

Everything we do, is  
guided by our values:

Passion, innovation,  
and trust.

CORPORATE GOVERNANCE STATEMENT

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# Introduction

Lamor Corporation Plc's ("Lamor") Corporate governance statement has been prepared in accordance with the current laws and regulations and is issued separately from the Board of Directors' report. This statement has been reviewed by the Board of Directors' Audit Committee.

## Regulations affecting Lamor's Corporate Governance

Lamor's corporate governance is guided by different external regulations and internal policies and procedures, the most significant of which are presented below.

### *External regulation*

In addition to applicable EU and Finnish legislation for public limited liability companies, Lamor complies with the Finnish Corporate Governance Code ("Corporate Governance Code") issued by the Finnish Securities Market Association and available at [www.cgfinland.fi](http://www.cgfinland.fi). Lamor follows the Corporate Governance Code as applicable to the First North Growth Market Premier segment of Nasdaq Helsinki Oy ("Nasdaq Helsinki"). Lamor's financial reports, including consolidated financial statements, are prepared in accordance with the International Financial Reporting Standards (IFRS), IFRIC Interpretations as adopted by the European Union, as well as the regulations issued by the Financial Supervisory Authority and the rules of Nasdaq Helsinki.

In addition, Lamor complies with Nasdaq Helsinki's First North Growth Market rules for the issuers of shares to the extent applicable to the Premier segment, Nasdaq Helsinki's insider guidelines and the instructions and regulations of the European Securities Market Authority and the Finnish Financial Supervisory Authority. From 2022 onwards, Lamor also uses the Global Reporting Initiative's General Disclosures 2021 guidelines as a framework for the company's sustainable development reporting.

Due to corrective measures taken in 2021 and 2022, Lamor has since the 2022 Annual General Meeting and the following constitutive meeting of the Board of Directors held on 28 April 2022 not deviated from Recommendation 10 of the Corporate Governance Code concerning the independence of the members of the Board of Directors but has since complied with the Code in its entirety. This matter and corrective measures are described in more detail in the section concerning the composition of the Board of Directors as of 31 December 2022 on page 143.

### *Internal regulation*

The most significant internal regulations, policies and rules affecting Lamor's Corporate Governance include:

- Articles of Association
- Code of Conduct
- Corporate Governance policies and instructions
- Board Charter and Board Committee Charters

# Governance Structure

## Lamor’s governance structure

In accordance with the Companies Act, responsibility for Lamor’s management and administration is divided between the General Meeting and the Board of Directors. Lamor’s governing bodies include the General Meeting, the Shareholders’ Nomination Board which in 2022 was established as Lamor’s permanent governing body, the company’s Board of Directors with its committees, and the CEO. In addition, Lamor’s Management Team assists the CEO in managing the company’s business.

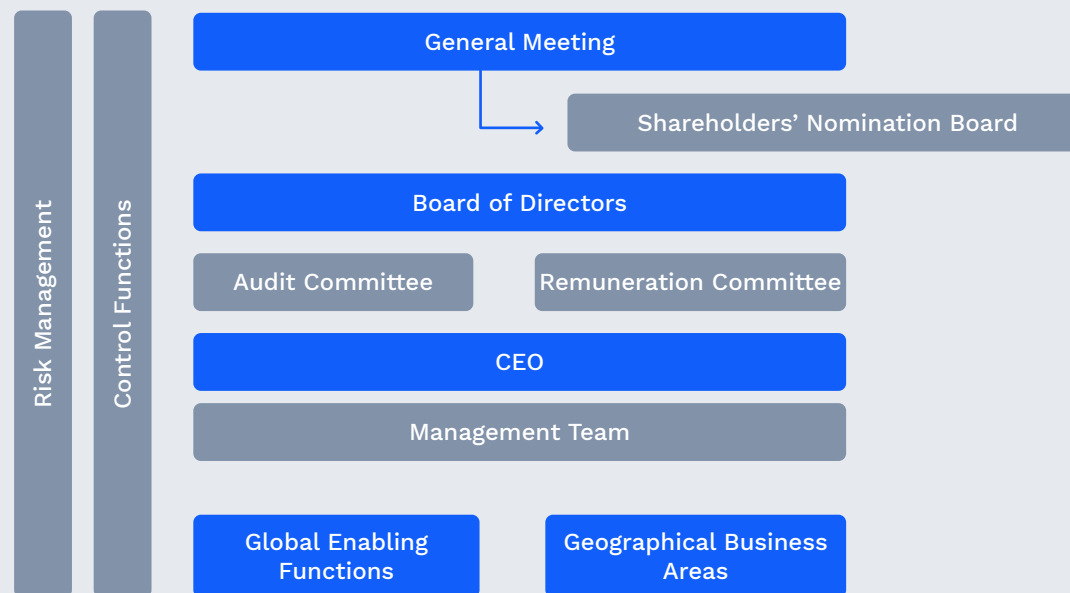
The shareholders have the ultimate decision-making power at the General Meeting where, among other resolutions as determined by the Companies Act, the Board members and Lamor’s auditor are appointed annually. The shareholders’ nomination committee established in 2022 will make its first proposal for the composition and remuneration of the Board of Directors to Lamor’s Annual General Meeting 2023.

