

# Corporate Governance Statement 2021

18 March 2022



This is a Corporate Governance Statement in accordance with the Corporate Governance Code 2020 issued by the Securities Market Association.

This Corporate Governance Statement applies to VR-Group Ltd and, where applicable, the VR Group. For the sake of clarity, it is stated that VR-Group Ltd is an unlisted company. The disclosure of this Corporate Governance Statement is based on the Government Resolution on Ownership Steering Policy issued on 8 April 2020 and the Central Chamber of Commerce's statement issued in April 2016 on improving the corporate governance of unlisted companies.

This Corporate Governance Statement was approved by VR-Group Ltd's Board of Directors on 8 March 2022. This Corporate Governance Statement is issued separately from the Report of the Board of Directors, but it is published together with the Report of the Board of Directors and made available on the company's website at [www.vrgroup.fi](http://www.vrgroup.fi). The Corporate Governance Statement is not audited.

The Remuneration Policy and Remuneration Report for 2021 are issued separately and they are also available on the company's website at [www.vrgroup.fi](http://www.vrgroup.fi).

The Corporate Governance Code 2020 is available on the Securities Market Association's website at [www.cgfinland.fi](http://www.cgfinland.fi).

## Compliance with the Corporate Governance Code and departures from the Code

VR-Group Ltd's decision-making, governance and management are conducted in accordance with the Finnish Limited Liability Companies Act, VR-Group Ltd's Articles of Association, the Corporate Governance Code 2020 issued by the Securities Market Association and the statements of the Ministerial Committee on Economic Policy communicated to the company by the Ownership Steering Department of the Prime Minister's Office.

The company departs from the Corporate Governance Code 2020 with regard to procedures concerning the general meeting as well as insider administration. These departures are made on the grounds that the company has only one shareholder and its shares are not listed.

## Related party transactions

VR-Group Ltd's Board of Directors has approved the guidelines concerning related party transactions on 22 November 2012, which were updated on 22 October 2021, to be observed by VR-Group Ltd and all of VR-Group Ltd's group companies. The purpose of the guidelines concerning related party transactions is to ensure the independence of decisions on transactions that involve related parties of the decision-makers and transactions that may otherwise give rise to suspicions among outside observers regarding the independence of decision-making and whether transactions are carried out on an arm's length basis. The guidelines also cover preparations and decision-making concerning related party transactions. The guidelines concerning related party transactions also define who the guidelines apply to.

VR-Group Ltd evaluates and monitors transactions with related parties and ensures that any conflicts of interest involved with potential transactions with related parties are appropriately addressed. In 2021, transactions with related parties pursuant to the definitions laid out in the Limited Liability Companies Act, the Accounting Act and the Accounting Decree did not deviate from VR-Group Ltd's ordinary course of business and arm's length terms.

## Diversity

When the state as the owner makes preparations concerning the composition of the Boards of Directors of companies it owns, it adheres to its guidelines and decisions regarding the diversity of the Boards of Directors of state-owned companies and the Government Action Plan for Gender Equality 2020–2023. In accordance with the Government Resolution on Ownership Policy issued on 8 April 2020, the state ensures that equality objectives are observed and both genders are adequately represented in the Boards of Directors of state-owned companies. A further goal laid out in the Government Action Plan for Gender Equality is that the Boards of Directors of companies that are wholly owned by the state are composed of at least 40 per cent women and at least 40 per cent men.

VR-Group Ltd adheres to the aforementioned principles pertaining to diversity and equality. Both genders are represented in VR-Group Ltd's Board of Directors in the manner stipulated by the Corporate Governance Code. In 2021, the Board of Directors of VR-Group Ltd consisted of three women and four men.

