



## Olvi plc's Board of Directors Rules of Procedure 2024

## General

In all its activities, the Board of Directors complies with the laws, regulations and decisions of public authorities, the provisions of the Financial Supervisory Authority, the rules and recommendations of NASDAQ OMX Helsinki, the Corporate Governance Guidelines and the Articles of Association of Olvi plc. Olvi plc's Board members and related parties comply with the guidelines of the Market Abuse Regulation ((EU) No 596/2014, "MAR") when reporting transactions.

The members of Olvi plc's Board of Directors have reacted, where necessary, to changes in the obligations imposed on related party companies by the executive manager of Olvi plc under securities market legislation (ESMA's Q&A Interpretation/10/2017).

In its operations, the Board of Directors implements the company's values and monitors the implementation of these values in the company's management.

The Board of Directors has approved these Rules of Procedure to complement the Code of Conduct governing its work.

## Composition of the Board of Directors

The Annual General Meeting elects the members of the Board of Directors for one year at a time. According to the Articles of Association, the company's Board of Directors consists of a minimum of four (4) and a maximum of six (6) members.

The Board of Directors shall elect a chair and a vice chair from among its members at the organising meeting held after the Annual General Meeting until the end of the next Annual General Meeting, unless the Annual General Meeting has already decided on the matter in connection with the election of the Board of Directors.

The members of Olvi plc's Board of Directors shall represent a diverse range of skills, including industry expertise, and have a broad professional background so that their professional and international experience, age, and gender support and complement one another for the best interests of the company and to increase shareholder value. A person elected as a Board member must have the qualifications required for the position and be able to dedicate adequate time to carrying out their duties.

A legal person, a minor or anyone under guardianship, with restricted legal competency, bankrupt or banned from doing business cannot be elected as a Board member.

## Remuneration and order of decision-making

The Annual General Meeting decides on the remuneration of the members of the Board of Directors and the reimbursement of travel expenses.

## Information concerning the members of the Board of Directors

Board members must provide the company with any information required to be reported in an insider register or other register under the Finnish Securities Markets Act and Limited Liability Companies Act, as well as the information specified in the Corporate Governance Code for listed companies. Board members are bound by the insider guidelines of Nasdaq OMX Helsinki Ltd.

The details of the members of Olvi plc's Board of Directors and their related parties have been entered in the company's register of related parties (not public). The purpose of the register of related parties is to comply with the provisions of Article 19 of the Market Abuse Regulation (EU 596/2014) concerning the compliance and monitoring of transactions by executive managers and their related parties.

## Independence of Board members

Board members shall provide the Board of Directors with sufficient information to assess their independence and inform the Board of any changes in that information.

The Board of Directors annually assesses the independence of its members with respect to the company and its major shareholders.

## Duties of the Board of Directors

The Board of Directors has general competence in all matters except those in which the law or the Articles of Association impose competence on another governing body of the Company.

It is the duty of the Board of Directors to direct company operations so that they generate the highest possible added value on invested capital while considering the expectations of different stakeholders. The company's Board members must ensure that the interests of all shareholders are equally considered.

The Board shall act in the best interests of the Company in all situations.

## Duties of the Board of Directors:

- The Board convenes the Annual General Meeting and submits to it proposals for resolutions in accordance with the Limited Liability Companies Act and the Articles of Association,
- is responsible for implementing the resolutions of the Annual General Meeting,
- is in charge of the administration of the company and the proper organisation of its activities,
- complies with the recommendations and principles established in the Group Guidelines and Corporate Governance (CG) that it has approved,
- establishes its rules of procedure annually, updates them where necessary and adheres to them,
- participates in preparing the company's strategy and approves the strategy, financial objectives, and strategic objectives and monitors their implementation regularly,
- approves the Group's action plan and budget annually based on the strategy and monitors their implementation,
- determines the company's capital structure and the amount of financial risk taken
- approves the annual investment budget and decides on major investments, acquisitions, sales and the creation of joint ventures
- confirms the organisational structure of the company,
- appoints and dismisses the CEO and decides on their terms of office
- sets personal targets for the CEO each year and evaluates progress towards meeting them,
- reviews business risks and defines the principles of risk management and internal control

