



VALMET AUTOMOTIVE

Corporate Governance Statement

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J.Pitkänen

J.Torniainen

March, 2026

CORPORATE GOVERNANCE STATEMENT 2025

General

Valmet Automotive Oyj (Valmet Automotive or Company) is a Finnish public limited company (Plc), the shares of which are owned by the Finnish state and Pontos Oy. Each of the Finnish state and Pontos Oy own shares in the Company both directly and indirectly through Speva Holding Oy. The Finnish state is represented directly by the Ownership Steering Department of the Prime Minister's Office, and indirectly by Gov Holding Oy and Speva Holding Oy (minority holding in which is held by Pontos Oy). Altogether, directly and indirectly, the Finnish state holds and controls 79% and Pontos Oy 21% of the shares and votes. The shareholders have entered into a Shareholders' Agreement. Statement

Valmet Automotive's administration is governed by Finnish laws and the regulations and rules set out pursuant to such laws, as well as the Company's Articles of Association. Valmet Automotive applies the requirements and guidelines issued by the Finnish state to government majority-owned companies as well as, on a voluntarily basis, the Finnish Corporate Governance Code of 2025, to the extent relevant to private, government-owned companies (www.cgfinland.fi).

Valmet Automotive's headquarters are located in Uusikaupunki, Finland. The Company's registered domicile is Uusikaupunki.

The Company's statutory bodies are the General Meeting of Shareholders, the Board of Directors and the CEO. In addition, a two Management Boards assists the CEO in the operative management of the Company, its two business areas and the coordination of its operations. The tasks and responsibilities of the different bodies are specified pursuant to the Finnish Companies Act.

General meetings of Shareholders

The General Meeting of Shareholders is the Company's highest decision-making body where shareholders use their decision-making power. Each shareholder is entitled to participate in the General Meeting by following the procedure described in the notice to the General Meeting. According to the Finnish Companies Act and the Company's Articles of Association, the General Meeting decides on the following, among others:

- amending the Articles of Association
- approving the financial statements and profit distribution
- mergers and demergers, acquisitions and transfers of own shares
- appointing the Chair and members of the Board and specifying their and Board committee members' compensation
- appointing the auditor and specifying its compensation.

An Annual General Meeting takes place each year in June at the latest, however typically in March-April. Notice to the General Meeting is served at the earliest three months and at the latest seven days before the meeting by sending it to the known addresses of shareholders.

The Annual General Meeting shall, in addition to the financial statements and audit report, address also a remuneration report, a sustainability report and a risk management policy.



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An Extraordinary General Meeting will convene if the Board finds it necessary, or if the auditor or shareholders representing at least 10 per cent of all shares deliver a written request to this effect in order to process a specified matter.

Board of Directors

The Board of Directors is responsible for the Company's administration and arranging the Company's operations properly according to applicable laws, the Articles of Association and good corporate governance. The general authority of the Board covers matters that are far-reaching, strategically significant or unusual and which therefore do not belong to the Company's day to-day business operations. The Board supervises Valmet Automotive's operations and management and decides on strategy, major investments, the Company's organization structure and significant financing matters. The Board supervises the proper arrangement of the Company's operations, and ensures that accounting and asset management control, financial reporting and risk management have been organized in an appropriate manner.

For its operation, the Board has a written working order. The Board can delegate matters in its general authority to the CEO and correspondingly take charge of decision-making in a task that belongs to the CEO's general authority.

On an annual basis, the Board assesses its own operation and the Company's governance and decides on any necessary changes. The Board convenes on a regular basis. In the financial year 2025, the Board held a total of 14 meetings.

Diversity Principles of the Board of Directors

Valmet Automotive Corporation applies principles defined in law to promote and develop equality and diversity and further promotes equal treatment of individuals at the workplace. The Board of Directors of Valmet Automotive has also adopted diversity principles. The Board recognizes the benefits to the Company and its shareholders of a diverse and broad Board composition. Diversity supports the Board's open work atmosphere and decision-making.