# The main features of the internal control and risk management systems relating to the company's financial reporting process

## Finance

In accordance with the Limited Liability Companies Act, the Board of Directors ensures that the control of the company accounts and finances is appropriately arranged. The President and CEO ensures that the company's accounting is legally compliant and its finances are reliably arranged. VR Group's management is responsible for ensuring that the Group's business operations comply with the applicable legislation and the decisions of the company's Board of Directors and that the Group's risk management is appropriately arranged.

The financial situation is reported on by means of internal and external reporting. The executive management monitors the achievement of financial targets in VR Group's management team at least on a monthly basis and through Group-level and business-specific internal reporting. The reports are used to monitor: net sales, profit, investments, cash flow, the financing situation, return on capital, accident frequency, the number of employees, traffic volumes and punctuality, for example. The Group's financial situation is reported to the Board of Directors once a month. The Group-level full-year profit forecast is updated quarterly and also used in the preparation of the following year's budget.

External reporting includes the preparation of the quarterly financial report as well as the annual report of the Board of Directors and financial statements. The Board of Directors reviews all half-year reports and financial statement reports before their publication.

The Group's financial unit is responsible for the accuracy of the Group's financial reporting. The financial unit consists of the financial service centre (accounting, taxation, invoice processing), the business control function (reporting, budgeting, management support) and the treasury function (financing, payment transactions, insurance and the management of vandalism incidents). In financial reporting, the Group complies with legislation and other regulations as well as generally accepted accounting principles and other orders applicable to the company. VR Group adheres to international accounting standards. The aim is to ensure that the Group's financial reporting provides accurate information for internal reports as well as published reports.

## Internal audit

VR Group has an independent internal audit function that reports administratively to the President and CEO and functionally to the Audit Committee of the Board of Directors. The Audit Committee has confirmed the rules of procedure of the internal audit. The internal audit evaluates and ensures the effectiveness and appropriateness of the Group's internal control in compliance with the international professional standards of internal auditing. The Audit Committee of the Board of Directors approves the internal audit action plan biannually. The internal audit function reports its observations to the Audit Committee in the committee's meetings.



## Risk management

VR Group's management is committed to effective risk management and its continuous development. VR Group's risk management is guided by the risk management policy approved by VR-Group Ltd's Board of Directors. The policy defines the principles and objectives of risk management as well as the relevant responsibilities and operating procedures.

Responsibilities and duties related to risk management have been clearly defined. VR Group's risk management is based on a three-line model in which the primary responsibility for the implementation of risk management lies with the business areas and the executive management in the first line. In the second line, the corporate services units lay out consistent operating practices and support business operations. In the third line, the internal audit function independently ensures the compliance of risk management. A separately appointed risk management group guides and supports the planning and implementation of risk management. The risk management group is chaired by VR Group's CFO and its members include the Director of Finances, Director, Risk Management, the Vice President for the Internal Audit, the Senior Vice President, Strategy and Development, the General Counsel, the Senior Vice President, Human Resources and the Senior Vice President, Train Operations & Safety.

VR Group is prepared to take controlled risks within its risk-bearing capacity. However, in matters pertaining to safety, regulatory compliance and the reliability of reporting, the aim is to minimise risks. Risk acceptability criteria are defined by risk category in the risk management policy. VR Group has insurance that covers, for example, damage and liability risks arising from major accidents as well as the discontinuation of operations in respect of damage risks.

Risks are categorised as external, strategic and operational risks. External risks cannot be fully influenced or controlled, but it is important to identify them and take them into consideration in the Group's operations. Strategic risks are related to strategic choices and the execution of strategy. They usually involve business opportunities, which means that controlled risks can be taken within the limits of the Group's risk-bearing capacity. Operational risks are generally related to internal processes or controllable external factors and they also include damage risks. Operational risks are assessed at the business area level and unit level through processes.

The risk assessment process at the business area level and the Group level is an operating model integrated to business operations. It involves identifying, assessing, managing and monitoring risks that influence operations as part of the planning and development of operations. Information related to risks is documented in the Group's risk register and its confidentiality is maintained. The effectiveness of risk management and the development of the risk management process are evaluated annually in connection with the Group's risk assessment.

