	Member of the Board since March 14, 2023 Member of the Compensation Committee Born 1978 Ph.D. (Marketing) Entrepreneur, Flo Co Oy	9/10	–	4/4	–	1,000	✓	✓
Fredrik Hacklin	Member of the Board Chairman of the Compensation Committee Born 1978 Ph.D. (Management), M.Sc. (Engineering) Professor, Director, and Member of Executive Committee at ZHAW School of Management and Law, Zurich, Associate professor at ETH Zurich	13/13	–	5/5	–	2,150	✓	✓
Sari Helander	Member of the Board Chairman of the Audit and Risk Committee Born 1967 M.Sc. (Econ.) CFO, Ramirent Group	13/13	4/4	1/1	–	4,000	✓	✓
Robert Ingman	Member of the Board Member of the Audit and Risk Committee Born 1961 M.Sc. (Tech.), M.Sc. (Econ.) Board professional	12/13	5/5	–	1,860,000 <sup>2</sup>	910,000 <sup>2</sup>	✓	
Antti Kuljukka	Member of the Board Member of the Audit and Risk Committee Born 1961 M.Sc. (Soc.Sc.), eMBA, Maj evp. Board professional	12/13	5/5	–	–	4,712	✓	✓
Teuvo Salminen	Member of the Board until March 14, 2023 Chairman of the Audit and Risk Committee Born 1954 M.Sc. (Econ.) Board professional	2/3	1/1	–		59,952	✓	✓

<sup>1</sup> Shareholding on December 31, 2023, including holdings through a controlled company  
<sup>2</sup> Includes holdings of Ingman Group Oy Ab

Corporate management

Evli’s corporate structure

Evli’s business operations are organized around two client segments: Wealth Management and Investor Clients, and Advisory and Corporate Clients. The segments are supported by common group functions, which include Information Management, Financial Administration, Marketing, Communications and Investor Relations, Legal and Compliance, Human Resources, Internal Services, Risk Management and Internal Audit.

CEO

Evli’s Board appoints the company’s CEO and decides the terms and conditions of his or her service relationship. The CEO is responsible for the company’s day–to–day management in compliance with the instructions and decisions provided by the Board. Evli Group’s Executive Group assists the CEO in the operative management of the company.

The CEO’s duties include the management and supervision of the Group’s business, preparation of matters to be handled by the Board, and implementation of the Board’s decisions. In accordance with the Limited Liability Companies Act, the CEO ensures that the company’s accounting is lawful, and that the asset management is arranged reliably.

The CEO’s period of notice is six months, and the severance compensation payable to the CEO in addition to the salary for the period of notice corresponds to 12 months’ salary. The CEO’s retirement age is 63 years. The company’s CEO is Maunu Lehtimäki, M.Sc. (Econ.), born in 1967.

Executive Group

The Executive Group consists of the CEO and six members. The CEO presents a proposal regarding the choice of members to the Executive Group, and these names are then subject to confirmation by the Board of Directors.

The CEO convenes the Executive Group as necessary and serves as its chairman. The Executive Group normally meets twice a month. The Executive Group’s task is to support the CEO in preparing and implementing the strategy and in coordinating the Group’s operations. The Executive Group’s duties also include preparing and executing matters that are significant or involve fundamental principles and ensuring internal co–operation and communication.

Table 2: Evli’s Executive Group in 2023

Name and personal data	Role and responsibility	Ownership in the company <sup>1</sup> , number of shares	
		A shares	B shares
<b>Maunu Lehtimäki</b> <sup>2</sup> Born 1967, M.Sc. (Econ.)	CEO	533,728	117,031
<b>Mari Etholén</b> <sup>3</sup> Born 1973, LL.M.	Head of HR and Legal Affairs	60,000	30,948
<b>Panu Jousimies</b> <sup>4</sup> Born 1969, M.Sc. (Econ.)	Head of Execution and Operations	59,691	69,049
<b>Juho Mikola</b> <sup>5</sup> Born 1981, M.Sc. (Econ.)	CFO and Deputy CEO	68,000	61,220
<b>Esa Pensala</b> <sup>6</sup> Born 1974, M.Sc. (Tech.)	Head of Private Clients	142,000	50,200
<b>Kim Pessala</b> <sup>7</sup> Born 1969, M.Sc. (Econ.)	Head of Investment products and services; CEO of Evli Fund Management Company Ltd	12,331	106,644
<b>Mikael Thunved</b> In the Executive Group until September 30, 2023, Born 1965, B.Sc. (Econ.)	CEO of Evli Ab	—	83,600
<b>Mona von Weissenberg</b> <sup>8</sup> In the Executive Group since October 1, 2023, Born 1979, M.Sc. (Econ.)	Head of Institutional clients	—	—

