

FINAVIA

Corporate Governance and Remuneration Statement

2023



Finavia in brief

Finavia is an airport company that leads and develops 20 airports in Finland. We build smooth flight connections in cooperation with airlines, regions and travel operators. We do our part to ensure Finland's connectivity. Our work brings the world closer.

We offer a smooth travel experience and high-quality services at our airports. Our expertise lies in managing large-scale operations: demanding construction projects, passenger flows, complex logistics and

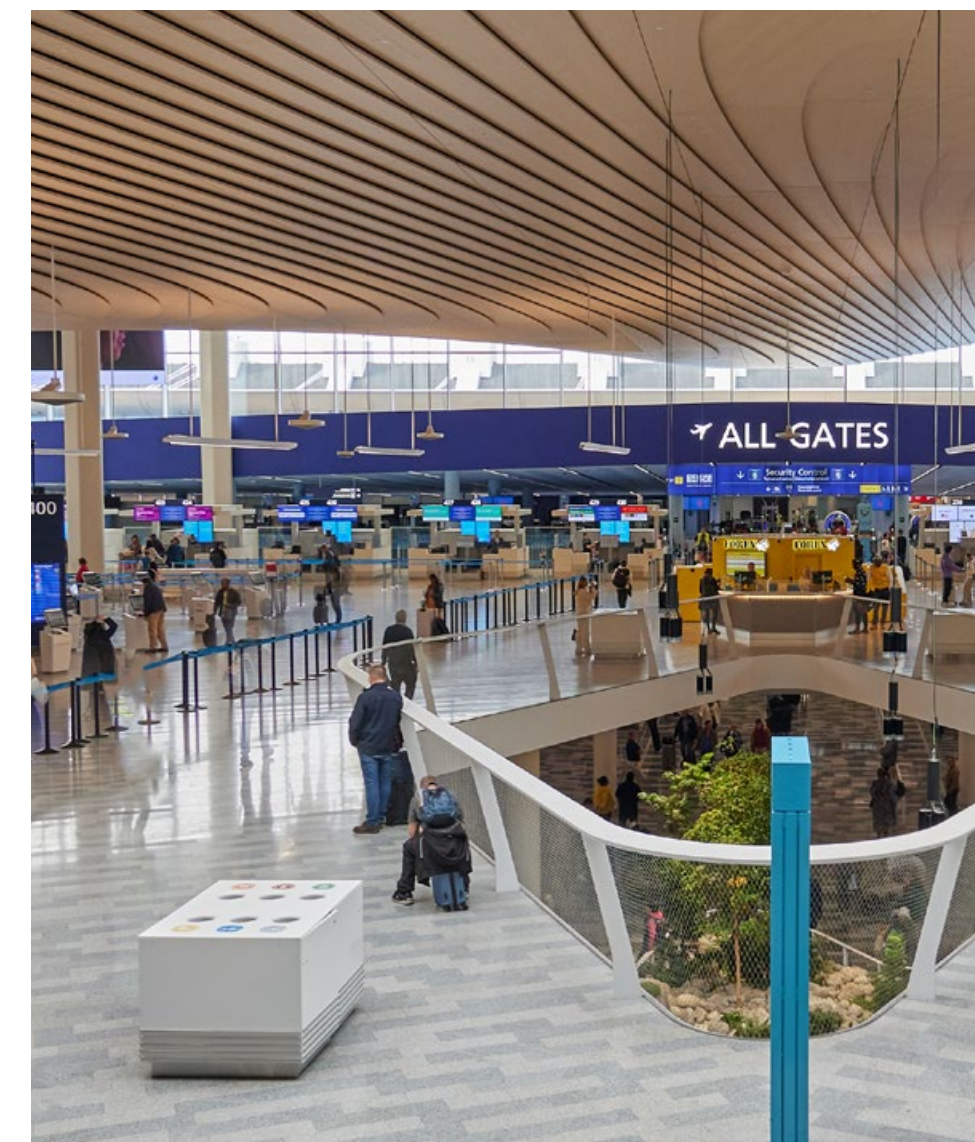
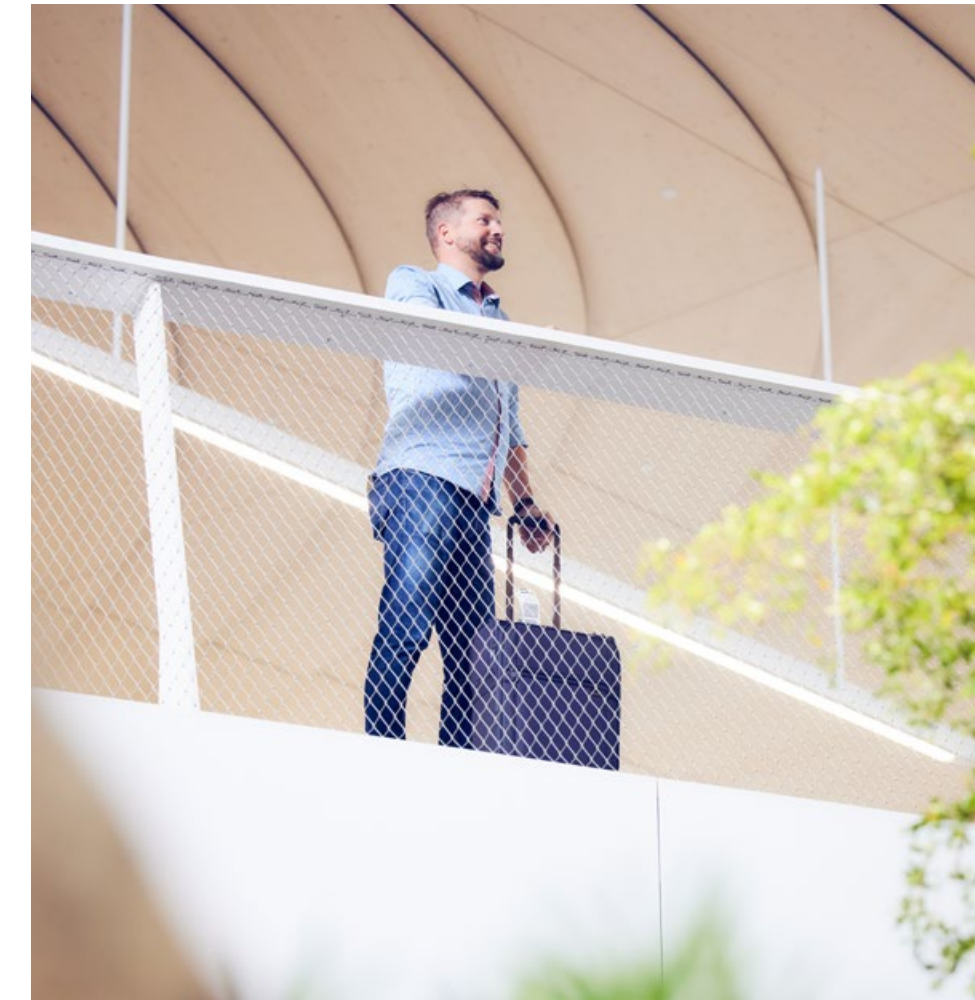
data. This is enabled by our specialists in various fields. Our customer promise is "For smooth travelling".