## Board of Directors

The Board of Directors of VR-Group Ltd operates in accordance with the Articles of Association, the Limited Liability Companies Act and other applicable legislation. The Board of Directors is responsible for the company's governance and the appropriate organisation of the company's operations. The Board of Directors also ensures that the control of the company accounts and finances is appropriately arranged.

The Board of Directors has approved its rules of procedure, which document the Board of Directors' key duties and the principles concerning the evaluation of the Board of Directors' operations. The Board of Directors confirms amendments and updates to its charter. The key contents of the charter are described in this section.

To carry out its duties, the Board of Directors, among other things, makes any major decisions concerning the operating principles, strategy, investments, organisation and financing. The Board also decides on business combinations and corporate acquisitions as well as major property transactions.

In addition, the Board of Directors:

- approves the annual action plan and budget;
- signs the report of the Board of Directors and the financial statements;
- approves financial and business reviews and financial statements bulletins;
- approves the company's organisational structure and remuneration systems;
- appoints and dismisses the President and CEO;
- appoints the members of the Group Management Team;
- approves the terms of service of the President and CEO, the Group Management Team and the Group's other key employees;
- appoints the members of the Board of Directors' committees and confirms the charters of the committees;
- guides and supervises the executive management;
- supervises compliance with laws and regulations;
- approves long-term goals and strategies;
- approves principles and policies pertaining to the Group's values and the control and risk management system;
- prepares matters for discussion by the Supervisory Board together with the President and CEO; and
- convenes the General Meeting.

The Annual General Meeting of VR-Group Ltd annually appoints the Chair of the Board of Directors and the other members. The Board of Directors elects a Vice Chair from among its members. The Board of Directors shall have at least four (4) and at most eight (8) ordinary members. The Chair of the Board of Directors:

- convenes meetings of the Board of Directors;
- approves the agendas prepared by the President and CEO for meetings of the Board of Directors;
- ensures that minutes are drawn up for each meeting of the Board of Directors;
- ensures that every decision of the Board of Directors that is made without convening a meeting is appropriately documented;
- maintains contact as necessary between meetings with the President and CEO and the members of the Board of Directors; and
- ensures that the provisions of the charter of the Board of Directors are observed in the work of the Board of Directors.

The Board of Directors has a quorum when more than half of its members are present, provided that the invitation to the meeting has been appropriately delivered to all members. Decisions are made in observance of the interest of the company and its shareholder as well as the provisions of the Limited Liability Companies Act.

The provisions of the Limited Liability Companies Act are observed with regard to conflicts of interest involving members of the Board of Directors. The Board of Directors ensures that conflicts of interest are taken into consideration as necessary. Members of the Board of Directors shall also assess their own possible conflicts of interest as necessary.

Each term, the Board of Directors evaluates its operations and practices to ensure efficiency and continued development. These evaluations are primarily carried out by the Board of Directors itself and with the help of external evaluators when necessary.

## VR-Group Ltd's Board of Directors 2021

### Chairperson of the Board

**Kjell Forsén**, b. 1958, Lic.Sc. (Tech.). Previous positions include, for example, CEO and President and chairperson of the Management Team at Vaisala Oyj 2006–2020, several executive posts at Ericsson during the period 1986–2006 in Finland and abroad and as President of Ericsson Finland 2003–2006. Member of the Council of the Valamo Foundation. Chair of the Board of Directors, Oilon Group Oy. Chair of the Board of Directors of VR-Group Ltd since 22 March 2019.

### Vice Chairperson of the Board

**Heikki Allonen**, b. 1954, M.Sc. (Eng.), Board professional. Previous positions include President and CEO at Patria Oyj, Fiskars Corporation and SRV Oyj and member of the management team and Board of Directors of Wärtsilä Plc. Board members: Nokian Tyres plc, Helsingin Satama Oy and Savox Communications Ltd and NRC Group ASA. President and CEO of Hemmings Oy Ab. Member of the Board of Directors of VR-Group Ltd since 15 April 2015.