Lamor’s Board of Directors decides on the appointment of the company’s CEO and the terms their contract of duty, as well as the remuneration as a whole as described in more detail in Lamor’s remuneration report 2022. In addition, based on the CEO’s proposal, the Board also decides on the composition and remuneration of the company’s Management Team.

The Board directs and supervises the management of the CEO and the Management Team to ensure securing of Lamor Group’s defined strategic, financial, shareholder value development and business responsibility goals for the global enabling functions and the different geographical business areas.



In 2022, the Lamor’s governance structure was further developed as a continuation to the measures taken as part of the company’s listing process and to reflect the company’s updated strategy.



## General Meeting

The General Meeting is Lamor's highest decision-making body. At the General Meeting, all shareholders of the company may participate in the company's supervision and exercise their right to vote, speak and present questions. The Annual General Meeting is held annually on a date determined by the Board of Directors, however no later than six (6) from the end of the company's financial year. The General Meeting resolves on matters belonging to it in accordance with the Finnish Limited Liability Companies Act and the company's Articles of Association. Resolutions are generally passed with a simple majority of votes.

The Chairman of the Board of Directors, the members of the Board of Directors and the CEO are required to be present at the General Meeting. In addition, the auditor is present at the Annual General Meeting. A person nominated as a member of the Board of Directors is expected to be present at the General Meeting resolving on the election. If the above attendances do not occur for one or more individuals, Lamor notifies the General Meeting of the absence. Other members of Lamor's Management Team can participate in the General Meeting if possible.

To participate in the General Meeting, the shareholder must be registered in Lamor's shareholder register maintained by Euroclear Finland Ltd on the record date of the General Meeting. If the Board of Directors so decides, the shareholder shall, to participate in the General Meeting, register with the company before the end of the registration period specified in the notice of the Meeting. The registration period may be set to end no earlier than ten (10) days before the meeting.

A shareholder has the right, in accordance with the Finnish Limited Liability Companies Act, to have a matter belonging to the General Meeting on the agenda of the General Meeting, if he or she requests it in writing from the Board of Directors in sufficient time for the matter to be included in the notice of the Meeting. On its website, the company announces the date by which the shareholder must present the matter required for consideration by the Annual General Meeting to the Board of Directors. The date will be announced no later than the end of the financial year preceding the Annual General Meeting.

According to Lamor's Articles of Association, the notice of General Meetings of shareholders shall be delivered to shareholders no earlier than three (3) months and at least one (1) week before the record date of the General Meeting referred to in the Finnish Limited Liability Companies Act. The invitation shall be delivered by publishing it on the company's website or by delivering it by email or otherwise in writing informed to the company by the shareholder. In addition, Lamor shall publish the notice of the General Meeting of shareholders as a company release after the Board of Directors resolves on convening the General Meeting.

The agenda of the General Meeting, the decision-making proposals and the meeting materials are available on the company's website from the time the meeting was convened. The General Meeting documents are kept on the website for at least five (5) years from the General Meeting. The minutes of the General Meeting will be published on the company's website within two (2) weeks of the General Meeting.

## Annual General Meeting 2022

Lamor's Annual General Meeting 2022 was held in Porvoo on 28 April 2022 with exceptional meeting procedures based on the temporary legislative act to limit the spread of the Covid-19 pandemic, so that to ensure health and safety the General Meeting was organized without shareholders' and their proxy representatives' presence at the meeting venue. Shareholders participated in the General Meeting and had the opportunity to use their shareholder rights in the meeting by voting in advance (either personally or through a proxy representative), by submitting counterproposals in advance and by asking questions in advance in the specified manner. A total of 14 shareholders representing 70.26% of the company's votes participated in the advance voting either in person or by proxy.