Responsibility is the cornerstone of our operations and safety is the first priority in everything we do. We bear our responsibility for the environment around our airports, as well as people and the economy. At the same time, we want to contribute to responsibility throughout our value chain and promote sustainable air travel.

**Our customer promise is
"For smooth travelling".**

Contents

01 Corporate Governance Statement	5	Chief Executive Officer	10
Finavia Corporation	6	Executive Group	10
Observing the Finnish Corporate Governance Code	6	Members of the Executive Group on 31 December 2023	11
Corporate structure	6	Internal control, risk management and internal audit	14
Administrative and operative bodies	6	Audit	15
General Meeting	6	Related party transactions	15
Board of Directors	7	02 Remuneration Report	16
Members of the Board of Directors on 31 December 2023	8	Remuneration of the Board of Directors	17
Committees of the Board of Directors	10	Remuneration of the CEO and other management	18
Audit committee	10	Details of the CEO's contract of employment	19
HR Committee	10	Bonuses payable to other members of staff	19
Working Committee for Real Estate Development	10		



Reports 2023



Annual and Responsibility Report

The Annual and Responsibility Report describes Finavia's business and responsibility goals and achievements and also includes the CEO's review.

[➤ Read more](#)



Corporate Governance and Remuneration Report

The Corporate Governance and Remuneration Report consists of the Corporate Governance Statement and the Remuneration Statement.

[➤ Read more](#)



Financial Statements

The Financial Statements include the Board of Directors' Report and key information on Finavia's finances for the past year.

[➤ Read more](#)

01 Corporate Governance Statement

6	Finavia Corporation
6	Observing the Finnish Corporate Governance Code
6	Corporate structure
6	Administrative and operative bodies
6	General Meeting
7	Board of Directors
8	Members of the Board of Directors on 31 December 2023
10	Committees of the Board of Directors
10	Audit Committee
10	HR Committee
10	Working Committee for Real Estate Development
10	Chief Executive Officer
10	Executive Group
11	Members of the Executive Group on 31 December 2023
14	Internal control, risk management and internal audit
15	Audit
15	Related party transactions

Corporate Governance Statement

Finavia Corporation

Finavia Corporation is a fully state-owned public company. The ownership steering of Finavia is the responsibility of the Ownership Steering Department in the Prime Minister's Office. Parliament has not granted the Government any authorisations to assign the shares of Finavia Corporation.

According to the Government Resolution on Ownership Policy of 8 April 2020, the State seeks to maximise overall social and financial benefits in managing its corporate assets. According to the Government Resolution, aside from financial considerations, companies must take into account the social, regional and environmental impacts of their activities. The State expects state-owned companies to lead the way in the transition to a carbon-neutral circular economy, digitalisation and responsibility.

Decision making and governance in Finavia is in accordance with the Finnish Limited Liability Companies Act, Finavia's Articles of Association, the applicable governance guidelines prepared by the Ownership Steering Department of the Prime Minister's Office, and Finavia's own governance guidelines. The Code of Governance of Finavia Group was last confirmed at the meeting of Finavia's Board of Directors in April 2023.

The company's registered office is in Vantaa, Finland.

Observing the Finnish Corporate Governance Code

Finavia complies, as applicable, with the Finnish Corporate Governance Code approved by the Finnish Securities Market Association in 2020. The most significant deviations from the Finnish Corporate Governance Code arise from the fact that Finavia only has one shareholder, the State of Finland. In addition, the Finnish Government has also specified some of the matters laid out in the recommendations, such as the grounds for electing Board members, in the Government resolution on its ownership policy. For this reason, observing all provisions of the Finnish Corporate Governance Code would not be appropriate or even possible.