<sup>1</sup> Shareholdings on December 31, 2023, including holdings through controlled entities  
<sup>2</sup> 40,000 Evli shares allocated under the share–based incentive scheme established in 2023  
<sup>3</sup> 30,000 Evli shares allocated under the share–based incentive scheme established in 2023  
<sup>4</sup> 20,000 Evli shares allocated under the share–based incentive scheme established in 2023  
<sup>5</sup> 40,000 Evli shares allocated under the share–based incentive scheme established in 2023  
<sup>6</sup> 30,000 Evli shares allocated under the share–based incentive scheme established in 2023  
<sup>7</sup> 35,000 Evli shares allocated under the share–based incentive scheme established in 2023  
<sup>8</sup> 25,000 Evli shares allocated under the share–based incentive scheme established in 2023

Risk management and internal control

The company’s organizational structure, clearly established responsibilities and authorizations, and its competent employees support the planning, execution, control, and monitoring of business operations in a manner that facilitates the achievement of set objectives.

Risk management refers to actions aimed at systematically surveying, identifying, analyzing, and preventing risks. The objectives of risk management are to:

- ensure the sufficiency of own assets in relation to risk positions
- ensure that fluctuations in financial results and valuations remain within the confirmed objectives and limits
- price risks correctly to achieve sustainable profitability
- support the uninterrupted implementation of the Group’s strategy and income generation.

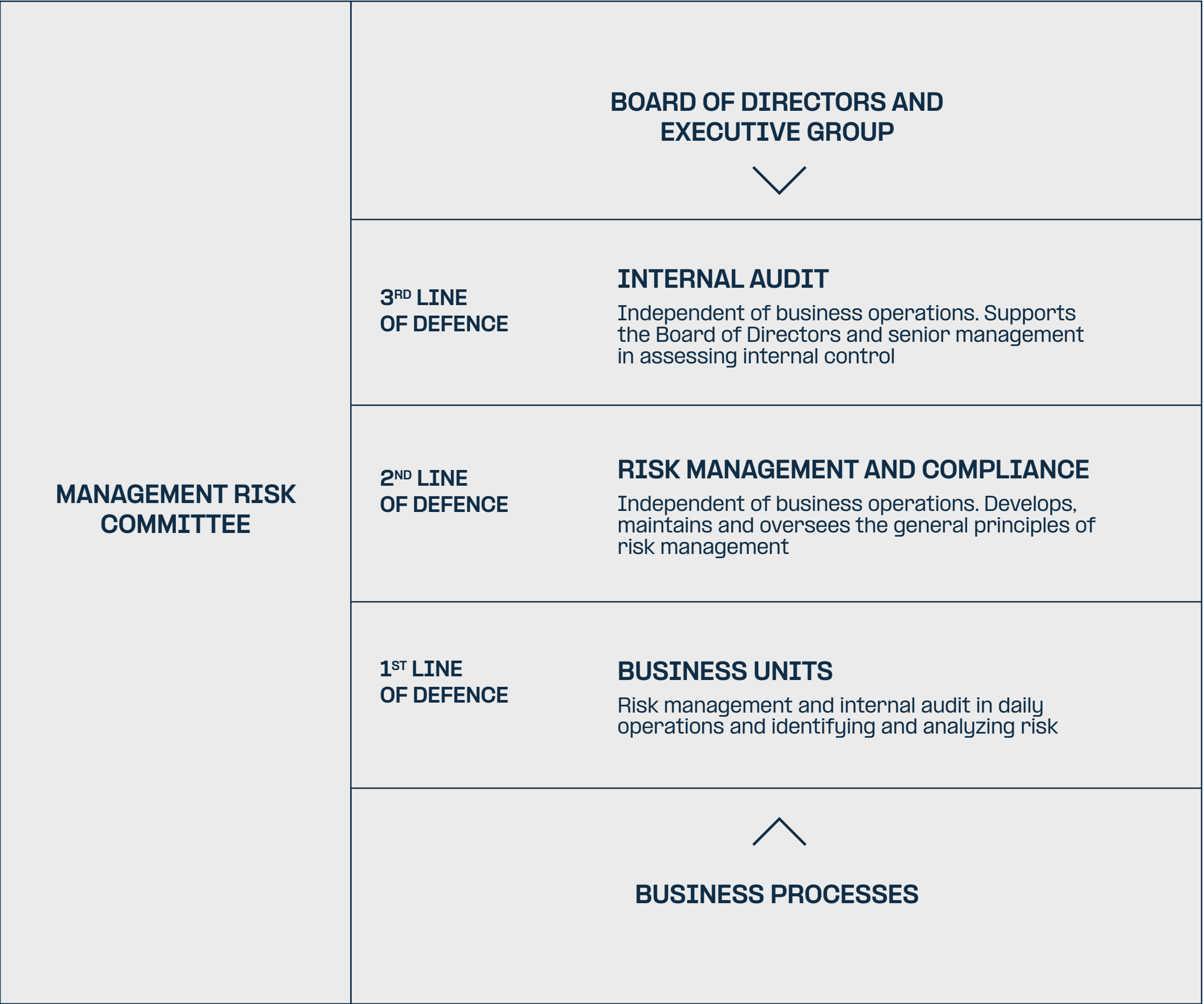
Evli defines risk as an event or series of events that jeopardize the company’s income generation over the short or long term.