Lamor's Annual General Meeting 2022 elected five members to the Board of Directors of Lamor Corporation: Mika Ståhlberg as a new member of the Board of Directors and Nina Ehrnrooth, Fred Larsen, Kaisa Lipponen and Timo Rantanen as re-elected members of the Board of Directors to serve until the end of the Lamor's Annual General Meeting 2023. The proposals for the General Meeting on the composition and remuneration of the Board of Directors were made by the shareholders of the company who controlled over 45 per cent of the shares and votes of the company. In addition, based on the proposals by the Board of Directors, Lamor's General Meeting resolved to authorize the Board to decide on the acquisition of the company's own shares, the issuance of new shares or treasury shares and on the issuance of shares, option rights or special rights entitling to shares; approved the remuneration policy for governing bodies and the remuneration report for governing bodies for 2021 in an advisory vote; and resolved to establish a permanent Shareholders' Nomination Board.

More information of Lamor's Annual General Meeting 2022 is available on Lamor's website.

## Shareholders' Nomination Board

The Shareholders' Nomination Board is a permanent corporate body of Lamor established by the Annual General Meeting 2022. The duties of the Nomination Board include the annual preparing and presenting for the Annual General Meeting, and when necessary to the Extraordinary General Meeting, proposals on the remuneration, number of the members in and the members of the Board of Directors. Further, the duties of the Nomination Board include searching possible candidates for new members of the Board of Directors.

The Nomination Board consists of in principle four (4) members, of whom the company's three (3) largest shareholders are each entitled to nominate one member. The Chair of the Board of Directors convenes the first meeting of the Nomination Board after the annual nomination process and serves as its fourth member. The person nominated by the largest shareholder shall act as the Chair of the Nomination Board, unless otherwise decided by the Nomination Board, and shall convene the Nomination Board thereafter.

The full Nomination Board Charter is available on Lamor's website.

### Composition of the Nomination Board in 2022

Based on the 1 September 2022 shareholding, Lamor's three largest shareholders appointed the Shareholders' Nomination Board members as below:

Shareholder	Share ownership on 1 Sep 2022	Representative	Position	Member since	Meeting attendance in 2022
Larsen Family Corporation Oy	34.55%	Fred Larsen, Chairman of the Board	Chair	2022	1/1
Mandatum Life Insurance Company Limited	7.88%	Jukka Järvelä, Director, Head of Listed Equities	Member	2022	1/1
Finnish Industry Investment Ltd	7.05%	Juuso Puolanne, Investment Director	Member	2022	1/1

In addition, the Nomination Board includes the Chair of Lamor's Board of Directors, Mika Ståhlberg (meeting attendance in 2022: 1/1).

## Nomination Board's proposals for the Annual General Meeting 2023

On 11 January 2023, the Nomination Board provided Lamor's Board with its proposal for the Annual General Meeting 2023 to be held on 4 April 2023.

Lamor's Board of Directors will include all the above-mentioned proposals in the notice of the Annual General Meeting of 2023.

### Board composition

The Nomination Board proposes the number of the members of the Board of Directors to be confirmed at five (5), and that Nina Ehrnrooth, Fred Larsen, Kaisa Lipponen, Timo Rantanen and Mika Ståhlberg be re-elected as Board members.

The Board's term of office will commence at the end of the Annual General Meeting 2023 and will expire at the closure of the next Annual General Meeting. All Board member candidates have given their consent to be elected.

As regards the selection procedure for the members of the Board of Directors, the Shareholders' Nomination Board recommends that shareholders take a position on the proposal as a whole at the General Meeting to ensure that the proposed Board of Directors as a whole also has the best possible expertise and experience for the company and that the composition of the Board also meets other requirements of the Finnish Corporate Governance Code for listed companies.

Additional information about the persons proposed by the Nomination Board and their independence from the company and its significant shareholders is provided on the company's website at [www.investors.lamor.com](http://www.investors.lamor.com).

### Board remuneration

The Nomination Board proposes that the remuneration to the Board members for the following term 2023 be as follows (2022 remuneration in brackets):

#### Annual fees

Board members will be paid the following fixed annual fees:

- for the Chair of the Board EUR 50,000 (50,000)
- for the potential Vice Chair of the Board EUR 45,000 (45,000)
- for a Board Member EUR 20,000 (20,000)

#### Committee fees

In addition to the fixed annual Board fees mentioned above, fixed annual fees for committee work will be paid as follows:

#### Audit Committee

- for the Chair EUR 10,000 (10,000)
- for a Member EUR 5,000 (5,000)

#### Remuneration Committee

- for the Chair EUR 5,000 (5,000)
- for a Member EUR 2,500 (2,500)

If the Chair of the Audit Committee or the Chair of the Remuneration Committee acts as the Chair or as the Vice Chair of the Board of Directors, no remuneration related to the committee work shall be paid.

#### Meeting fees

In addition to the fixed annual fees mentioned above, the following meeting fees will be paid for participation in the Board meetings:

- EUR 1,000 (1,000/750/0) for the Chair and the Members of the Board of Directors for each Board meeting
- No separate meeting fee shall be paid for Committee meetings

Travel expenses will be reimbursed in accordance with the company's travel policy and the official decision of the Finnish Tax Administration on tax-exempt allowances.