The exceptions to the Finnish Corporate Governance Code are the recommendations concerning the contents and publication of notices of General Meetings and their subparagraphs (1 and 2), the recommendation concerning attendance in the GM (3), the recommendation concerning the retrospective publication of GM documents (4), the recommendation concerning the publication of the method or preparing the proposal for the composition of the Board of Directors (7), the recommendation concerning the definition of principles regarding the diversity of the Board of Directors (9), and the recommendation concerning the Shareholders' Nomination Committee (19). Furthermore, the recom-

mendation concerning share incentives (23) is not relevant due to the State ownership. Finavia also does not fully comply with the Corporate Governance Code with regard to the Remuneration Report.

The Governance Code can be viewed on the Securities Market Association's website at www.cgfinland.fi/en.

Corporate structure

In 2023, the company had two business areas: Helsinki Airport and the Airport Network. Other companies in the Finavia Group were Airpro Oy, a company providing support services for air traffic, and its subsidiaries RTG Ground Handling Oy and Airpro Academy Oy.

Administrative and operative bodies

The parent company of Finavia Group is Finavia, the administrative and executive bodies of which are its General Meeting of Shareholders, Board of Directors, the Board's Audit Committee, the Board's HR Committee, the Board's Working Committee for Real Estate Development, the CEO and the Executive Group.

General Meeting

The Ordinary General Meeting (GM) is Finavia's supreme decision-making body. The Ordinary GM is held annually on a day determined by the Board

Administrative organisation



of Directors, within six months of the end of the financial period. The Ordinary GM decides on issues within its powers under the Limited Liability Companies Act and the Company's Articles of Association.

The Board of Directors convenes an Extraordinary GM when necessary or when required under the Limited Liability Companies Act.

The auditor must attend the Ordinary GM.



Under the Articles of Association, the notice of a General Meeting must be delivered to the shareholders no earlier than two months and no later than one week prior to the meeting. The Ordinary GM for 2023 was held on 21 March 2023.

Board of Directors

The Board of Directors is responsible for the company's governance and the appropriate organisation of its operations as well as for ensuring that the company's accounting and financial management are appropriately supervised. The Board of Directors deals with matters that are far-reaching and important for the operations of the company and its subsidiaries.

Under the Articles of Association, the Board has at least three and at most seven members. The General Meeting also elects the Chairman of the Board and, if necessary, a Deputy Chairman. The CEO cannot be elected as a member or the Chairman of the Board.

The Board members must have the qualifications required for the task and they must be able to allocate sufficient time for attending to their duties as Board members.

The majority of Board members must be independent of the company. At least two of the members must also be independent of the company's shareholder. The Board assesses the independence of the members in relation to the company and its shareholder every year. Both genders must be represented on the Board.

The Board of Directors convenes on the date determined by the Board, on average once a month.

The Board meeting has a quorum when more than half of its members are present. The decisions of the Board require a simple majority. In the event of a tie, the Chairman casts the deciding vote.

The CEO is entitled to attend Board meetings and be heard at them, unless otherwise decided by the Board in a certain case. The Board meetings may also be attended by other persons whose presence is necessary, taking into account the matter to be discussed. The General Counsel of Finavia acts as the secretary of the Board.

Preparation of the issues to be discussed by the Board is primarily the CEO's responsibility. The CEO is also responsible for ensuring that the Board receives sufficient information to assess the operation and financial position of the company and its subsidiaries as well as any other issues to be discussed. The matters to be discussed by the Board are presented by the CEO. In individual cases, the CEO may delegate this task to a member of the Executive Group, the CEO of a subsidiary, or another person familiar with the matter. The Board has approved the sustainability programme and approves Finavia's material themes of sustainability reporting. The Board of Directors approves sustainability targets annually and monitors their achievement.

In its decision-making, the Board of Directors adheres to the current legislation of Finland as well as regulations and orders issued pursuant to it and the Articles of Association. The Board of Directors has adopted a working order for itself, containing a more detailed account of the duties and procedures of the Board. The Board of Directors carries out annual assessments of its own work and efficiency.

When required, the Board of Directors decides on establishing new committees for the purpose of preparing the matters for which the Board is responsible and elects their members annually after the Ordinary General Meeting.

During the period 1 January–21 March 2023, Finavia's Board of Directors consisted of Kati Levoranta as Chair of the Board, Stefan Wentjärvi as Deputy Chair of the Board, and Esko Pyykkönen, Erkkä Valkila, Kaisa Vuorio, Pekka Vähähyppä and personnel representative Johanna Kara as members of the Board. The Board of Directors consisted of four men and three women.

Finavia's Ordinary General Meeting was held on 21 March 2023 in Helsinki, and it elected Kati Levoranta as Chair of the Board, Pekka Vähähyppä as Deputy Chair of the Board, and Esko Pyykkönen, Mikko Tainio, Kaisa Vuorio and personnel representative Jouko Sarkkinen as members of the Board. The Board of Directors consisted of four men and two women.

All members of the Board were independent of Finavia with the exception of Jouko Sarkkinen, who served on the Board of Directors as a personnel representative. The members of the Board of Directors were independent of Finavia's sole shareholder, the State of Finland, with the exception of Esko Pyykkönen, who during his Board membership worked as a civil servant.

