

Corporate Governance Statement 2024

Applicable rules and regulations

Neova Oy is a Finnish non-listed limited liability company whose decision-making and management comply with the applicable legislation, such as the Finnish Limited Liability Companies Act, the Finnish Accounting Act and the company's Articles of Association (Appendix 1) as well as the Shareholders' Agreement between the company's owners. In addition, Neova Oy complies with the Government Resolution on the handling of Corporate Governance matters in publicly owned and affiliated companies issued by the Ownership Steering Department of the Prime Minister's Office ("Government Resolution on State Ownership Policy, available at <https://vnk.fi/en/ownership-steering-data-bank>) and, where applicable, the Securities Market Association's Finnish Corporate Governance Code, which took effect on 1 January 2025 ("Corporate Governance Code", available at <https://www.cgfinland.fi/en/corporate-governance-code/>).

The company's Articles of Association ([Appendix 1](#)) include a redemption clause. Pursuant to the redemption clause, if a share is transferred to an outside party, other than one that exercises control over a shareholder of the company, the other shareholders shall have the right to redeem the transferred shares.

The company publishes this Corporate Governance Statement annually together with the annual report.

Divisions and business functions

Neova Group's operations consist of the Kekkilä-BVB and the Neova Terra divisions, as well as Group Services functions.

Kekkilä-BVB consists of four business areas: Central Europe, Global, Nordics and Materials. Kekkilä-BVB specialises in growing media, recycling, the wholesale of peat raw material and sales of bedding peat.

The Neova Terra division consists of four business areas. The Real Estate Development and Renewable Energy business is responsible for Neova's land assets and develops the land owned by Neova for further forms of land use, such as wind and solar power. The Peat and New Materials business is responsible for the Group's peat production, logistics and sales to external customers. Novactor is a pioneer in the activated carbon market. The Neova Agro business develops new products from peat and other natural materials.

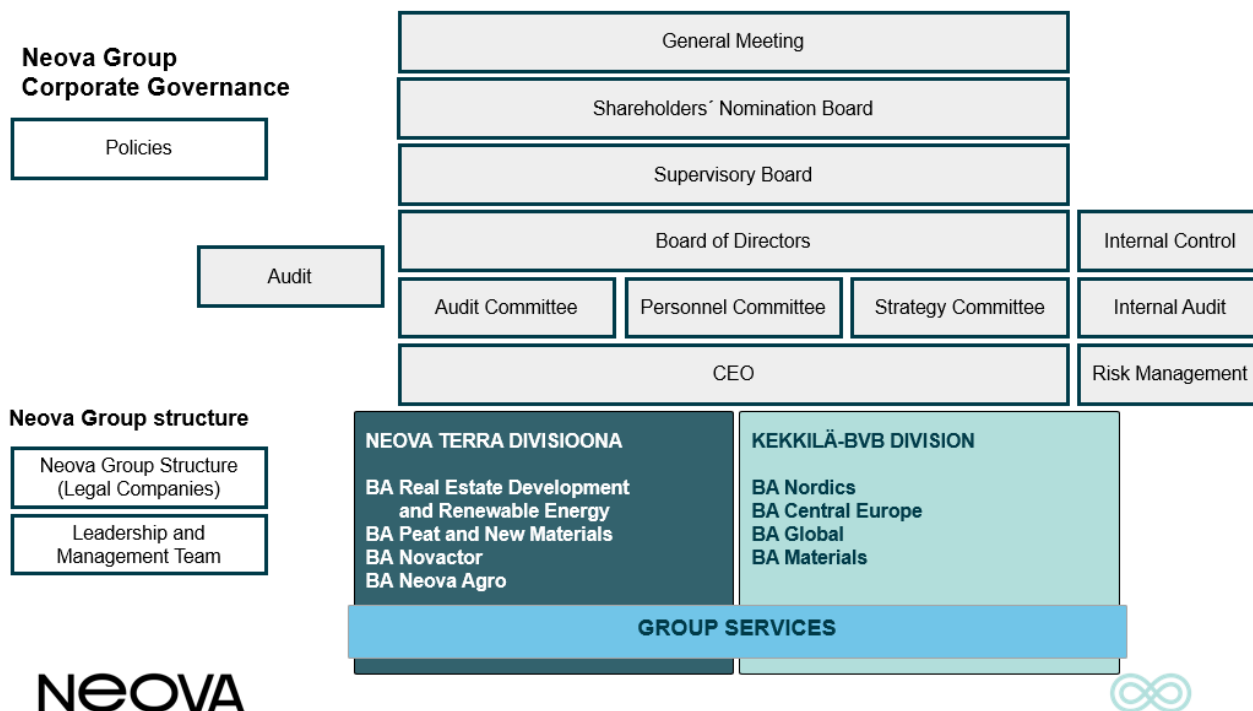
The Group Services -function consists of HR, Finance & Business Control, ICT, Communications & Public Affairs and Legal Services & Internal Audit for the entire Group.