The Board of Evli is primarily responsible for Evli Group’s risk management. The Board confirms the risk management policies, responsibilities, the Group’s risk limits, and other general guidelines governing how risk management and internal control are to be organized. The Board has also set up a Management Risk Committee, which briefs the Audit and Risk Committee on risk–taking matters. In addition to the general risk management policies, Evli Group’s risk management is founded on the “three lines of defense” model.

First line of defense – business units

Risk management is a part of internal control, and therefore the responsibility for executing risk management measures lies first with the business units, as the first line of defense. The managers of the business units are responsible for ensuring that risk management is at a sufficient level in each respective unit. The task of business units is to:

- build the processes and competence for risk management and internal audit
- identify and analyze risks
- make decisions on risk management by means of various protection measures.





**Second line of defense – Risk Control and Compliance**

The second line of defense comprises the independent Risk Control and Compliance functions, whose primary tasks are to develop, maintain and oversee the general principles and framework of risk management.

The Risk Control function oversees daily operations and compliance with the risk limits granted to the business units, as well as compliance with risk-taking policies and guidelines. Risk Control reports on Evli Group’s overall risk position to the Board and the Executive Group each month.

The Compliance function is responsible for ensuring compliance with the rules in all Evli Group’s operations by supporting operating management and the business units in applying the provisions of the law, the official regulations and internal guidelines, and in identifying, managing and reporting on any risks of insufficient compliance with the rules in accordance with the separate compliance policy and monitoring plan confirmed by the Board of Evli. The Compliance function reports regularly via the Audit and Risk committee to the Board of Evli and to the operating management.

**Third line of defense – Internal Audit**

The third line of defense is Internal Audit. The Internal Audit is a support function for the Board of Directors and senior management that is independent of the business functions. It is administratively subordinate to the CEO and reports to the CEO and, via the Audit and Risk Committee, to the Board of Evli. The Internal Audit assesses the functioning of Evli Group’s internal control system, the appropriateness and efficiency of the functions and the compliance with instructions. It does this by means of inspections that are based on the internal audit action plan adopted annually by the Audit and Risk Committee of the Board of Evli.

Internal Audit follows not only the internal audit guidelines, but also the internationally acknowledged framework of professional practices (The Institute of Internal Auditors) and corresponding guidelines on information systems audit standards (The Information Systems Audit and Control Association).

**Audit**

The shareholders elect the company’s auditors each year at the AGM. The auditors must be an auditing firm approved by the Finland Chamber of Commerce. The auditors’ term continues until the end of the first AGM that follows the election of the auditors. The auditors’ duties are to ensure that the financial statements have been prepared in accordance with the applicable statutes and provide a true and fair view of the company’s financial position and performance and other necessary information for the company’s stakeholders.

As part of their annual audit duties, the auditors of Evli audit the accounts and administration of the separate companies. The internal audit requirements are taken into account in the auditors’ audit plans. Each year, the auditors submit their report to Evli’s AGM.