The Board is responsible for the Company's administration and the proper arrangement of its operations. A key task of the Board is also to support and challenge operative management from various perspectives in a consistent and predictable manner. The successful working by the Board and its Committees requires a diverse composition, knowledge and experience base as well as taking into account the personal qualities of individual members. Further, diversity shall correspond to and support the company's then current development stage and respond to the Company's and its business' development needs.

Valmet Automotive has identified that key diversity factors for the company include industry knowledge, experience from different fields of business and international business scene. In addition, varying educational backgrounds, management experience from different business sectors and a varying age and gender structure have been identified as items promoting diversity. Valmet Automotive's target is to always have both genders represented at the Board.

The Board will take these principles into account when discussing Board work development with the shareholders.

Composition and Independence of the Board of Directors

The composition and number of members of the Board of Directors must facilitate effective fulfilment of the Board's tasks. A member of the Board must possess the competence required by the task and the



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opportunity to allocate sufficient time for the task. The current composition of the Board of Directors takes into account the development phase of the Company, the special requirements of the industry and the needs of the Company's operations. The Board of Directors has representation of both genders.

According to the Articles of Association, a minimum of five and a maximum of eight regular members, including the Chair, shall be appointed to the Board of Directors by the shareholders in the Annual General Meeting for a one-year period at a time. The number of consecutive terms is not limited. At present, the Board has seven members. The General Meeting has appointed the following members to the Board:

Mr. Kari Heinistö, born 1958, Chair, M.Sc (Econ.) independent member since 2018, Chair since 2024, took part in 14/14 meetings in 2025

Mr. Sven Ennerst, born 1963, M.Sc (Mechanical Eng.), independent member, Board member since 2022, took part in 14/14 meetings in 2025

Mr. Timo Kokkila, born 1979, M.Sc (Eng.), member since 2016, took part in 14/14 meetings in 2025

Mr. Pekka Kuusniemi, born 1968, M.Sc (Econ.), independent member since 2025, took part in 2/2 meetings in 2025

Ms. Sinikka Mustakari, born 1979, M.Sc (Financial Econ.), member since 2025, took part in 4/4 meetings in 2025

Ms. Riitta Palomäki, born 1957, M.Sc (Econ.), independent member since 2025, took part in 2/2 meetings in 2025

Mr. Jari Vähäpesola, born 1959, M.Sc (Eng.), independent member since 2025, took part in 4/4 meetings in 2025

A majority of the members of the Board of Directors are independent of both the Company and its significant shareholders. Altogether 29% of the members are female.

To assess the independence and impartiality of the members of the Board of Directors, the members shall notify the Company of circumstances that may have an impact on the member's ability to act without conflict of interest. In situations where the Board of Directors processes a business or other contractual relationship or connection with a Board member or his/her related party, such member shall withdraw from any review or decision-making regarding such matter. Each member is responsible for monitoring his / her independence and impartiality.

The Board will, as a rule, conduct a regular annual evaluation of its performance and working methods, including an evaluation of the performance and working methods of its committees. When deemed necessary, such an evaluation can be carried out by engaging an outside evaluator.

Board Committees

The Board may establish permanent or temporary committees that do not typically have independent decision-making powers but instead are preparatory bodies assisting the Board by preparing and submitting proposals to the Board.

Audit Committee

The Board has in September 2025 re-established an Audit Committee to review, instruct and evaluate matters related to the Group's financial and sustainability reporting, financing, internal control, internal audit, risk management, audit and compliance with laws and regulations. The Board has further approved a Charter for the Audit Committee.



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Riitta Palomäki acts as Chair of the Audit Committee with Sinikka Mustakari, Kari Heinistö and Timo Kokkila as members. Since the Committee's re-establishment in September 2025, all members have attended all meetings.

Other committees can be established when deemed necessary from time-to-time.

CEO

Mr. Pasi Rannus, MBA, born in 1970, started as the Company's Chief Executive Officer in late 2023. The CEO is responsible for the daily management of the Company's administration according to the guidelines and instructions given by the Board. In addition, the CEO is responsible for ensuring that the Company's accounting has been carried out according to applicable laws and that asset management has been organized in a reliable manner. The CEO manages the Company's daily business and is responsible for controlling and steering the businesses.