Each division and function is responsible for its operations throughout Neova Group's operating countries and subsidiaries.

Neova's governing bodies

The highest decision-making power in Neova is exercised by the shareholders at the General Meeting. The management of the Group is the responsibility of the Board of Directors appointed by the General Meeting and the CEO appointed by the Board of Directors. The work of the Board of Directors and CEO is supervised by the Supervisory Board appointed by the General Meeting. The Group Management Team and other senior management assist the CEO in his duties. The Board of

Directors decides on the Group’s governance systems and ensures that the company observes good corporate governance.



General Meeting

The Annual General Meeting shall be held in either Jyväskylä or Helsinki on a date determined by the Board of Directors, no later than six months after the end of the financial year.

An Extraordinary General Meeting may be held if the Board of Directors deems it necessary or there are legal grounds for doing so.

Pursuant to the Articles of Association (Appendix 1), the General Meeting shall be convened by sending a registered letter to each shareholder at the address in the share register or by sending an invitation electronically to the email address given by the shareholder no later than eight days before the meeting.

All shareholders have the right to participate in General Meetings by following the instructions provided in the notice of the General Meeting. Shareholders can participate in the General Meeting themselves or by a proxy representative. Each share confers one vote at the General Meeting.

The General Meeting decides on matters within its authority pursuant to the Limited Liability Companies Act, such as confirming the financial statements, the distribution of profit, discharging the members of the Supervisory Board, the Board of Directors and the CEO from liability and any amendments to the Articles of Association. The General Meeting also appoints the members of the Board of Directors, the members of the Supervisory Board and the company’s auditors and decides on their remuneration. In addition, the General Meeting elects the members of the Shareholders’ Nomination Board.

The Shareholders' Agreement between the company's owners is also observed in the appointment of the members of the Board of Directors and the Supervisory Board. The Shareholders' Agreement also includes more detailed provisions regarding the decision-making procedure concerning certain decisions.

Due to Neova Oy being a privately held company owned by two shareholders, the company does not publish the minutes of the General Meeting, proposals for resolutions or other meeting documents on its website. In accordance with the owners' instructions, the General Meeting must be attended, at a minimum, by the Chair of the Board of Directors, the CEO and the auditor. Persons nominated for appointment to the Board of Directors for the first time do not necessarily need to be present at the General Meeting deciding on their appointment.

A separate press release shall be published regarding appointments and other significant decisions. The financial statements, notes to the financial statements and the Board of Directors' Report are published on Neova's website.

Financial year 2024: Neova Oy's Annual General Meeting was held in Helsinki on 26 March 2024. The Annual General Meeting resolved on matters such as the adoption of the financial statements, the distribution of dividends, the remuneration and election of the members of the Supervisory Board, the Board of Directors, the Shareholders' Nomination Board and the auditor, and the granting of discharge from liability to the members of the Supervisory Board, the Board of Directors and the CEO. The Annual General Meeting also discussed remuneration and environmental, social and governance (ESG) issues.

All the company's shares and votes were represented at the Annual General Meeting. In addition, one Extraordinary General Meeting was held during the year. On 19 June 2024, the shareholders elected the new Chair of the Shareholders' Nomination Board.

Shareholders' Nomination Board

The Shareholders' Nomination Board consists of the Chair and one member elected annually by the Annual General Meeting. According to the Rules of Procedure of the Board, the Chair must be a representative of the state owner.

The main task of the Shareholders' Nomination Board is to prepare a proposal on the composition, election and remuneration of the company's Board of Directors. The Board does not have independent decision-making power, so it only prepares proposals for the Annual General Meeting.

Financial year 2024: At the Annual General Meeting on March 26, 2024, the decision was made to elect Pekka Hurtola (male) as Chair and Rami Vuola (male) as a member of the Shareholders' Nomination Board. The Annual General Meeting also decided that no remuneration will be paid to the members of the Shareholders' Nomination Board.

On 19 June 2024, the shareholders elected Maija Strandberg (female) as Chair of the Shareholders' Nomination Board in place of Pekka Hurtola.

The Shareholders' Nomination Board met four times during the financial year. All members attended all meetings.