The Board convened 14 times in 2023. The attendance rate of Board members at Board meetings was 100% during the period 1 January–21 March 2023 (two meetings) and 100% during the period 21 March–31 December 2023 (12 meetings).

Members of the Board of Directors on 31 December 2023



Kati Levoranta

Chair of the Finavia Board of Directors from 18 March 2022, member of the Board since 26 March 2021
B. 1970, LL.M., MBA

Main work history

P2X Solutions Oy, Partner, COO 2021–
Rovio Entertainment Oyj, Chief Executive Officer 2016–2020,
Head of Sales, EMEA 2015, Chief Legal Officer 2012–2015
Nokia Siemens Networks Oy, various managerial positions 2007–
2012
Nokia Oyj, Legal Counsel 2005–2007
Jaakko Pöyry Group Oyj, Senior Legal Counsel 2004–2005
Valio Oy, General Counsel 2001–2003, Legal Counsel 1998–2000

Positions of trust

OP Cooperative, Chair of the Board Remuneration Committee
2023–, Board member 2020–
Juuri Partners Oy, Board member 2021–
Central Chamber of Commerce, member of the Election
Committee 2021–, Board member 2017–2020



Esko Pyykkönen

Member of the Finavia Board of Directors from 19 March 2018
B. 1962, M.Sc. (Econ.)

Main work history

Prime Minister's Office, Ownership Steering Department,
Honorary Title of Financial Councillor 2019–, Special Advisor
2016–
Ministry of Education and Culture, Special Advisor 2013–2016
Prime Soil Oy, CEO 2010–2013
Destia Oy, Senior Vice President 2007–2010
Ministry of Transport and Communications, Special Advisor
1999–2007
Ministry of the Environment, Senior Inspector 1991–1999

Positions of trust

Gasonia Oy, Chairman of the Board of Directors 2022–, Board
member 2017–2018
Baltic Connector Oy, Chairman of the Board of Directors 2019
Suomen Viljava Ltd, Board member 2017–



Mikko Tainio

Member of the Finavia Board of Directors from 21 March 2023
B. 1979, M.Sc. (Econ.)

Main work history

Terveystalo Plc, SVP, Portfolio Businesses 2022–, SVP, Public
Partnerships 2020–2022
Finnair Cargo, Managing Director 2019–2020
Finnair Kitchen, Managing Director 2017–2020, Vice President,
Ground Operations and Interim Group COO 2015–2017,
Vice President, Group Business Control and other financial
management and expert positions 2005–2015

Members of the Board of Directors on 31 December 2023



Kaisa Vuorio

Member of the Finavia Board of Directors from 18 March 2022
B. 1967, M.Sc. (Tech.)

Main work history

Propdea Oy, CEO 2011–
Citycon Oyj, Country Manager, Finland's business areas 2006–
2010, Business Group Manager, Commercial Centres 2003–2006,
other managerial positions 2000–2003
Catella Kiinteistöconsultointi Oy (now Catella Property Oy and
Catella Asset Management Oy), Property Analyst, Property
valuator and Key Account Manager 1994–2000

Positions of trust

Agore Kiinteistöt Oy, Chair of the Board of Directors 2017–
Finlandia Hall, Chair of the Board of Directors 2021–
Live foundation (formerly Invalidisäätiö sr), Board member 2014–
2021, Chair of the Board of Directors 2015–2018
Helsinki University Properties Ltd, Board member 2014–2015
University Properties of Finland Ltd (SYK), Board
member 2009–2014



Pekka Vähähyppä

Deputy Chair of the Finavia Board of Directors from 21 March 2023,
member of the Finavia Board of Directors from 18 March 2022
B. 1960, M.Sc. (Econ.), EMBA

Main work history

Stockmann Oyj Abp, CFO 2019–2022
Finnair plc, CFO 2015–2019
Stockmann plc, CFO 2000–2015
Nestlé Nordic and Sweden, Director, Finance & Control 1997–
1999
Nestlé Finland, CFO 1994–1996
Oko-Venture Capital, Director 1991–1994

Positions of trust

Vincit plc, Vice Chair of the Board of Directors 2023–, Chair of
the Audit Committee 2023–, Board member 2019–
Lyy-Invest Oy, Board member 2002–2023
Olas Group Oy, Board member 2023–



Jouko Sarkkinen

Member of the Finavia Board of Directors, personnel representative
since 21 March 2023
B. 1966, plumber
Employed by Finavia since 1997

Main work history

Finavia Corporation, Specialist Plumber 2010–
Finnish Civil Aviation Administration, Plumber 1996–2009
Plumber at several companies 1984–1996

Positions of trust

Finavia Corporation, Chief Shop Steward 2015–, Shop Steward
2004–2015, member of the Personnel Fund's Board of Directors
2015–

Committees of the Board of Directors

The Board has established an Audit Committee and a HR Committee for the preparation of its duties, as well as a working committee for real estate development. The committees do not have any independent powers of decision; instead, the Board makes the decisions on the basis of the proposals presented by the committees. The committees report to the Board of Directors.

Audit committee

The role of the Audit Committee is to assist the Board in ensuring that the company's accounting and financial management are appropriately organised, and that the company has an appropriate system of internal control that covers its entire operations. The committee supports the organisation and monitoring of the company's internal audit activities and ensures that the company's operations and internal control are organised in the manner required by law, regulations and good corporate governance.