Mika Ståhlberg did not participate in the decision-making concerning the remuneration of the Board members.

## Board of Directors

The Board of Directors is responsible for a proper organization of Lamor’s governance and operation. The Board’s responsibilities and obligations are primarily defined in Lamor’s Articles of Association and in the Limited Liability Companies Act. The operating principles and rules are described in the written Charter approved by the Lamor Board of Directors.

According to Lamor’s Articles of Association, the company’s Board of Directors consists of at least three (3) and a maximum of eight (8) ordinary members, and the term of office of the members of the Board of Directors ends at the end of the Annual General Meeting following the election. There is a quorum when more than half of the Board members are present. Disqualified members shall not be taken into account when calculating the quorum.

Lamor’s Board of Directors has two permanent committees: the Audit Committee and the Remuneration Committee. The purpose of the committees is to assist the Board of Directors by preparing matters falling within the competence of the Board of Directors.

The Board appoints the committee chairs and members from among its members in connection with its annual constitutional meeting and supervises their work during the term of office.

## The Board’s tasks and work in 2022

In addition to duties based on the law or Lamor’s Articles of Association, the tasks of Lamor’s Board of Directors includes:

### Strategy and financial targets

- decides on Lamor’s strategy and the company’s strategic and financial targets
- determines Lamor’s dividend policy

### Supervising and ensuring the compliance of operations

- supervises and controls Lamor’s management and operations
- approves/confirms the written Charters of the Board and the Board Committees

### Risk Management

- approves Lamor’s risk management principles and certain risk management policies and practices and supervises their implementation

### Investments

- decides on significant investments, acquisitions and divestments

### Financial reporting and sustainability reporting

- oversees Lamor’s financial reporting and approves Lamor’s interim and half-year reports, annual reports and financial statements
- approves Lamor’s sustainability principles and oversees the company’s sustainability reporting

## Management remuneration

- decides on the remuneration, incentive schemes and performance metrics of the CEO and the Management Team, in accordance with Lamor’s remuneration policy
- decides on other significant issues concerning Lamor’s operations

In 2022, the Board’s work focused mainly on deciding on the update of Lamor’s strategy and on the strategic and financial targets for the period 2023–2025, as well as on the investments and decisions regarding the company’s management model, human resources, and Lamor Group’s structure to ensure the achievement of the strategic and financial targets.

In addition, an essential part of the Board’s work was to continue developing the Corporate Governance structure as a continuation to the measures taken as part of the company’s listing process at the end of 2021. In 2022, the Board for instance decided to establish the Remuneration Committee. One of the key tasks of the Committee was to prepare the Board’s decision to establish a long-term share-based incentive plan for Lamor’s CEO and other key personnel. In 2022, the Board also decided on a deeper integration of sustainability reporting into Lamor’s management and reporting systems, on external assurance of the company’s emission calculations, and on using the GRI standards as a framework for sustainability reporting and determining the material topics.

Lamor’s Board of Directors and its committees convened as planned, in addition to which additional meetings were held as necessary. In 2022, there were a total of fourteen (14) Board meetings. In its meetings, the Board received up-to-date information about Lamor’s operations, finances and risks. The CEO and CFO participated in Board meetings, unless a matter concerning them was dealt with at the meeting. Minutes were kept of all Board meetings.



## *Factors to be considered regarding the composition of the Board of Directors*

### *Diversity of the Board of Directors*

When identifying suitable candidates for the Board of Directors, the primary criteria is to assess the Board of Directors' collective competence to perform its duties in the best possible way. Lamor aims that the Board possesses versatile capabilities, expertise, and experience from various fields of business, to reflect the needs and requirements of the company's operations and development stage.

To secure diverse perspectives, alongside professional competence, other aspects such as the age and gender composition of the Board are also considered. Currently, two (2) out of five (5) members of the Board of Directors are female, and the goal is to maintain a similar gender ratio. While preparing its proposal to the General Meeting relating to the composition of the Board of Directors, the Shareholders' Nomination Board shall take into consideration the diversity principles and as necessary and propose any changes regarding them.

### *Independence of the members of the Board of Directors*

In 2021, Lamor reported its deviation from Recommendation 10 of the Corporate Governance Code, according to which the majority of the members of the Board of Directors should be independent of the company, and at least two (2) of this majority should be independent of the company's significant shareholders. Due to the corrective measures in connection with the company's listing and due to the resolution on the composition of the Board taken in the Annual General Meeting 2022, since 28 April 2022 the company no longer deviates from the Corporate Governance Code's recommendations concerning the independence of the members of the Board of Directors.