At its meetings, the Shareholders' Nomination Board discussed the election of the members of the Board of Directors and prepared proposals for the composition and remuneration of the Board of Directors to the Annual General Meeting.

Supervisory Board

The Annual General Meeting of Neova Oy annually appoints a Supervisory Board consisting of a minimum of 8 and a maximum of 10 members elected by the Annual General Meeting for a term of one year in the manner specified in the Shareholders' Agreement between the company's owners. The meetings of the Supervisory Board are also attended by three employee representatives elected by the personnel for a term of two years at a time.

The Supervisory Board operates according to the Limited Liability Companies Act and the Articles of Association, and is tasked with the following:

1. to supervise the administration of the company carried out by the Board of Directors and the Chief Executive Officer
2. to issue a statement to the Annual General Meeting on the financial statements and the auditor's report
3. to provide instructions to the Board of Directors on matters that have far-reaching consequences and involve important primary issues
4. to issue a statement to a General Meeting on issues that require a statement by the Supervisory Board as per the Finnish Companies Act.

Financial year 2024: At Neova Oy's Annual General Meeting held on 26 March 2024, the following members were elected to the Supervisory Board: Harri Hietala, Janne Jukkola, Antti Kangas, Jari Koskela, Eero Kubin, Esko Kurvinen, Janne Laine, Heikki Miilumäki, Piritta Rantanen and Eerikki Viljanen. Antti Kangas was elected as Chair and Heikki Miilumäki was elected as Vice Chair.

The Supervisory Board met four times during the financial year. The members' attendance in the meetings of the Supervisory Board is shown in the table below. The main topics discussed by the Supervisory Board were issues related to security of supply and corporate responsibility.

The members of the Supervisory Board do not hold any shares in Neova Oy or its subsidiaries and they are independent of the company and its significant shareholders.

The fees paid to the members of the Supervisory Board are presented in the [Report](#) section.

Name	Meeting attendance 2024
Antti Kangas (b. 1987, male) Chair, Member of Parliament 8/2023–	4/4
Heikki Miilumäki (b. 1946, male) Vice Chair, D.Sc. (Tech.) h.c. 9/2009–	4/4
Harri Hietala (b. 1958, male) Member, LL.M. 3/2022–	4/4
Janne Jukkola (b. 1977, male) Member, Member of Parliament 8/2023–	2/4
Jari Koskela (b.1956, male) Member, Member of Parliament 8/2023–	4/4
Eero Kubin (b. 1948, male) Member, professor 9/2009–	4/4

Esko Kurvinen (b. 1952, male) Member, Engineer 9/2009–	4/4
Janne Laine (b.1969, male) Mayor of Savonlinna 8/2023–	4/4
Piritta Rantanen (b. 1962, female) Member, Member of Parliament 10/2019–	4/4
Eerikki Viljanen (b.1975, male) Member, Member of Parliament 8/2023–	4/4

Board of Directors

The Annual General Meeting of Neova Oy annually appoints a minimum of 4 and a maximum of 8 members to the company's Board of Directors in the manner specified in the Shareholders' Agreement between the company's owners. The chair and vice chair are appointed in the manner stipulated by the Shareholders' Agreement. The company does not deem it necessary to provide information on candidates for membership of the Board of Directors because the company only has two shareholders that participate in the selection process. The selection of the members of the Board of Directors follows the instructions of the Ownership Steering Department of the Prime Minister's Office on the realisation of diversity, and the General Meeting has appointed a Shareholders' Nomination Board to prepare matters related to the appointment and remuneration of the Board of Directors.

Neova Oy's Board of Directors sees to the administration of the company and the appropriate organisation of its operations. The Board of Directors is also responsible for the appropriate arrangement of the control of the company accounts and assets. Neova Oy's Board of Directors is responsible for managing and supervising Neova in accordance with the Limited Liability Companies Act, the Articles of Association, the Board's charter and the shareholders' instructions in such a way that the decisions are in the company's interest and support the growth of the company's value.

Board members must have the necessary expertise in board work and sufficient time to focus on the task. The Board must ensure that it has adequate information at its disposal to attend to its duties. The Board must ensure that the Group operates in accordance with approved business principles and sets targets in an ethical manner.

The Board appoints and discharges the CEO, supervises the CEO's work and decides on the CEO's remuneration and other terms of employment. The Board also appoints and discharges the CEO's direct subordinates and decides on their remuneration. In addition, the Board decides on the company's mission, strategy and values, monitors their realisation and approves the company's operating policies.