The Audit Committee prepares, guides and assists the Board in assessing issues relating to risk management, internal monitoring systems, financial reporting processes and audits, and internal auditing. The notifications received via Finavia Group's whistleblowing channels are reported regularly (annually) to the Audit Committee of the Board of Directors. Critical concerns are reported to the Audit Committee as soon as they emerge. No critical concerns were reported in 2023.

The Audit Committee convenes at the invitation of its chairperson at least four times a year. At least three members are elected to the committee. The Board elects the chairperson and members of the committee from among its members for a term of one year at a time. All committee members must be independent of the company, and at least two members must be independent of the shareholder.

The Secretary of the Board acts as the secretary of the committee.

The Audit Committee has a working order approved by the Board.

During the period 1 January–29 March 2023, the Audit Committee comprised Stefan Wentjärvi as Chair and Kaisa Vuorio and Pekka Vähähyppä as members. Between 29 March and 31 December 2023, the committee comprised Pekka Vähähyppä as Chair and Mikko Tainio and Kaisa Vuorio as members. The Audit Committee convened six times between 1 January and 31 December 2023. The attendance rate of its members was 100%.

HR Committee

The HR Committee assists the Board in the management of HR tasks coming under its responsibility. The tasks of the committee include the preparation of the matters pertaining to the terms and conditions of employment and remuneration of senior management and the compensation and incentive schemes of senior management and personnel. The committee also prepares the appointments of employees reporting to the CEO.

The HR Committee meets at the invitation of its chairperson at least twice a year. It is chaired by the Chairman of the Board, and it has at least two annually appointed Board members as its members. The majority of the committee members must be independent of the company. The Secretary of the Board acts as the secretary of the committee. The HR Committee has a working order approved by the Board.

During the period 1 January–29 March 2023, the HR Committee comprised Kati Levoranta as Chair and Esko Pyykkönen and Erkkä Valkila as members. Between 29 March and 31 December 2023, the committee comprised Kati Levoranta as Chair and Esko Pyykkönen and Pekka Vähähyppä

as members. The HR Committee convened seven times between 1 January and 31 December 2023. During this period, the attendance rate of its members was 100%.

Working Committee for Real Estate Development

The Working Committee for Real Estate Development assists the Board in the preparation of decisions concerning real estate development projects. The working committee is convened as required at the CEO's invitation.

The secretary to the Board of Directors acts as the secretary of the Working Committee for Real Estate Development. The working committee has a working order approved by the Board.

During the period 1 January–29 March 2023, the Working Committee for Real Estate Development comprised Kati Levoranta as Chair and Erkkä Valkila and Kaisa Vuorio as members. Between 29 March and 31 December 2023, the working committee comprised Kaisa Vuorio as Chair and Kati Levoranta and Esko Pyykkönen as members. The working committee did not meet during the period 1 January–31 December 2023.

Chief Executive Officer

The CEO's main duties include the planning, management and monitoring of the company's business activities, as well as preparation of matters for the Board and implementation of the Board's decisions.

The CEO has the general competence to attend to and control the company's day-to-day administration in compliance with the instructions and orders issued by the Board of Directors. In addition, the CEO is responsible for ensuring that the company's accounting is in accordance with the law and financial administration has been organised in a reliable manner. The CEO chairs the Executive Group.

The CEO is appointed and dismissed by the Board of Directors. The terms and conditions for the position of the CEO are defined in a written contract approved by the Board. The remuneration of the CEO is discussed under Salaries and benefits of the CEO and other members of the management in the Salary and Compensation Report.

The Board may appoint a Deputy CEO as required. The Deputy CEO attends to the CEO's duties when the CEO is temporarily unavailable.

Kimmo Mäki has served as the CEO since 1 January 2018, and Jani Jolkkonen has served as the Deputy CEO since 31 March 2020.

Executive Group

The Executive Group is chaired by the CEO. The Executive Group meets at the CEO's invitation in keeping with a schedule agreed in advance.

The task of the Executive Group is to support the CEO in preparing strategic issues for the company and the Group, coordinating the company's operations, preparing and implementing operative matters that are significant in nature, and ensuring internal cooperation and the flow of information.

The Executive Group prepares the issues to be considered and decided by the Board. The Executive Group has a working order approved by the CEO. The General Counsel serves as the secretary to the Executive Group.

The remuneration of the Executive Group is discussed in the Remuneration Report under Salaries and benefits of the CEO and other members of the management.

At the end of 2023, the Executive Group had nine members. The Executive Group consists of Finavia's CEO and members who are proposed by the CEO and confirmed by the Board. The Executive Group met 24 times during the year.