- processes and approves interim reports, the Board of Directors' report, sustainability reporting and financial statements
- discusses the issues that the Chair of the Board or the CEO has put on the agenda of the Board meeting
- grants the right to represent the company to a Board member, the CEO or any other person in accordance with the provisions of the Articles of Association,
- elects the Chair and the Vice Chair of the Board of Directors, unless otherwise decided when the Board of Directors is elected
- decides on the remuneration policy and remuneration and incentive schemes for management based on a proposal from the Personnel and Responsibility Committee
- decides on matters for which the Articles of Association, law or other regulation requires a resolution of the Board of Directors.

### **Duties of the Chair of the Board**

The Chair of the Board's general duty is to manage the Board's work so that its duties are carried out as efficiently and appropriately as possible.

The Chair is responsible for:

- ensuring that statutory measures and the measures and related resolutions provided for in the Articles of Association are taken in a timely manner,
- ensuring, for their part, that the companies comply with the Group Guidelines approved by the Board of Directors and with the recommendations for good corporate governance and the principles reflected in them,
- monitoring and supervising the duties of the CEO,
- ensuring that the Board of Directors is operational
- managing and developing the work of the Board, supervising the preparation of meetings, chairing meetings and ensuring that meeting minutes are kept and signed,
- ensuring that new Board members are familiarised with the company, its operations and operating methods,
- ensuring that the Board's work complies with the provisions of the rules of procedure approved by the Board,
- ensuring that the Board of Directors meets when necessary and/or when required by a member of the Board of Directors or the CEO,
- liaising with the Board members, CEO and other Group executives,
- liaising, when necessary, with owners and other stakeholders, including between Annual General Meetings and with key owners on matters under discussion at the Annual General Meeting,
- approving the reimbursement of expenses incurred by Board members for Board work from the company's funds; and
- approving representation expenses, holidays and other leave for the CEO.

### **Duties of the Vice Chair of the Board**

- The Vice Chair assists the Chair of the Board in their duties
- and assumes the Chair's duties if the Chair of the Board is unable to attend to their duties (described above).

### **Board of Directors' decision-making procedure**

The Board has a quorum when more than half of the Board members are present. Resolutions are taken by a simple majority of votes. In the event of a tie, the Chair's vote shall prevail.

Board members shall not participate in considering any matter related to a company or other organisation in which the member serves as a representative of the executive management or a member of the governing body. The Board of Directors will take into account conflicts of interest whenever necessary. Board members must also always personally assess and consider whether to recuse themselves.

### **Board meetings**

On average, the Board meets once a month according to a predetermined schedule and holds additional meetings when necessary.

The CEO and the Chair of the Board are jointly responsible for drawing up the agenda for the Board meeting. The notice of meeting and the key meeting material shall be delivered to the Board members in the manner and within the time period agreed between the Board of Directors.

### **Board meetings according to the annual schedule**

The Board of Directors shall hold the following regularly recurring meetings each year:

#### ***Financial Statements Meeting***

The Board of Directors discusses and approves the Group's financial statements and the Board of Directors' report at the Financial Statements Meeting held after the end of the financial period.

The company's auditor will also be present at the Financial Statements Meeting (except when discussing the evaluation of auditing services and the proposal for an auditor).

#### ***Interim Report Meetings***

The Board of Directors reviews and approves the Group's interim reports before the publication of quarterly results.

#### ***Organisational Meeting*** (if applicable)

The Board of Directors elects a Chair and a Vice Chair from among its members unless the Annual General Meeting has decided on this when electing the Board of Directors.

#### ***Budget Meeting***

The Board of Directors discusses and approves the Group's budget for the next financial period.

### **Proceedings and decision-making at meetings**

The Board of Directors decides on the matters falling within its scope at Board meetings. Board meetings may also be held using telephones or other means of communication if the urgency of the matter or another similar reason requires it. Board members must be given the opportunity to communicate with each other during the decision-making process.

The Chair of the Board or, in their absence, the Vice Chair, chairs the Board meetings. The Board of Directors discusses the items on the agenda of the meeting.