The Board organises the internal audit and prepares the audit plan in collaboration with the CEO. The Board monitors and assesses its working methods with annual internal reports.

The Board also decides on significant expansions and contractions of operations as well as other significant investments, other long-term expenditure, assignments of property, financing arrangements and the impairment of assets. Board meetings are attended by the CEO, as a presenter, and by the company's Chief Financial Officer. Other members of the Group Management Team and senior management attend the meetings when necessary.

The Chief Legal Officer acts as the Secretary of the Board of Directors.

The main tasks of the Board of Directors are specified in the Board's charter ([Appendix 2](#)).

For members of the Board of Directors appointed on proposal by the State, the preferred duration of the term is 5–7 years pursuant to the Government Resolution on State Ownership Policy.

Financial year 2024: The Annual General Meeting held on 26 March 2024 appointed the following as members of the Board of Directors: Stefan Damlin, Dick Hordijk, Jari-Pekka Punkari, Kirsi Puntila, Panu Routila and Eeva-Liisa Virkkunen. Panu Routila was elected as Chair and Eeva-Liisa Virkkunen was elected as Vice Chair.

The Board of Directors convened 16 times during the financial year. The members' attendance in the meetings of the Board of Directors is shown in the table below. The main topics discussed by the Board were safety, restructuring of the division structure, initiatives concerning operational efficiency as well as the general market, the company's risk management, the demand for and availability of peat, security of supply issues, EU legislative processes concerning the use and production of peat, the launch of the activated carbon production plant in Ilomantsi, changes in the group's structure, remuneration, corporate responsibility and a review of the strategy.

The members of the Board of Directors do not own shares of Neova Oy or its subsidiaries, and they are independent of the company. According to the Board of Directors' assessment, Jari-Pekka Punkari is not independent of significant shareholders because he is employed by the state owner. All other members of the Board of Directors are independent of significant shareholders.

The remuneration of the Board of Directors is explained in the [Remuneration Report](#) section.

Name	Board of Directors membership	Meeting attendance for the financial year 2024	Memberships in committees and meeting attendance for the financial year 2024		
			Audit Committee	Personnel Committee	Strategy Committee
Panu Routila b. 1964, male M.Sc. (Econ.) board professional	7/2021– member 3/2022– Chair	16/16		Chair 5/5	Chair 8/8
Tuomas Hyyryläinen b. 1977, male M.Sc. (Econ.) Managing Director of Pihlajalinna Oyj	2016–3/2023 member 3/2023–3-2024 Vice Chair	4/4		member 2/2	member 1/1
Stefan Damlin b. 1968, male M.Sc. (Econ.) Managing Director, Vaasan Sähkö Oy	2020– member (excl. 3/2023– 12/2023)	16/16	member 6/6		member 7/7
Jari-Pekka Punkari b. 1965, male M.Sc. (Econ.) Ministerial Adviser Prime Minister's Office	3/2022– member	16/16	member 3/3	member 3/3	member 8/8

Kirsi Puntila b. 1970, female M.Sc. (Econ.) Senior Vice President, Anora Group Oyj	2018– member	15/16		member 4/5	
Eeva-Liisa Virkkunen b. 1957, female M.Sc. (Econ.) board professional	3/2022–3/2024 member 3/2024- Vice Chair	16/16	chair 9/9		
Dick Hordijk b. 1967, male Professor of Financial Econometrics Managing Director, Agrifirm Group	3/2024- member	10/12	member 6/6		

Board committees

The Board of Directors appoints the members of the Audit Committee, the Personnel Committee and the Strategy Committee from among its members. The Committees of the Board assist it by preparing matters for the Board. The Committees report regularly to the Board of Directors. The Board of Directors has approved charters for the committees to follow.

Audit Committee

The task of the Audit Committee is to prepare, direct and evaluate financial reporting as well as auditing, internal auditing, risk management, legal risks and internal monitoring systems. The Audit Committee assesses the independence of the auditor and prepares the proposal of the Board of Directors to the Annual General Meeting regarding the appointment of the auditors. The Committee does not have independent decision-making power, so it only prepares proposals for the Annual General Meeting.

The Audit Committee consists of the Chair and two members appointed annually by the Board from among its members. Overall, they must have sufficient knowledge of accounting and auditing. The majority of the members of the Audit Committee shall be independent of the company and at least one member shall be independent of the company's significant shareholders. The Audit Committee meets whenever necessary, but at least four times per year led by the Chair of the Committee. The Rules of Procedure of the committee are attached ([Appendix 3](#)).