The CEO has a written contract approved by the Board. The Board monitors the CEO's performance and provides a performance evaluation once a year. The CEO is covered by the Finnish Employees' Pension Act, which provides for a pension compensation based on service years and earnings. Basic salary, bonuses, rewards and fringe benefits are included in the calculation.

The Board appoints and discharges the CEO. The Board can discharge the CEO without a specific reason. The CEO can also resign from service. The mutual term of notice is 6 months. The Board may, however, decide to discharge the CEO without a period of notice. When the service contract of the CEO is terminated by the Board, the CEO is entitled to receive discharge compensation.

Auditing

According to the Company's Articles of Association, the Company has one auditor, which must be an auditing firm approved by the Finnish Patent and Registration Office, with the principal auditor being a Chartered Accountant. The General Meeting of Shareholders elects the auditor annually at the Annual General Meeting. In accordance with the decision of the Annual General Meeting in the spring of 2025, the Company's auditor is Ernst & Young Oy, which appointed Susanna Saariluoma, APA, as its principal auditor.

The Audit Committee oversees the auditor selection procedure and makes recommendations to the Board of Directors on the proposal to be made to the Annual General Meeting regarding the selection of the auditor and the auditor's remuneration.

In the financial year 2025 the auditor was paid 393,000 euros in audit fees and 54,000 euros for non-audit services.

Internal Auditing

Internal auditing is an independent and objective assessment, assurance and consulting function. Internal auditing assists the Board of Directors in its supervisory role and supports the Company and its operative management in achieving the Company's business objectives by providing an independent outside view to managing risk, governance and operative management processes. By decision of the Board of Directors, Valmet Automotive's internal audit function is outsourced to an external service provider.



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Internal audit work is carried out in accordance with the instructions and guidelines issued by the Audit Committee. The Audit Committee approves an internal audit plan for each financial year and the internal audit reports to the Audit Committee on progress, audit findings and recommendations.

Main features of financial reporting, internal control and risk management

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The Group's financial reporting is based on the same IFRS principles for all Group companies. The financial statement documents are published in Finnish and in English. The Group's financial reporting is coordinated and prepared by Group Finance, which is in charge of maintaining and developing the financial reporting principles, processes, related systems and controls. Furthermore, the Group's performance is planned, monitored and steered regularly with standard monthly reports and KPI's as well as with budgets, forecasts, long range plans and scenarios.

The Board of Directors sets the tone for the Group's control environment, providing the purpose and values, policies, processes, and structures as a foundation for internal control activities on different levels. The Audit Committee is responsible for monitoring the effectiveness of the overall internal control environment. The Company, subsidiary, and Group internal control requirements are aimed at preventing, detecting, and correcting material errors and irregularities and are performed on all organizational levels. Internal controls include a range of activities such as approvals, authorizations, verifications, reconciliations, reviews of performance, physical checks, and the segregation of duties as well as systems controls.

Risk management is an integral part of the Group's internal controls, reporting and management system. The objective of risk management is to protect the business, create value, and aim for improved cost optimization and performance through risk-based resource allocation and informed and calculated risk decisions. The Board approves a Risk Management Policy which defines the roles and responsibilities, key principles and general risk appetite of the Group. The CEO, supported by the Management Boards and relevant Group functions, is responsible for assuring that risk management is properly organized and implemented.

Related Party Transactions

The Board of Directors has determined principles applicable to the review and evaluation of transactions with related parties. The Audit Committee follows up and analyses contractual relationships between the Company and its related parties. To assess the independence and impartiality of the Board of Directors, each member shall inform the Company of circumstances that may have an impact on the member's ability to act without a conflict of interest. As at the end of the financial year 2025, neither any Board member, nor the CEO (including each of their related parties as defined in IFRS) had monetary loans from the Company or its subsidiaries and no guarantee or security arrangements or significant business relations existed between these persons and the Company.