The CEO is primarily responsible for preparing and presenting the matters to be discussed by the Board of Directors. The CEO is also responsible for ensuring that the Board of Directors is provided with sufficient information to assess the company's and its subsidiaries' operations and financial situation, as well as other matters to be discussed.

The CEO is responsible for implementing the Board's resolutions, monitoring their implementation and reporting any shortcomings or problems detected in their implementation to the Board of Directors.

Issues other than those on the agenda may be discussed at meetings on the initiative of Board members or the CEO in the Other Issues section of the agenda.

If a Board member is prevented from attending the meeting, they must notify the company of their absence without delay.

Board members or the CEO may not participate in discussing matters concerning a contract between themselves and the company. Board members and the CEO must notify the Board of Directors of their conflict of interest.

## Minutes

The minutes of Board meetings shall be numbered consecutively according to the calendar year. The minutes shall state the time and place of the meeting and the Board members present. The Chair of the Board is responsible for keeping the minutes. The Secretary of the Board is a person employed by the company and appointed by the Board of Directors.

The minutes shall be kept in the form of short final minutes, with any annexes added. In important matters, the main grounds for the resolution shall also be recorded in the minutes. The minutes shall record any dissenting opinions, any votes and any recusals of Board members.

The minutes of Board meetings are signed by the Board members present, the company's CEO serving as the presenting official at the meeting and the Secretary of the Board of Directors.

The minutes shall be submitted to Board members without annexes (via an online Board portal that meets information security and insider requirements) after each meeting for viewing and preliminary review. The minutes shall be approved with electronic signatures at the next meeting. The minutes shall be kept for the entire duration of the company's existence at the company's head office, as well as in electronic file format.

## Board Committees

The company has an Audit Committee and a Personnel and Responsibility Committee. The Board of Directors elects the members of the committees from among its members annually after the Annual General Meeting.

The duty of the Audit Committee is preparing the matters concerning the financial supervision and reporting of the Olvi Group. The Personnel and Responsibility Committee prepares matters related to the appointment and remuneration of the Group's senior management, HR strategy and succession planning. In addition, the committee prepares the Group's sustainability programme and external

sustainability reporting and monitors the related regulations and legislation. Separate rules of procedure have been drawn up for the duties of the committees, which are approved annually by the relevant committees

## Evaluation of the Board of Directors' activities

The Board of Directors evaluates its operations and working methods annually through self-assessment.

If necessary and/or if the Board of Directors so decides, an external evaluator can also be used. The purpose of the evaluation is to determine how the Board's activities have been carried out, whether the Board is sufficiently competent and how its work could be further developed.

## Duties of the CEO

The CEO manages the day-to-day administration of the company in accordance with the instructions and regulations issued by the Board of Directors. The CEO is responsible for the legality of the company's accounting, ensuring that its financial management is reliable, and approving the Group's operating guidelines. The CEO is assisted by the Management Group.

The CEO and other members of the executive management, as directed by the CEO, represent the company with regard to shareholders, investors, the media and other parties. Taking into account the scope and nature of the company's operations, the CEO may only take unusual or far-reaching actions with the authorisation of the Board of Directors.

The CEO serves as the presenting official at Board meetings. If they wish, they may invite other members of the company's Group management/executive management to attend Board meetings to present matters within their areas of responsibility.

Given the central role of the CEO and the need for efficient corporate governance, it is justified that the appointment and dismissal of the CEO is the responsibility of the Board of Directors. The terms of employment and financial benefits of the CEO are defined in a written CEO service contract, which is approved by the Board of Directors.

The Board always has the right and, if the company's interests so require, the obligation to issue instructions and orders to the CEO. The CEO is obliged to follow the instructions received, whether they are case-specific instructions for individual cases or standing instructions of a general nature. Instructions can be verbal or written.

The Board of Directors may authorise the CEO to take on tasks that are not part of day-to-day administrative duties. The authorisation may concern a specific individual measure or be a more general, permanent authorisation. The authorisation shall be given in writing or at a Board meeting, where it is recorded in the minutes.