Financial year 2024: The Audit Committee met 9 times during the financial year. The members' attendance in the committee meetings is shown in the table listing the members of the Board of Directors.

At its meetings, the Audit Committee discussed its statutory matters, matters concerning the reorganisation of business operations, operational efficiency initiatives, changes in the Group's structure, corporate responsibility, reporting and planning of environmental, social and governance issues, corporate sustainability reporting and planning, updates to the ERP system, impairment tests, and internal audit reports and plans. The Audit Committee also discussed the company's financing strategy, risk management, investments and operational efficiency.

Personnel Committee

The task of the Personnel Committee is to prepare proposals to the Board of Directors regarding the appointment and remuneration of the CEO and the Group Management Team as well as the company's remuneration principles. The Personnel Committee also prepares the remuneration policy and remuneration report of the company's governing bodies. The remuneration policy is based on an advisory vote by the Annual General Meeting. The Committee does not have independent decision-making power, so it only prepares proposals for the Annual General Meeting.

The Personnel Committee is comprised of a Chair and two members appointed annually by the Board of Directors from among its members. The members shall have appropriate experience pertaining to the terms of employment and remuneration systems of senior management. A majority of the members of the Personnel Committee shall be independent of the company. The CEO and members of the Group Management Team are not eligible to be members of the Personnel Committee. The Personnel Committee convenes when necessary. The Rules of Procedure of the committee are attached ([Appendix 4](#)).

Financial year 2024: The Personnel Committee convened five times during the financial year. The members' attendance in the committee meetings is shown in the table listing the members of the Board of Directors.

In its meetings, the Personnel Committee discussed the management's long-term and short-term remuneration, the individuals included in the management remuneration system and the general remuneration of the company's personnel. The Personnel Committee also discussed the restructuring of business units, plans related to the development of management and personnel, and the results of the personnel survey.

Strategy Committee

The task of the Strategy Committee is to prepare, monitor and evaluate matters related to the strategy and its implementation, as well as matters related to investments. The Committee does not have independent decision-making power, so it only prepares proposals for the Annual General Meeting.

The Strategy Committee consists of the Chair and two members appointed annually by the Board from among its members. The Strategy Committee convenes when necessary and at least three times per year, led by the committee chair. The Rules of Procedure of the committee are attached ([Appendix 3](#)).

Financial year 2024: The Strategy Committee met 8 times during the financial year. The members' attendance in the committee meetings is shown in the table listing the members of the Board of Directors.

At its meetings, the Strategy Committee discussed the portfolio strategy and the strategies of the divisions, as well as measures aimed at operational efficiency.

Principles regarding the diversity of the Board of Directors

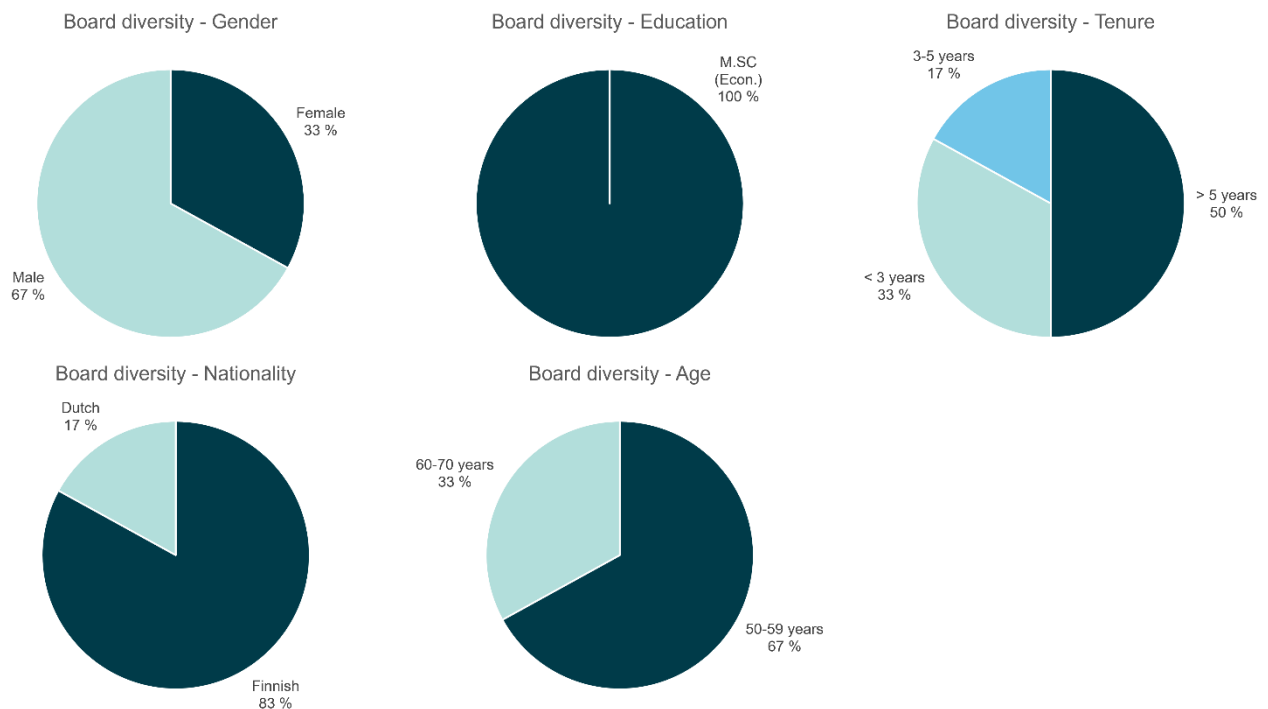
In accordance with the Government Resolution on State Ownership Policy, the key criteria in proposing candidates for Board membership include experience and expertise, assurance of the capacity for cooperation and diversity of competence as well as compliance with the gender equality objectives established by the Government. The State ensures that both genders are adequately represented on the boards of directors of companies.