Members of the Executive Group on 31 December 2023



Kimmo Mäki

President and CEO
B. 1974, M.Sc. (Tech.), EMBA
Employed by Finavia since 2018

Main work history

Port of Helsinki Ltd, CEO 2011–2017
StevecO Oy, Senior Vice President 2006–2011
Stockmann Plc, Director, Logistics 2003–2006

Positions of trust

Finnpilot Pilotage Oy, Chairman of the Board 2022–
Airpro Academy Oy, Chairman of the Board 2020–
Airpro Oy and RTG Ground Handling Oy, Chairman of the Board 2018–
Avia Real Estate Oy, Board member 2018–
Air Navigation Services Finland, Chairman of the Board 2017
Finrail Oy, Chairman of the Board 2015–2018



Jessica Diktonius

Senior Vice President, Communications and Marketing
B. 1978, M.Soc.Sc.
Employed by Finavia since 2023

Main work history

Kesko Corporation, Communications Director, Building and Technical Trade Division 2017–2023
Tieto Oyj, Head of Media Relations and Reputation Management 2014–2017
Kreab, Director 2005–2014

Positions of trust

Suomi-rata Oy, Board member 2023–



Henri Hansson

Senior Vice President, Airport Infrastructure, Sustainability, Safety, Security & Compliance
B. 1972, Construction Engineer, M.Sc. (Tech.)
Employed by Finavia since 2000

Main work history

Finavia Corporation, Technical Director 2012–2019, Director of Airport Operations 2011–2012, Director of Airport Services 2009–2011, Head of Airport Technical Services 2006–2009, Project Manager 2004–2006, Project Engineer 2000–2004
Pohjolan Voima Oy, Project Engineer 1997–2000

Positions of trust

Airpro Oy, Board member 2023–
Rakli, member of the Advisory Board 2022–
Kiinteistöosakeyhtiö Lentäjäntie 1, Board member 2015–
ACI Europe's Regional Airports Forum, member of the Working Group 2009–

Members of the Executive Group on 31 December 2023



Jani Jolkkonen

Senior Vice President, Airport Network
Deputy CEO
B. 1973, EMBA, M.Sc. (Tech.)
Employed by Finavia since 2018

Main work history

Posti Group, SVP, ICT and Digitalization 2016–2018, SVP Head of business division Postal Services 2015–2016, Itella, SVP, Head of business division Itella Logistics 2013–2014, Itella Posti, VP, Delivery and Marketing Services 2012–2013, VP, Delivery Services 2011–2012, VP, Operations 2008–2011, Itella Corp, Director, Mail 2004–2008.

Positions of trust

Airpro Oy and RTG Ground Handling Oy, Board member 2018–



Niclas Köhler

Chief Financial Officer
B. 1966, M.Sc. (Econ. and Bus. Adm.)
Employed by Finavia since 2017

Main work history

Pihlajalinna Ltd., Chief Financial Officer 2016–2017
Talentum Ltd., Chief Financial Officer 2011–2016
OneMed Group Ltd. (CapMan), Chief Financial Officer 2007–2011
Kauppalehti Group, Chief Financial Officer 2004–2007
DW Beton GmbH, Sales and Marketing Manager 2001–2004
Consolis Group Ltd., Head of Administration Development 1998–2001
Myllykoski Ltd., Group Controller 1996–1998, Business Controller 1992–1996

Positions of trust

Governia Oy, Board member 2019–
Avia Real Estate Oy, Board member 2018–



Ulla Serlenius

Director, Helsinki Airport
B. 1967, M.Sc. (Tech.)
Employed by Finavia since 2020

Main work history

Fiskars Group, President 2018–2019, Senior Vice President 2017–2018, Vice President 2014–2016, Lettijeff Consulting Oy, Co-founder and CEO 2011–2014, Nokia Siemens Network, Head of Espoo Factory 2007–2008, Nokia Networks, Director 2003–2007, Plant Manager 2002

Positions of trust

Tokmanni Group Plc, Board member 2020–

Members of the Executive Group on 31 December 2023



Janne Simula

Senior Vice President, Legal Counsel
B. 1973, LL.M., Trained on the bench
Employed by Finavia since 2010

Main work history

Finavia Corporation, Legal Counsel and Senior Legal Counsel 2010–2019, AIG Europe S.A. Finnish Branch, Liabilities Underwriter 2008–2010, Tapiola Mutual Insurance Company, Risk Manager 2005–2007, Hannes Snellman Attorneys Ltd, Associate Lawyer 2002–2005

Positions of trust

FinnHEMS Oy, Board member 2020–
Airpro Oy and RTG Ground Handling Oy, Board member 2013–
2020 and 2021–2023
Airpro Academy Oy, Board member 2021–2023



Kaarina Soikkanen

Senior Vice President, HR
B. 1960, LL.M.
Employed by Finavia since 1990

Main work history

Finavia Corporation, Personnel Director 2008–, Deputy Director 2007–2008, Civil Aviation Administration Finavia, Senior Legal Adviser 1999–2007
National Board of Aviation, counsel 1988–1999
National Board of Health, Legal Counsel 1986

Positions of trust

Finferries, Member of the Board 2019–
Haaga Campus, Bachelor of Tourism and Hospitality Management, Member of the Advisory Board 2017–2019,
EK's skilled workforce committee, Chair 2017–
Palta's Labour Market Committee, Member 2014–
Helsinki Region Chamber of Commerce, Member of the Education and Labour Committee 2015–
RTG Ground Handling Oy, Board member 2010–
Airpro Oy, Board member 2007–



Petri Vuori

Senior Vice President, Sales and Route Development
B. 1968, M.Sc. (Econ.)
Employed by Finavia since 2017

Main work history

Finnair Plc, Vice President, Network Planning 2015–2017, Vice President, Sales 2014–2015, Area Vice President, APAC 2010–2013
Draka NK Cables Oy, Sales Director 2003–2010, Key Account Manager 2002–2003, Business Controller 1998–2002
Huhtamäki Oyj, Reporting Analyst 1996–1998

Positions of trust

Finland–China Business Association, Board member 2015–2016
Amadeus Finland Oy, Board member 2014–
Wuhan NK Cables Co. Ltd., Board member 2006–2010
NK Cables Sverige AB, Board member 2003–2010
NK Cables de Mexico S.A., Board member 2003–2008

Internal control, risk management and internal audit

Internal control

Internal control at Finavia means the measures and procedures intended to ensure that Finavia's targets and objectives are achieved, its resources are used appropriately and efficiently, operational risks are appropriately managed, and financial and other information is reliable and correct.