### Ordinary members

**Pekka Hurtola**, b. 1959, Senior Financial Counsellor, Ownership Steering Department of the Prime Minister's Office. Previous positions include SVP, Corporate Development and Strategy at Finavia. Board members: Suomen Lauttaliikenne Oy until 31 March 2021 and Veikkaus Oy. Member of the Board of Directors of VR-Group Ltd since 12 April 2018.

**Roberto Lencioni**, b. 1961, LL.M., Managing Director, Oy Gard (Baltic) Ab. Previous positions include executive posts at Oy Baltic Protection Ab, Managing Director of Oy Baltic Insurance Brokers Ab, Sales Manager at Aspocomp Oy and corporate lawyer at Aspo Group. Chair of the Nomination Committee of Aspo Plc. Member of the Board of Directors of VR-Group Ltd since 15 April 2015.

**Sari Pohjonen**, b. 1966, M.Sc. (Econ.), CFO, Oriola Corporation. Previous positions include CFO and Deputy CEO of Fiskars Group, CFO and Deputy CEO of Reima Group and various positions in SanomaWSOY's financial administration. Board memberships: Jane and Aatos Erkko Foundation and Oilon Group Oy. Member of the Board of Directors of VR-Group Ltd since 22 March 2019.

**Nermin Hairedin**, b. 1975, M.Sc. (Econ.) Partner, software development company Frumatic Oy, Senior Advisor at Aalto Executive Education Oy and Business Consultant. Previous positions include international digital, data business and marketing executive posts at Sonera, Fonecta and Nokia as well as CEO of the marketing communications company Dentsu Aegis Network Oy. Board memberships: SOK, HopLop Oy, Örum Oy Ab. Chair of Delipap Oy's Board of Directors. Member of the Board of Directors of VR-Group Ltd since 16 March 2020.

**Virve Laitinen**, b. 1972, M.Sc. (Eng.), MBA. SVP, Specialty Products, Orion Corporation. Previous positions include SVP, Supply Chain, Director, Business Planning and Control and several expert and project duties related to industrialisation, production, logistics and procurement at Orion Corporation. Member of the health care sector committee of the National Emergency Supply Agency 2015–. Member of the Board of Directors of VR-Group Ltd since 15 April 2020.

The members of the Board of Directors are independent of the company and its shareholder with the exception of Pekka Hurtola, who represent the Ownership Steering Department of the Prime Minister's Office. The members of the Board of Directors do not own shares in VR-Group Ltd or its group companies.

## Meetings

As a rule, the Board of Directors meets once a month. In 2021, the Board of Directors met 15 times and the average attendance rate of the members of the Board of Directors was 100 per cent. The meeting attendance of the members of the Board of Directors is shown in the table below.

| Chair            | Attendance at<br>meetings of the<br>Board of Directors |
|------------------|--|
| Kjell Forsén     | 15/15  |
| Vice Chair       |  |
| Heikki Allonen   | 15/15  |
| Members          |  |
| Pekka Hurtola    | 15/15  |
| Roberto Lencioni | 15/15  |
| Sari Pohjonen    | 15/15  |
| Nermin Hairedin  | 15/15  |
| Virve Laitinen   | 15/15  |



## Committees

The Board of Directors has established an Audit Committee and a Human Resources Committee from among its members. The term of the committees is one year. The term begins when the committees are appointed after the Annual General Meeting of VR-Group Ltd and lasts until the next Annual General Meeting.

The committees meet approximately 4–7 times per year. The committees have charters approved by the Board of Directors and they report to the Board of Directors. The key contents of the charters of the committees are described below.