Assessment of board diversity

The Board of Directors seeks to confirm that it is ensuring independence and diversity, and that there is a balanced representation of women and men on the Board of Directors to promote effective dialogue and objective decision-making. Furthermore, the Board of Directors will appropriately take the applicable regulatory diversity requirements into account.

All members of Neova's Board of Directors have a master's degree in economics. The members of the Board have diverse professional experience and backgrounds in operating in both listed and unlisted companies in different sectors. Many have experience of international growth companies and corporate changes. The members of the Board represent different areas of expertise and have extensive managerial experience.

The Board has a balanced representation of women and men. Five members of the Board are Finnish citizens and one is a Dutch citizen. The term of office on the Board of Directors varies from less than three years to more than five years.



Management

CEO

The Board of Directors appoints and discharges the CEO and deputy CEO and decides on their remuneration and other terms of employment.

1. The CEO sees to the daily administration of the company in accordance with the instructions and orders given by the Board of Directors. The CEO is responsible for the day-to-day management of the company and Group as well as drawing up and presenting the Group's strategy and business plans to the Board of Directors for approval. The CEO reports to the Board of Directors and the Supervisory Board.
2. The CEO also presents matters to be decided on by the Board of Directors.

The division of tasks between the CEO and the Board of Directors is described in more detail in the Board's charter.

The CEO's remuneration and terms of employment are explained in the [Remuneration Report section](#).

The company's CEO as of 4 December 2023 is Pekka Tennilä, M.Sc. (Econ.), b. 1969 (male), and the company's Deputy CEO as of 1 March 2024 is Markus Tykkyläinen, M.Sc. (Tech.), M.Sc. (Tech.), EMBA, b. 1973 (male).

The CEO and Deputy CEO do not own shares in Neova Oy or its subsidiaries.

Group Management Team

Neova Group has a management team appointed by the Board of Directors of Neova Oy, which supports the CEO in the strategic management of the Group. The CEO acts as the Chair of the Group Management Team and appoints its Secretary.

The management team discusses the following matters in particular:

1. group's financial and sustainability reporting and financing
2. group risk management
3. group personnel policies
4. group IT projects
5. strategic projects
6. group's raw materials matters
7. major investments
8. compliance with the law, and
9. preparation of materials for the Board of Directors and the Supervisory Board.

The Group Management Team meets monthly.

Financial year 2024: During the financial year, in addition to the President and CEO, the Group Management Team consisted of:

- from 1 January to 30 April 2024: Jukka Holm (Chief Information Officer, CIO), Petri Järvinen (Chief Supply Chain and Sustainability Officer, SCM), Pasi Koivisto (Director, Fuels), Peter Jan Kuiper (COO Grow&Care), Ahti Martikainen (Director, Communications and Public Affairs), Jaakko Myllymäki (Business Director, Novactor), Jenni Nevasalo (Human Resources Director), Jarmo Santala (CFO) and Mia Suominen (Chief Innovation Officer, Neova Innovation).
- from 1 May to 31 December 2024: Markus Tykkyläinen (Deputy CEO, head of Neova Terra Division), Hannu Nyman (CFO) and Johan Nybergh (Chief Legal Officer, CLO).