As part of the internal control, the company's organisation and structure, duties and responsibilities related to key areas, as well as the procedures observed for producing services are defined in Finavia's set of operational manuals compliant with aviation regulations. In addition to the operational manuals, Finavia has defined the operational policies and procedures for different areas of operation.

The company's Board of Directors has approved all major operational policies and the ethical principles that all persons working at Finavia and those who participate in the company's administration are expected to observe. The company has also defined a code of conduct that all Finavia's suppliers are expected to observe. Any activities that are in violation of the ethical principles or principles of good governance are dealt with without undue delay. The Group has whistleblowing channels in place.

Control and supervision of the financial reporting process

The consolidated financial statements and business review prepared by Finavia are based on

the Finnish Accounting Standards (FAS), most of which are contained in the Finnish Accounting Act and Decree. The instructions and opinions issued by the Accounting Board constitute an important part of the accounting practices.

Financial reporting that is in accordance with external accounting requirements and internal financial reporting are the responsibility of the Group's financial administration, which operates under the Chief Financial Officer.

Consistency and reliability of the reporting are assessed as part of the internal control by means of different types of control and matching. The Group's Financial Department determines the control procedures for the financial reporting process. These include instructions and guidelines, process descriptions, and matchings and analyses, which help to ensure the correctness of the data used in the reporting and the reporting itself.

The senior management assesses the financial reports before they are reviewed by the Audit Committee and the Board of Directors. The financial statements for the year and the business reviews are reviewed by the Audit Committee and the Board of Directors before they are published.

Risk management

Risk management at Finavia is proactive, systematic and comprehensive, and it covers all operations and risk areas of the Group on a continuous basis. Finavia only takes business risks that relate to the implementation of the strategy and that can be managed to an acceptable level or the effects of which, were they to materialise, are reasonable. Risk-taking must not cause a ma-

terial danger to the success of the Group or the continuity of its operations in the short or long run.

Ensuring the safety of aviation is the most important objective for Finavia in its risk management. The safety management system is an essential part of Finavia's risk management. The system is used to manage functions critical to aviation safety, and to ensure that a good and reliable level of safety is achieved.

Management of safety-related risks is based on proactive safety and follow-up. Safety reviews are carried out before structural and operational changes concerning aviation safety are introduced. Their purpose is to assess and manage the overall safety of the changes. The risks arising from the implementation and introduction of the changes are evaluated by monitoring the observations of deviations. An open and reliable reporting culture is an integral part of the follow-up procedure.

Finavia's risk management model requires business-related risks and the manner in which they are managed to be identified and assessed regularly. The planned risk management measures constitute the basis for the company's operative continuity management. The Group's Finance Unit coordinates the implementation of the risk management model and compiles a summary of the major risks related to the Group's business for presentation to the Board of Directors annually or more frequently if necessary. In addition, the aviation safety and security functions units develop the Group's safety management system and increase risk awareness within Finavia through trai-





ning, guidance and communications.

The Board of Directors approves the risk management policy and any amendments to it.

Internal audit

In accordance with the audit plan approved by the Board of Directors each year, the Internal Audit unit assesses the adequacy of the company's internal control and risk management procedures and gives recommendations for developing procedures, processes and controls.

Administratively, the Internal Audit function works under the CEO, while operationally it works under the Board of Directors and the Audit Committee appointed by the Board. Internal audits are carried out by an external partner. Finavia's Board of Directors has approved the internal audit guidelines observed by the Group.

The Internal Audit Unit submits regular reports to the Audit Committee appointed by Finavia's Board of Directors on the way in which

the targets laid out in the audit plan have been achieved, important open risks, control issues, issues concerning the organisation's management and administration systems, and other information requested by senior management and the Board. The audit findings and the recommendations concerning them are reviewed with the persons in charge of the audited entities at the conclusion of the audit. The Internal Audit Unit monitors the implementation of the measures in accordance with the agreed timetables.

Finavia's Internal Audit Unit is committed to observing international professional standards and ethical principles on internal auditing.

Audit

Under Finavia's Articles of Association, the Ordinary GM elects the company's auditor, which must be an auditor or an audit firm with APA certification as laid down in the Auditing Act. The proposal for the auditor is prepared by the Board of Directors. The

Ordinary GM decides on the auditor's fees.

The Group's financial reports are based on the financial reports of the Group companies. An auditing company with APA certification elected by the parent company's Ordinary GM operates in the Group. Each Group company has an auditor selected by its GM. The parent company's auditor prepares, jointly with the company's management, an annual audit plan for Group companies. The auditor submits to the shareholders an auditor's report on the Group companies' financial statements and the consolidated financial statements.

The auditor reports to the CEO and the Board of Directors at least annually. The auditor participates in the work of the Board's Audit Committee. The auditor meets the Board, with all its members present, at least once a year.