Information on the independence of each Board member is presented in connection with the composition of the Board on page 144 of this report.

## Committees of the Board of Directors

### *Audit Committee*

The Audit Committee prepares matters relating to, among other things, financial reporting, risk management, monitoring and evaluation of related party transactions, auditors, internal audit as well as the compliance with laws and regulations. The Board of Directors has confirmed the main duties and operating principles of the Audit Committee in a written charter.

Lamor's Board of Directors appoints the chairman and the members of the Audit Committee. The Audit Committee consists of at least two (2) members of the Board, whose term is one (1) year, and the term of the Committee ends at the close of the Annual General Meeting following the election. A majority of the members of the Audit Committee must be independent of Lamor and at least one (1) member of the Committee must be independent of Lamor's significant shareholders. A person who participates in the day-to-day management of Lamor or another company in the same group of companies for example as the CEO, cannot be appointed to the Audit Committee.

The members of the Audit Committee must have sufficient expertise and experience with respect to the Committee's area of responsibility and the mandatory tasks relating to auditing. At least one (1) Audit Committee member must have expertise in accounting or auditing.

In connection with its constitutive meeting held on 28 April 2022, the Board of Directors re-elected Timo Rantanen as the Chairman of the Audit Committee, Kaisa Lipponen was re-elected and Mika Ståhlberg was elected as a new member of the Audit Committee for a term of office ending at the close of the Annual General Meeting 2023.

### *Remuneration Committee*

The duties of the Remuneration Committee include preparing remuneration matters to be considered by the Board relating to the appointment and remuneration of the CEO and other key individuals at Lamor as well as Lamor's general remuneration principles and incentive schemes. The Board of Directors has defined the main duties and operating principles of the Remuneration Committee in the written Charter.

The members and the Chairman of the Remuneration Committee are appointed by the Board of Directors. The Remuneration Committee comprises a minimum of two (2) members with a term of one year, and the term of the Committee ends at the close of the next Annual General Meeting following the election. The majority of the members of the Committee shall be independent of the company. A person who participates in the day-to-day management of Lamor or another company in the same group of companies for example as a CEO, cannot be appointed to the Remuneration Committee.

The members of the Remuneration Committee shall possess sufficient competence and experience considering the Committee's area of duty.

In its organisational meeting held on 28 April 2022, the Board of Directors has elected Timo Rantanen as the Chairman and Nina Ehrnrooth and Kaisa Lipponen as the members of the Remuneration Committee for a term of office ending at the close of the Annual General Meeting 2023.

# Composition of the Board of Directors



## Mika Ståhlberg

Chair of the Board of Directors since 2022  
Member of the Audit Committee since 2022

**Born:** 1969  
**Nationality:** Finnish  
**Education:** LL.B, Attorney of Law

**Main positions of duty and of trust:**  
Partner and Head of Mergers & Acquisitions practice at law firm Krogerus

**Independence:** Independent of the company and the company's major shareholders

**Meeting attendance in 2022:**  
11/11 Board meetings  
4/4 Audit Committee meetings

**Shareholding on December 31, 2021\*:**  
11,500



## Fred Larsen

Vice Chair of the Board of Directors since 2022  
Member of the Board of Directors since 2008

**Born:** 1968  
**Nationality:** Finnish and Danish  
**Education:** High school diploma

**Main positions of duty and of trust:**  
Chairman of the Board of Directors of Larsen Family Corporation Oy and Krämäretorget Fastighets Ab

**Independence:** Not independent of the company and the company's major shareholders

**Meeting attendance in 2022:**  
14/14 Board meetings

**Shareholding on December 31, 2021\*:**  
10,895,650



## Nina Ehrnrooth

Member of the Board of Directors since 2021  
Member of the Remuneration Committee since 2022  
Member of the Audit Committee in 2021-2022

**Born:** 1962  
**Nationality:** Finnish  
**Education:** M.Sc. (Econ.)

**Main positions of duty and of trust:**  
CEO of Partioaitta Oy

**Independence:** Independent of the company and the company's major shareholders

**Meeting attendance in 2022:**  
14/14 Board meetings  
3/3 Remuneration Committee meetings  
2/2 Audit Committee meetings

**Shareholding on December 31, 2021:**  
23,000



## Kaisa Lipponen

Member of the Board of Directors since 2021  
Member of the Audit Committee since 2021  
Member of the Remuneration Committee since 2022

**Born:** 1980  
**Nationality:** Finnish  
**Education:** MA

**Main positions of duty and of trust:**  
SVP, Communications & Sustainability, Paulig Ab; Member of the Board of Directors at Third Rock Finland Oy