The secretary of the management team was Johan Nybergh (General Counsel, CLO).

During the financial year, the Group Management Team met 12 times.

The key topics of the management team's work were the monitoring of strategic objectives and the implementation of the Group's strategy, as well as sustainability.

The members of the Management Team do not own shares in Neova Oy or its subsidiaries.

Subsidiaries

Neova Group is managed by the Annual General Meeting of Neova Oy, the Supervisory Board, the Board of Directors, the Chief Executive Officer and the directors of its divisions and business functions. Neova Oy's Board of Directors appoints the members of the boards of directors of its most significant subsidiaries, ensuring that the work of the statutory executive bodies supports the operative business.

The operational management of Neova Group's divisions and functions is the responsibility of the director of each division and function. The directors report to Neova Oy's CEO. The management of subsidiaries also takes place through Neova Group's divisions and business functions.

The Chair of the senior governing body of the Group's subsidiaries and the managing director of the company in question are responsible for ensuring that the subsidiary's Board of Directors confirms the decisions of the Group Management Team to implement the decisions made by Neova Oy's Board of Directors, Neova Oy's CEO and Neova Oy's director for the division or function in question, or by the Board of the parent company of the company concerned, to the extent that the applicable legislation requires a decision by a senior governing body. The decisions made by the governing bodies are recorded in the minutes.

The boards of directors and the managing directors of subsidiaries belonging to the Neova Group are responsible for:

- ensuring that the Group management has enough information at its disposal to carry out its tasks
- ensuring that the company operates in accordance with approved business principles and set targets
- ensuring that the company complies with the Articles of Association and any possible instructions given in company-specific Corporate Governance policies and by Group management
- ensuring that the company complies with local laws and regulations applicable to its business
- monitoring legislation and forwarding information on legislative changes to the Group Management, the CEO of Neova Oy and/or the responsible business area or function manager
- ensuring that all decisions of the Board of Directors and the CEO of Neova Oy are implemented
- ensuring that the company operates in accordance with its ethical principles and carries out corporate responsibility reporting where applicable.

Companies with minority shareholders external to the Group comply, for the most part, with the procedures described above, nevertheless taking into account the rights of the minority shareholders, and the rules detailed in the Articles of Association and any possible shareholders' agreement.

Internal control

The Board of Directors is responsible for ensuring that the Group's internal control and risk management are sufficient relative to the scope of the Group's business and that their supervision is appropriate.

The Board of Directors supervises that the CEO manages the company's operative business and administration in accordance with the instructions and orders issued by the Board of Directors. The Board of Directors assesses the Group's financial reports, division-specific reviews and material changes in business operations to ensure that risk management is sufficient. In addition, the Board's Audit Committee evaluates the sufficiency and effectiveness of internal control and risk management.

The Board of Directors' Audit Committee is tasked with monitoring the effectiveness of Neova's internal control, internal auditing and the company's risk management systems. Neova has defined operating principles for internal control and the key controls of processes. The CEO and CFO are responsible for the practical organisation of internal monitoring.

Internal monitoring applies to the entire organisation and its management. Effective internal control supports the achievement of strategic targets and improves the steering of business operations. The aim of internal control is to give the Board of Directors and acting management adequate assurance of the realisation of the following targets:

- the effectiveness and appropriateness of operations
- the achievement of targets and profitability
- the reliability and completeness of financial reporting and other reporting
- the safeguarding of assets
- compliance with operating principles, plans, guidelines, laws and regulations to prevent errors and misconduct, for example.

Internal control constitutes an essential part of the Group's operations on all levels of the organisation, and is conducted on all organisational levels and in all operations. The methods of internal control include internal guidelines, reporting, ICT systems and standard practices pertaining to the Group's business operations. These help to ensure that the management's instructions are followed and that any risks to the achievement of the Group's targets are responded to in the appropriate manner. Regular control activities include management audits and audits concerning the measurement of operations, the performance of measurements suitable for each sector, physical control, monitoring compliance with agreed approval limits and operational principles and any deviations therefrom, a system of approvals and authorisations, as well as various assurance and integration arrangements.

Operations are managed and monitored on a monthly basis, primarily by business area. Reviewing the current financial period and rolling monthly forecasts is an essential component of the control and monitoring process.

Control activities are led at the Group level by the Group Management Team and at the business level by the management of divisions, profit centres and business functions. The implementation of monitoring is the responsibility of business controllers appointed for the business areas and profit centres in question operating under the CFO who, together with the CEOs and operational management, see to business transactions being entered in the systems in a timely manner and reported appropriately and efficiently, complying with the separately issued Group guidelines on the content of internal monitoring and reporting.