### Audit Committee

The Audit Committee focuses particularly on preparing matters related to financial reporting, oversight and risk management for discussion by the Board of Directors. The Committee also maintains contact with the auditors and the internal audit as necessary.

The Committee shall consist of at least three independent members of the Board of Directors who are external to VR Group and have the necessary qualifications for the committee's activities. At least one member shall have special expertise in accounting or auditing.

The Audit Committee's tasks include the following:

- discussing the annual budget;
- monitoring accounting principles and changes thereto;
- familiarising itself with relevant issues related to bookkeeping and financial reporting, particularly arrangements that are complex and unusual and may involve discretion as well as transactions that may have a significant effect on perceptions of VR Group's financial performance and financial position;
- monitoring the implementation of financially significant and long-term investments and their financing;
- monitoring the effectiveness of the company's internal control and internal audit;
- approving the internal audit procedure and action plan, reviewing audit reports and ensuring the independent reporting of the internal audit to the Audit Committee;

- monitoring the overall risk situation and the effectiveness of the risk management process;
- monitoring the statutory audit of the financial statements and consolidated financial statements;
- evaluating the independence of the statutory auditor and audit firm and particularly the provision of additional services to the company being audited;
- reviewing, together with the senior management and the auditors, the audit plan and any observations highlighted based on the audit as well as ensuring that the highlighted issues are appropriately addressed;
- monitoring the financial situation of the company and the Group (interim financial statements);
- reviewing financial reporting, including interim and annual reports, financial statements bulletins and other similar financial releases;
- monitoring transactions between the company and its related parties and any conflicts of interest they may involve;
- familiarising itself with any legal proceedings of financial significance to the company and other legal matters;
- monitoring risks and other relevant issues pertaining to the information security of the company's information systems;
- preparing decisions regarding the selection of the auditor; and
- carrying out other tasks separately assigned to it by the Board of Directors.

The duties of the Chair of the Committee include:

- convening the Committee meetings;
- approving the agendas for Committee meetings;
- ensuring that minutes are drawn up for each Committee meeting;
- ensuring that the Committee reports regularly to the Board of Directors on its work; and
- ensuring that the provisions of the charter of the Committee are observed in its work.

On 26 April 2021, the Board of Directors elected the following persons to the Audit Committee: Sari Pohjonen (Chairman), Heikki Allonen, Nermin Haired and Virve Laitinen. Pekka Hurtola was a member of the Audit Committee until 26 April 2021.

The Audit Committee convened a total of seven times during 2021. The meeting attendance of the members of the Audit Committee is shown in the table below.

| Chair                             | Attendance at meetings<br>of the Audit Committee |
|-----------------------------------|--|
| Sari Pohjonen                     | 7/7  |
| <b>Members</b>                    |  |
| Heikki Allonen                    | 4/4  |
| Virve Laitinen from 26 April 2021 | 7/7  |
| Nermin Hairedin                   | 7/7  |
| Pekka Hurtola until 26 April 2021 | 3/3  |

## Human Resources Committee

The Human Resources Committee focuses on preparing matters for the Board of Directors pertaining to the development of the remuneration systems for the company's President and CEO and other management and personnel as well as other key appointments. As a rule, the Committee has at least three members.

The Committee's tasks include the following:

- preparations concerning the pay and other benefits of the company's President and CEO;
- preparations concerning the remuneration of the Group Management Team and other executives;
- preparations concerning the appointment of the President and CEO, the members of the Group Management Team and, if necessary, other key employees;
- preparations of matters concerning the company's remuneration systems; and
- seeing to other tasks assigned to the Committee by the Board of Directors and, to the extent decided by the Committee, discussing other HR-related matters, such as personnel development, the development of supervisory work, succession planning and the development of occupational safety.

The duties of the Chair of the Committee include:

- convening the Committee meetings;
- approving the agendas for Committee meetings; ensuring that minutes are drawn up for each meeting of the Committee;
- ensuring that the Committee reports regularly to the Board of Directors on its work; and
- ensuring that the provisions of the charter of the Committee are observed in its work.