**Independence:** Independent of the company and the company's major shareholders

**Meeting attendance in 2022:**  
14/14 Board meetings  
6/6 Audit Committee meetings  
3/3 Remuneration Committee meetings

**Shareholding on December 31, 2021:**  
3,500



## Timo Rantanen

Member of the Board of Directors since 2020  
Chair of the Audit Committee since 2021  
Chair of the Remuneration Committee since 2022

**Born:** 1961  
**Nationality:** Finnish  
**Education:** M.Sc. (Econ.)

**Main positions of duty and of trust:**  
CEO of Capital Dynamics Oy; Chairman of the Board of Directors of Genera Group companies

**Independence:** Independent of the company and the company's major shareholders

**Meeting attendance in 2022:**  
14/14 Board meetings  
6/6 Audit Committee meetings  
3/3 Remuneration Committee meetings

**Shareholding on December 31, 2021\*:**  
631,850

In addition, LL.M Esa Ikäheimonen acted as the Chair of the Board of Directors until 28 April 2022. During this period, Ikäheimonen attended in 3/3 Board meetings.

\*) Including direct ownership and indirect ownership through controlled entity



## CEO and the Group Management Team

### CEO

The CEO's duties are mainly governed by the Limited Liability Companies Act. The CEO is responsible for managing, directing and overseeing Lamor's operations. In addition, the CEO is responsible for Lamor's day-to-day management in accordance with the instructions and regulations issued by the Board of Directors. The CEO is also responsible for ensuring that Lamor's accounting practice complies with applicable legislation and that the financial management of the company is organized in a reliable manner.

The CEO shall provide the Board of Directors and its members with the information necessary for the performance of the duties of the Board of Directors.

The Board of Directors elects and dismisses the CEO and decides on the terms and conditions for the CEO.

Mika Pirneskoski has acted as the company's CEO throughout the financial year 2022. The company has not had a deputy CEO.

### Group Management Team

The Management Team is not a governing body regulated by law or in the company's Articles of Association, but it has a central role in the management of the company.

The task of Lamor Group's Management Team is to support the CEO in the business planning and operational management. In addition, the Management Team prepares possible investments, acquisitions and development projects.

The members of the Management Team have been given broad mandates in their areas of responsibility, and they have a duty to develop Lamor's operations in accordance with the goals set by the Board of Directors and the CEO.

In 2022, Lamor reinforced its Management Team in two different occasions to further the implementation of the company's growth strategy. In May 2022, the Management Team was reinforced with a new Chief Operating Officer. In the beginning of November 2022, Lamor divided its business in three geographical areas, which are Europa and Asia, the Americas, and the Middle East and Africa. Regional SVP's were appointed to these areas, and they became members of Lamor's Management Team. The aim of this change was to bring decision-making closer to the end customer.

In 2022, the Management Team focused especially on updating the strategy, on the adoption and implementation of the company's new operating model, creating even stronger unified operating methods, and on implementing business growth financial goals. The Management Team convened regularly during the year.



**Lamor's goal is to grow the business strongly and create even stronger unified operating models. Our management team, reinforced in 2022, has a strong representation of business and market area expertise.**

# Group Management Team composition



**Mika Pirneskoski**  
CEO

**Born:** 1978  
**Nationality:** Finnish  
**Education:**  
M.Sc. (Econ.)

**Other key experience:**  
before the current position, several management positions at Lamor group

**Shareholding on December 31, 2021:**  
446,400



**Timo Koponen**  
CFO

**Born:** 1969  
**Nationality:** Finnish  
**Education:**  
M.Sc. (Econ.)

**Other key experience:**  
several earlier positions at Wärtsilä as well as an external advisor at Bain & Company and Trailmaker Ltd

**Shareholding on December 31, 2021:**  
115,450



**Johan Grön**  
COO

**Born:** 1966  
**Nationality:** Finnish  
**Education:**  
D.Sc., Chem.Eng.

**Other key experience:**  
several earlier director or management positions at Gasum, Outotec and Xylem Inc., Stora Enso and Valmet

**Shareholding on December 31, 2021:**  
0



**Johanna Grönroos**  
CDO

**Born:** 1977  
**Nationality:** Finnish  
**Education:**  
M.Sc. (Econ.)

**Other key experience:**  
earlier positions as a partner at Ernst & Young Oy and a specialist in Kesko's Group administration

**Shareholding on December 31, 2021:**  
57,500



**Santiago Gonzalez**  
SVP, North and South America

**Born:** 1962  
**Nationality:** Columbian and Spanish  
**Education:** Industrial Engineer

**Other key experience:**  
before the current position, served as a General Manager of Corena Ecuador, member of Lamor Group