Internal auditing

The Board of Directors is responsible for organising internal audit activities and preparing audit plans together with the CEO. The internal audit supports Neova Oy's Board of Directors, the CEO and other senior management in carrying out their supervisory tasks. Internal audit services are purchased from an external service provider in the manner approved by the Board of Directors. Neova Group's Chief Legal Officer controls and supervises the implementation of these services and is responsible for communicating with the Board of Directors, its Audit Committee and the senior management in matters related to the internal audit.

Internal auditing

- assesses the adequacy and efficiency of the control and supervision measures required to manage the organisation from the perspective of business targets and identified material business risks
- supports the organisation in maintaining effective monitoring and control procedures
- carries out audits that assess the reliability and integrity of business-critical financial and operational information, the effectiveness and efficiency of operations, safeguarding of assets and compliance with legislation, regulations, agreements and the organisation's internal instructions
- prevents risks of misconduct.

The aforementioned is implemented by providing assessment and assurance services independent of the business organisation's management and by way of consulting in a manner that does not compromise independence.

The Chief Legal Officer and the external auditor performing the internal audit report to the Board of Directors, the Audit Committee and the senior management, in addition to the preparing analyses, assessments and development recommendations on the operations of the Group and the Group companies.

Risk management

Risk management is an integral part of the management of business operations at Neova Group. Comprehensive risk management supports the achievement of Neova's strategic and business goals and ensures the continuity of business operations under changing circumstances.

Successful and long-range business requires the proactive identification of business-related risks, managed risk-taking, the active monitoring of risk development and correct measures undertaken at the right time. The members of the Group Management Team are each responsible for the management of different aspects of the risk assessment.

The risk management that implements the aforementioned targets also constitutes a part of the job description of every Neova employee. Risks are managed at different levels of the organisation depending on where they can be influenced. The implementation and effectiveness of risk management is the responsibility of the directors in charge of the business areas. They organise risk management activities in their respective business areas and report the most significant risks and their management methods to their administrative bodies and Neova Oy's Board of Directors at agreed intervals.

The main risks threatening the Group's different businesses and the ways to prepare for these risks are reported in the annual reports published by the Group companies.

Auditing

Neova shall have one auditor, which shall be an auditing company approved by the Central Chamber of Commerce of Finland. The auditor is appointed at the Annual General Meeting for a term ending at the conclusion of the next Annual General Meeting.

Auditing consists of auditing the Group's accounting, financial statements and governance for each financial year. The auditor reports regularly to the Audit Committee and issues an auditor's report to the Annual General Meeting. The auditor's report includes a statement on whether the financial statements provide accurate and sufficient information on the result of the Group's operations and its financial position in accordance with the applicable financial statements standards and whether the information provided in the Report of the Board of Directors is consistent with the financial statements. The auditor's report also includes a statement on key issues pertaining to the audit. The auditor's fees are paid in accordance with the decision of the Annual General Meeting.

The Group's auditing is organised so that the parent company's responsible auditor appointed by the Annual General Meeting carries out its auditing through its own international organisation or network throughout Neova Group and is responsible for auditing throughout the Group.

Since 30 March 2021, the auditing firm PricewaterhouseCoopers Oy has acted as the auditor of Neova, with APA Panu Vänskä acting as the principal auditor.

For the financial year 1 January–31 December 2024, Neova's audit fees were 615 thousand euros (467 thousand euros in 2023) and consultancy fees were 61 thousand euros (424 thousand euros in 2023).

Related party transactions

Transactions carried out with related parties shall relate to the company's normal business operations and shall be in line with the purpose of the company and executed on market or market equivalent terms and practices generally observed and accepted within the industry in question.

If a contemplated transaction should deviate from the company's normal business operations or would not be executed on market or market equivalent terms, the transaction shall be either cancelled or submitted for the Board of Directors' approval.

Information on material transactions concluded between the company and its related parties is available in the Annual Report 2024 in the notes to the company's consolidated financial statements.

The appendices can be consulted at <https://www.neova-group.com/about-us/corporate-governance/appendixes/>

[Appendix 1: Articles of Association](#)

[Appendix 2: Rules of Procedure of the Board of Directors](#)

[Appendix 3: Rules of Procedure of the Audit Committee](#)

[Appendix 4: Rules of Procedure of the Personnel Committee](#)

[Appendix 5: Rules of Procedure of the Shareholders' Nomination Board](#)

[Appendix 6: Principles regarding the diversity of the Board of Directors](#)