The auditors also report the main points of the annual audit plan to the Board and to the Board’s Audit and Risk Committee as well as presenting, in connection with each interim report and the financial statements, a written audit report covering the entire Group.

The auditor of the company was the auditing firm PricewaterhouseCoopers Oy from January 1 to March 14, 2023, with Authorised Public Accountant Jukka Paunonen as the principally responsible auditor. Since March 14, 2023, the auditor of the company was an auditing firm EY Oy, with Authorised Public Accountant Miikka Hietala as the principally responsible auditor.

In 2023, the total fees paid to PricewaterhouseCoopers Oy amounted to EUR 0.2 million and the total fees paid to EY Oy amounted to EUR 0.1 million. In addition, EUR 0.0 was paid in 2023 to the auditing firm KPMG Oy Ab, who acted as the auditor of EAB Group Plc in 2022. In 2023, the total fees paid to the auditors amounted to EUR 0.4 million. The audit fee amounted to EUR 0.4 million and the non–audit fees to EUR 0.0 million.

**Insider management**

Evli has a guideline on insider rules and regulations that is approved by the Board of Evli and is based on the Market Abuse Regulation (MAR), Nasdaq Helsinki Ltd’s Guidelines for Insiders of Listed Companies, as well as other relevant regulations and directives. Evli Group companies that are registered outside of Finland shall comply not only with these guidelines, but also with the national legislation and official regulations of the country where the company is located. The guideline on insider rules and regulations is distributed to all persons engaged in an employment or service relationship with the Group. The persons defined in the guideline on insider rules and regulations shall comply with the restrictions regarding the use of insider information and trading, for example the closed window period.

The company has determined that the persons subject to notification obligations for their transactions with Evli shares and other financial instruments based on it are the members of the Board of Directors and the Executive Group and their related parties. Evli publishes in a stock exchange release the transactions in Evli shares and other financial instruments carried out by persons in management positions and their related parties as required by the Market Abuse Regulation.

According to the law, a person in a managerial position may not trade in securities issued by the company for 30 days before the publication of an interim report or the financial statements bulletin. Evli also applies a similar 30–day trading restriction to Evli Group’s employees who participate in the preparation or publication of the interim report and financial statements and who become aware of unpublished financial information at the



Group level. The person in charge of insider issues at Evli is the company's Head of Legal Affairs. Evli evaluates and monitors related party transactions between the company and its related parties.

Evli maintains a list of related parties. Evli's related parties comprise its subsidiaries as well as the Board of Directors, the CEO, and the Executive Group, including any companies controlled or significantly influenced by them. Evli's financial management monitors and reports related party transactions as part of the company's normal reporting and control practices. Related party transactions which are not considered normal business activities are decided by the Board of Directors. Evli reports relevant and material related party transactions annually in the notes of the consolidated financial statements.

Evli also maintains registers of project-specific and transaction-specific insiders that are required at any given time.

**Financial reporting**

The Board of Directors is responsible for overseeing Evli Group's financial reporting. The Audit and Risk Committee assists the Board in this work. The CEO's and CFO's tasks are to monitor and ensure that the accounting and the financial reporting accord with the law, the Group's accounting policies and the guidelines and orders issued by the Group's Board of Directors.

The Group's accounting and results reporting are centralized under the responsibility of the Group's Financial Administration. The Financial Administration is subordinate to the CFO and responsible for producing, on a centralized basis, the financial statements information required for external accounting as well as internal accounting analyses, and the results reports for monitoring business activities, the separate companies and the Group's profitability. Profit performance is reported monthly both to the Executive Group and the Board of Directors in the form of specific results reports. The aim is to identify and demonstrate success factors as well as development areas well in advance, thus making it possible to react to these. Reporting practices are also used for monitoring the implementation of the business plans for the business units. The Group's Financial Administration is also responsible for monitoring and reporting on the performance of each business unit. Further responsibilities include reporting the financial results, sales and activity at least monthly, and even daily depending on the unit, to the Executive Group and other concerned parties.

Evli Group complies with the International Financial Reporting Standards (IFRS) approved for application in the EU. The Group prepares annual financial statements and also quarterly interim reports (IAS 34). The instructions on financial reporting and the accounting principles are applied in all of the Group companies. The accounting of all of the Group companies is included in the same accounting system, with the exception of the Group company in the United Arab Emirates.





# EVLI



LinkedIn — Evli Funds



Facebook — Evli Funds



Message Service X — Evli Funds



evli.com