On 26 April 2021, the Board of Directors elected the following persons to the Human Resources Committee: Kjell Forsén (Chair), Heikki Allonen, Pekka Hurtola and Roberto Lencioni.

The Human Resources Committee met a total of 19 times in 2021. The meeting attendance of the members of the Human Resources Committee is shown in the table below.

| Chair            | Attendance at meetings of the<br>Human Resources Committee |
|------------------|--|
| Kjell Forsén     | 19/19  |
| <b>Members</b>   |  |
| Heikki Allonen   | 19/19  |
| Pekka Hurtola    | 19/19  |
| Roberto Lencioni | 19/19  |

## The President and CEO

The President and CEO is responsible for managing the Group's day-to-day administration in accordance with the instructions and orders issued by the Board of Directors.

The Board of Directors appoints and dismisses the President and CEO and decides on their remuneration.

Until 4 August 2021, the President and CEO of VR-Group Ltd was **Rolf Jansson** (b. 1969), M.Sc. (Eng.), M.Sc. (Econ.). Prior to taking up his post as the President and CEO of VR-Group Ltd, he worked at VR-Group Ltd as the Senior Vice President of the Logistics division and as the Senior Vice President of Corporate Development and as a member of VR Group's Management Team (starting from 27 July 2009). Previously, he worked as an Executive Director at Nordea Corporate Finance and as a management consultant at Booz Allen Hamilton. Rolf Jansson is the board member of Sarlin Group Oy Ab, Varma Mutual Pension Insurance Company and East Office of Finnish Industries Oy and the board chair of NRC Group ASA.

On 5 August 2021, **Lauri Sipponen** (b. 1969) started as the VR-Group Ltd's President and CEO. Prior to becoming President and CEO of VR-Group Ltd, he has held various management and development positions at Lidl Finland, being the President and CEO of the company 2010–2019. Lauri Sipponen is a board member of Wulff Group Plc, Lappset Group Oy, Repolar Pharmaceuticals Oy, In Westen Oy, Laitilan Wirvoitusjuomatehdas Ltd and the German-Finnish Chamber of Commerce and the board chair of CAP-Group Oy.

## The Management Team

VR Group has a Management Team comprised of the President and CEO (Chair), the SVP, Strategy & Corporate Development, the Group CFO, the SVP, Passenger Services, the SVP, Logistics, the SVP, Human Resources, the SVP, Train Operations & Safety, the Managing Director of VR FleetCare Ltd, the SVP, Communications and the SVP, Legal Affairs and Sustainability.

The Management Team discusses strategic issues and matters of significance to VR Group's business, prepares plans and monitors their implementation. The Management Team also discusses key day-to-day operations and operational issues. As a rule, the Management Team meets once a week.

In 2021, VR Group's Management Team consisted of the President and CEO and the following members:

**Ilkka Heiskanen**, b. 1984, M.Sc. (Eng.), Industrial Engineering and Management. Senior Vice President, Strategy & Corporate Development until 30 November 2021 and Senior Vice President, Train Operations and Safety since 1 December 2021. Previous positions include Vice President, Production and Head of Planning at VR Transpoint, business development at VR Transpoint and VR Group and management consultant at Bain & Company and Booz Allen Hamilton. Member of the Group Management Team since 1 March 2018.

**Martti Koskinen**, b. 1957, B.Eng. Senior Vice President, VR Transpoint. Previous positions include Vice President, Sales and Marketing at VR Transpoint, Director of Central and East European Business Operations at Corus Ltd and Construction Marketing and Procurement Director, Ruukki Construction, and Regional Manager for Central Europe at Rautaruukki Corporation. Member of the Group Management Team since 5 December 2016.