**Shareholding on December 31, 2021:**  
722,627



**Magnus Miemois**  
SVP, Europe and Asia

**Born:** 1970  
**Nationality:** Finnish  
**Education:** M.Sc. (Tech.)

**Other key experience:**  
earlier director positions at Lamor; before joining Lamor served in several positions at Wärtsilä

**Shareholding on December 31, 2021:**  
63,438



**Pentti Korjonen**  
SVP, Middle East and Africa

**Born:** 1963  
**Nationality:** Finnish  
**Education:** Industrial Marketing Degree

**Other key experience:**  
earlier director positions at Metso Outotec, Outotec and Nokia Networks

**Shareholding on December 31, 2021:**  
0

In addition, HR Director Mervi Oikkonen was part of the Management Team until 31 October 2022. Since 1 November 2022, she has been a part of the company's Extended Management Team.

# Compliance management

## Compliance and operating principles (Code of Conduct)

Lamor's ethical principles and Code of Conduct form the basis of the daily business operations. The guidelines define Lamor's commitment to sustainability, sustainable development and compliance in all operations. All Lamor employees must commit to following these principles. They ensure consistent decision-making in daily work and that Lamor is a responsible and reliable partner. Lamor's operating principles bring together important guidelines for compliance, anti-corruption, anti-corruption, security, and information disclosure.

Code of Conduct training is organized annually for all Lamor employees. The training is a mandatory part of the induction process for new employees.

It is the responsibility of each employee of Lamor to promptly report violations of the law or Lamor's compliance or Code of Conduct to their direct supervisor or, if anonymity is desired, a report can also be submitted by using the company's Whistleblowing channel for identifying misconduct. All reported breaches are treated confidentially to the extent permitted by law. In 2022, no reports of suspected misconduct were made at Lamor.

### INFO

The key function of Lamor's control system is to support the compliance and transparency of the company's operations. The company's Code of Conduct, internal control environment and risk management support and secure that Lamor's financial and strategic goals are met and prevent events, which might have a negative impact the outcome.



## Internal control and risk management

### *Components of internal control*

Internal control seeks to ensure the company's compliance with applicable laws, regulations, Code of Conduct, and with other recommendations as well as the reliability of financial and operational reporting. In addition, internal control aims to safeguard the company's assets and to ensure the overall effectiveness and efficiency of its operations to achieve strategic, operational and financial targets.

Internal control operating models are aligned with the risk management process. The objective of risk management is to support the strategy and the achievement of targets by anticipating potential business threats and opportunities and responding to them. Internal control and risk management related to

financial reporting seek sufficient assurance regarding the reliability of financial reporting and that the financial statements have been prepared in accordance with applicable laws and regulations, financial statement principles (IFRS) and other set requirements.

The components of internal control are the control environment, risk assessment, control activities, communications, and monitoring.

In 2022, there were no reported significant cases of non-compliance or other violations resulting from Lamor's operations, and no fines or other sanctions were imposed on the company.

## Control environment

The Board of Directors is primarily responsible for the internal control of financial reporting. The Rules of Procedure adopted in writing by the Board of Directors specify the responsibilities of the Board of Directors and define the division of duties within the Board of Directors and its committees. The task of the Audit Committee appointed by the Board of Directors is to ensure that the principles defined for financial reporting, risk management and internal control are respected and to enable proper auditing. The CEO is responsible for the organization of an efficient control environment and for continuous internal control related to financial reporting. The management of financial risks is coordinated by the CFO of the company. If necessary, risks and related changes will be reported to the Board of Directors.

The purpose of internal control is to ensure that the company complies with applicable laws, regulations, ethical guidelines and other recommendations, as well as to ensure the reliability of operational reporting. The goal is to protect the company's and its business units' resources from misconduct, to ensure the appropriateness of business transactions, to support the management of IT systems, and to ensure the reliability of financial reporting. In addition, internal control aims to safeguard the company's assets and to ensure the overall effectiveness and efficiency of its operations to achieve strategic, operational and financial targets.

Internal control is essential to ensure the company's operational capability, a critical part of risk management, and it enables the creation and maintenance of the value of the company.

The objective of Lamor's internal control and risk management approach to financial reporting is to provide sufficient assurance on the reliability of financial reporting and that the financial statements have been prepared in accordance with applicable laws and regulations, approved accounting principles (IFRS at Group level, local GAAP in each country) and other applicable requirements.

The most important tools for guiding financial reporting are the Code of Conduct, approval policy, disclosure policy, accounting principles and other accounting and reporting rules.

## Risk assessment

Risk management covers all areas of the organization including the strategic, financial, and operational risks, taking into consideration project-specific risk management processes. The goal is to systematically identify and assess the most significant threat factors at the Group, operations, and process levels.