**Nina Mähönen**, b. 1975, M.Sc. (Eng.) Industrial Engineering and Management. Senior Vice President, Train Operations and Senior Vice President, Safety until 30 November 2021. Previous positions include Vice President, Production, and Vice President, Planning and Freight Control at VR Transpoint and traffic planning at VR Track. Member of the Group Management Team 1 May 2019–30 November 2021.

**Erkka Repo**, b. 1970, M.Sc. (Econ.). VR-Group Ltd's CFO. Previously worked as Director of Finances at UPM-Kymmene Oyj. Member of the Group Management Team since 1 February 2021.

**Topi Simola**, b. 1976, M.Sc. (Econ.). Senior Vice President, Passenger Services, VR-Group Ltd. VR Group Head of Development and Director of Commuter Services, 2011–2017. Previous positions include Managing Director of Cabonline Finland and management consultant at Accenture and Synergy (KPMG). Member of the Group Management Team since 5 August 2019.

**Kimmo Soini**, b. 1958, M.Sc. (Eng.) CEO, VR FleetCare Ltd. Previous positions include Senior Vice President, Maintenance, VR-Group Ltd, manager of the Helsinki depot, VR Group and technical director at Finnair. Member of the Group Management Team since 1 March 2015.

**Antti Tuominen**, b. 1984, M.Sc. (Econ.). Senior Vice President, Strategy & Corporate Development since 1 December 2021. Employed by VR Group since 2012, most recently as Development Director for passenger traffic. Prior to that, he has worked as Planning Director of long-distance traffic and in business development and project tasks in the Group. Member of the Group Management Team since 1 December 2021.

**Tatu Tuominen**, b. 1969, M.Soc.Sc. Senior Vice President, Communications, VR-Group Ltd. Previous positions include Head of Communications and Public Affairs at Telia and, prior to that, various positions at the Ministry of Foreign Affairs and the Ministry of Transport and Communications. Member of the Group Management Team since 15 January 2018.

**Taru Uotila**, b. 1970, LL.M. (Bruges). Senior Vice President, Legal Affairs and Sustainability at VR-Group Ltd. Employed by VR Group since 2013 as Senior Legal Counsel and from 2017 as General Counsel. Previously held positions related to corporate law at various attorney's offices, Fortum Corporation and GE Healthcare. Member of the Group Management Team since 8 August 2019.

**Anne-Mari Mäkinen**, b. 1979, Licentiate in Law, MBA. Senior Vice President, Human Resources, VR-Group Ltd, 1 April 2021–31 December 2021.

**Timo Koskinen**, b. 1968, LL.M. Senior Vice President, Human Resources & Safety, VR-Group Ltd. Previous positions include HR Director at VR Ltd and VR-Group Ltd and corporate lawyer at Elisa Corporation. Board members: Aallon Group Oyj. Member of the Group Management Team 20 August 2009–31 March 2021.

## Composition and activities of the Supervisory Board

VR-Group Ltd's Supervisory Board must consist of at least six (6) and at most twelve (12) members. The Chair and members of the Supervisory Board are appointed by the General Meeting. The Supervisory Board elects a Vice Chair from among its members. The term of the members of the Supervisory Board is one (1) year and it expires at the end of the Annual General Meeting following their appointment.

Representatives of personnel organisations also attend the meetings of VR-Group Ltd's Supervisory Board. The organisations represented in the Supervisory Board are the Trade Union for the Public and Welfare Sectors JHL, Railway Union Finland RAU ry, Railway Technical and Salaried Employees' Union RTTL, Union of Private Sector Professionals ERTTO, Service Union United PAM, Transport Workers' Union AKT and VR Akava. The representatives of the personnel organisations have the right to attend and speak at meetings, but they are not full members of the Supervisory Board.

The duties of the Supervisory Board are as follows:

- monitoring the company's governance led by the Board of Directors and the President and CEO and monitoring that the company's affairs are managed in a manner that observes sound business principles and profitability and in compliance with legislation, the Articles of Association and the resolutions of general meetings;
- issuing instructions to the Board of Directors on matters with far-reaching impact and matters of principle;
- issuing a statement to the Annual General Meeting on the financial statements and auditor's report; and
- discussing financial plans and annual plans, including proposals concerning far-reaching changes to the basic service offering, and monitoring the implementation of said plans.

## Supervisory Board of VR-Group Ltd 2021

### Chair

**Sheikki Laakso**, b. 1968, recycling entrepreneur, Member of Parliament

### Members

**Anders Adlercreutz**, b. 1970, architect, entrepreneur, Member of Parliament

**Sanna Antikainen**, b. 1988, registered nurse, Member of Parliament

**Seppo Eskelinen**, b. 1960, Executive Director, Member of Parliament

**Hanna Holopainen**, b. 1976, M.Sc. (Eng.), Executive Director, Member of Parliament

**Anna-Kaisa Ikonen**, b. 1977, D.Soc.Sc., Professor of Practice, Member of Parliament. Member of the Supervisory Board until 1 September 2021

**Mai Kivelä**, b. 1982, Master in Environment and Development, Member of Parliament

**Jouni Kotiaho**, b. 1958, transport entrepreneur, Member of Parliament

**Matias Marttinen**, b. 1990, M.Soc.Sc., Member of Parliament

**Raimo Piirainen**, b. 1952, pensioner, train driver, Member of Parliament

**Arto Pirttilahti**, b. 1963, Executive Director, agrologist, Member of Parliament

**Ruut Sjöblom**, b. 1976, Master of Theology, researcher, Member of Parliament. Supervisory Board member since 23 September 2021.

**Katja Taimela**, b. 1974, vocational qualification in catering, Member of Parliament



## Personnel organisation representatives in 2021

Chair **Tero Palomäki**

Railway Union Finland RAU ry

Chair **Teppo Järnstedt**

Trade Union for the Public and Welfare Sectors JHL

Chair **Olli-Pekka Nyman**

VR Akava

Chair **Johanna Wäre**

Railway Technical and Salaried Employees' Union RTTL

Chair **Juri Aaltonen**

Union of Private Sector Professionals ERTO

Acting Chair **Pekka Lehtonen**

Transport Workers' Union AKT

Chair **Annika Rönni-Sällinen**

Service Union United PAM

The Supervisory Board met four times in 2021.

| Chair              |                        | Attendance at meetings<br>of the Supervisory Board |
|--------------------|------------------------|--|
| Sheikki Laakso     |                        | 4/4  |
| Vice Chair         |                        |  |
| Raimo Piirainen    |                        | 4/4  |
| Members            |                        |  |
| Anders Adlercreutz |                        | 4/4  |
| Sanna Antikainen   |                        | 4/4  |
| Seppo Eskelinen    |                        | 4/4  |
| Hanna Holopainen   |                        | 4/4  |
| Anna-Kaisa Ikonen  | until 1 September 2021 | 3/3  |
| Mai Kivelä         |                        | 4/4  |
| Jouni Kotiaho      |                        | 2/4  |
| Matias Marttinen   |                        | 4/4  |
| Arto Pirttilahti   |                        | 4/4  |
| Ruut Sjöblom       | from 23 September 2021 | 1/1  |
| Katja Taimela      |                        | 4/4  |

## Audit

According to the Articles of Association, VR-Group Ltd shall have one (1) auditor, which must be a firm of authorised public accountants. The auditor's term of office expires at the end of the Annual General Meeting following their election. The auditor is appointed by the General Meeting.

Ernst & Young Oy, Authorised Public Accountants, was elected as auditor for 2021, with Mikko Ryttilähti, APA, CPFA, as the principal auditor. The auditing fees paid to the auditor for auditing services totalled 474 thousand euros and for other services 64 thousand euros during the financial year 2021.





## Corporate Governance Statement 2021

18 March 2022