Risk management supports the achievement of Lamor's strategic and business targets. It ensures the continuity of operations even in changing conditions. The main risks and opportunities are identified and evaluated in relation to business targets and are an important part of both long-term and short-term business planning. Lamor's near-term risks and business uncertainties are described in more detail on the Board of Directors' report, published as part of the financial review.

## Control activities

The CEO is responsible for the implementation of internal control. Internal control related to the financials as well as the business and governance control have been integrated into the company's business processes. The company has defined and documented significant internal controls related to the reporting process of financial statements as part of business processes. Key internal control activities include approval mechanisms, access rights, separation of tasks, authorizations, reconciliations and monitoring of financial reporting.

The financial organization ensures that interim and half-year reporting and financial statements correspond to the company's principles and guidelines and that all financial reporting is prepared according to the schedule. The management monitors the achievement of goals

through monthly management reporting.

The company does not have a separate internal audit function, and internal audit responsibilities have been divided inside the company among different bodies and functions. The Board of Directors may use external experts to conduct separate evaluations of the control environment or control functions.

## Communications

Lamor aims to ensure the openness, transparency, accuracy, and timeliness of the company's internal and external communications. The disclosure policy defines how and when information needs to be disclosed, who discloses it, and the accuracy and completeness of the information disclosed to fulfil the information disclosure requirements. The current Code of Conduct, disclosure policy and insider guidelines are available on the company's webpage.

## Monitoring

The Board of Directors, the Audit Committee and the CEO supervise the effectiveness of financial reporting control. The supervision covers the monitoring of monthly financial reports, the review of rolling forecasts and plans, and the auditors' reports.

The CEO, the Group's Management Team and the management of the subsidiaries and associated companies are responsible for the compliance and for maintaining an effective control environment. This includes monitoring monthly financial reports, reviewing rolling forecasts and plans, and taking into account the recommendations of the external audit.

### *Auditor and auditor's fees*

According to the Articles of Association, Lamor has one (1) auditor, which must be an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of office begins at the General Meeting at which the auditor was elected and ends at the close of the Annual General Meeting following the election.

The General Meeting elects an auditor and decides on the auditor's fees.

The Annual General Meeting on 28 April 2022 re-elected the firm of authorised public accountants Ernst & Young Oy as the company's Auditor to serve for a term ending at the close of the next Annual General Meeting, with APA Juha Hilmola continuing as the auditor with principal responsibility.

The Annual General Meeting resolved that the Auditor shall be paid reasonable remuneration in accordance with the invoice approved by the company.

### **Audit fees**

EUR thousand	2022	2021
Audit fees	302	255
Other audit assignments	3	249
Tax advisory services	5	3
Other fees	28	382
<b>Audit fees total</b>	<b>338</b>	<b>889</b>

### *Insiders*

When needed, Lamor maintains project and event-specific insider lists. The managers defined by Lamor are subject to a closed period of 30 calendar days before the publication of interim reports, half-year financial reports, financial statement releases and financial statements. The closed period ends at the end of the day following publication. A closed window also applies to persons involved in preparing those reports.

The Board of Directors, the CEO and other members of the Management Team have been defined as the persons liable to report their transactions. The company's Chief Development Officer is responsible for insider matters, training on them, the preparation and maintenance of project and event-specific registers, and control.

The CEO, CFO and CDO, two (2) together, may decide to postpone the disclosure of inside information when the conditions set out in the Market Abuse Regulation (MAR) are met. At the same time, a list of insiders per project or event will be established. The project or event specific insider lists to be drawn up at any given time include those persons who receive inside information on a particular project or event.

### *Conflicts of Interests*

The company's decision making processes, the Charters of the Board Directors and its Committees, and the company's remuneration policy include procedures to prevent and mitigate possible identified conflicts of interests.

### *Related party transactions*

The Group's related parties consist of the company's major shareholders, the members of the Board of Directors, the CEO and the rest of the Management Team and their close family members as well as their controlled entities and associated companies and joint ventures. In addition, the associated companies and joint ventures, in which the Group is an owner, are considered the Group's related parties. The Audit Committee must separately assess each related party transaction that is not conducted in the ordinary course of business or is not implemented under arm's-length terms. In addition, the Board of Directors must approve such related party transactions.

Lamor's related party transactions in 2022 are presented in the financial statements, published as part of the financial review. In addition, in connection with the annual Remuneration Report the company discloses any possible amounts, which the members of the Board of Directors or their controlled entities have received as remunerations from consultancy agreements and not relating to the work performed as members of Lamor's Board of Directors. Lamor's related party transactions in 2022 have been carried out on usual commercial terms, taking into account the generally followed and accepted operating principles in Lamor's industry and the interests of the company.





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