The Ordinary GM of 2023 elected the auditing firm KPMG Oy Ab as the company's auditor, with **Ari Eskelinen** (APA) as the auditor in charge.

In 2023, the fees paid for the audit totalled EUR 112,563.00. The auditor was paid EUR 108,455.80 for services not related to the audit.

The auditor's report for the financial period 1 January–31 December 2023 covers the accounts, consolidated financial statements, Board of Directors' report, audit of the administration, and the financial statements of the parent company, Finavia Corporation. The auditor's report was presented after the financial statements.

Related party transactions

Finavia monitors and assesses any related party transactions and ensures that any conflicts of interests are properly considered in its decision-making. The related parties of Finavia and its Group

Companies are specified and a register of the related parties is maintained. Finavia and each of its Group Companies has its own related party register.

Any transactions between Finavia and its related parties must in all situations be necessary for and in the best interest of Finavia, and they must be based on sound commercial grounds. The related party guidelines approved by the Board of Directors define related party transactions, and describe the principles concerning the identification, assessment and consideration of related party transactions and reporting on them.

Material related party transactions and related party transactions that deviate from the ordinary course of business or are not implemented under arm's length principles are identified before deciding on them. The preparations regarding related party transactions are always thorough and carefully documented, and the provisions regarding judicial disqualification and the guidelines in force in the Group are observed when preparing and deciding on the transaction.

The Board of Finavia or its Group company decides on related party transactions that deviate from ordinary business operations or market conditions. They are recorded in the register of related party transactions, which is kept in connection with the register of related parties. Material related party transactions that deviate from the ordinary course of business or are not implemented under arm's length principles are reported annually as part of the financial statements. The Board of Directors of Finavia will analyse the transactions recorded in the register for each financial period before the Board of Director's Report is completed.

02 Remuneration Report

- 17 Remuneration of the Board of Directors
- 18 Remuneration of the CEO and other management
- 19 Details of the CEO's contract of employment
- 19 Bonuses payable to other members of staff

Remuneration Report

Finavia observes the management remuneration principles approved by the Board and the recommendations of State ownership steering, including the opinion on remuneration of the management of state-owned companies contained in the Government Resolution on State Ownership Policy adopted on 8 April 2020.

Finavia's Ordinary GM decides on the remuneration of the company's Board of Directors. The HR Committee assesses the amounts of salary and compensation payable to the CEO and Deputy CEO, as well as that of Executive Group members and other managers reporting to the CEO, including the incentive systems. The HR Committee makes proposals regarding these amounts of compensation to the Board of Directors.

The total remuneration of the Board of Directors amounted to EUR 146,988.30. The Group CEO, the senior management of Finavia Corporation and the Managing Director of the subsidiary Airpro were paid a total of EUR 827,954 in incentive rewards in 2023 on the basis of the incentive scheme confirmed for the period from 2021 to January–March 2023.

Finavia's other management and key personnel were paid a total of EUR 946,153 in incentive rewards in 2023 on the basis of the incentive scheme confirmed for the period 2021–2022.

Personnel covered by the personnel fund were paid a total of EUR 2,311,875 in incentive rewards in 2023 on the basis of the incentive scheme confirmed for the period 2021–2022.

Airpro's management, excluding the Managing Director, were paid performance bonuses totalling EUR 109,011 in 2023. In the Airpro subgroup, no incentive rewards were paid to the personnel in 2023.

Remuneration of the Board of Directors

The Ordinary GM decides on the fees payable to the Board of Directors. The fees payable to the Board of Directors of Finavia remained unchanged in 2023.

The fees payable to the members of Finavia's Board of Directors in compliance with the resolution of the Ordinary GM of 2023 were as follows:

- Chairperson EUR 1,700 per month
- Deputy Chairperson EUR 1,200 per month
- Member EUR 1,000 per month
- A meeting fee of EUR 500 for each Board and committee meeting

The Chairperson of the Board of Directors has a company mobile phone. The Board members did not receive any other fees or benefits.

Remuneration of the Board of Directors in 2023

The total amounts paid to the members of the Board of Directors for Board and committee meetings were as follows*:

Board member	Attendance rate, %	Fees paid for Board membership in 2023, EUR	Meeting fees in 2023, EUR	Total in 2023, EUR	Total in 2022, EUR
Johanna Kara**	100	3,000	1,500	4,500	17,500
Kati Levoranta	100	20,400	10,000	30,400	26,800
Esko Pyykkönen	100	12,000	10,000	22,000	20,500
Jouko Sarkkinen***	100	9,500	5,000	14,500	0
Mikko Tainio***	100	9,500	7,000	16,500	0
Erkka Valkila**	100	3,000	2,500	5,500	20,500
Kaisa Vuorio	100	12,000	9,500	21,500	15,952
Pekka Vähähyppä	100	13,900	12,000	25,900	15,452
Stefan Wentjärvi**	100	3,600	2,500	6,100	22,400

* The fees are shown on a payment basis

** Board member until 21 March 2023

*** Board member from 21 March 2023

Remuneration of the CEO and other management

Remuneration of the CEO and senior management

The remuneration of Finavia Corporation's CEO, Executive Group members, the CIO and the CEOs of Finavia's subsidiaries Airpro Oy and RTG Ground Handling Oy is based on a fixed monthly salary and short-term and long-term incentive schemes (STI and LTI). The company's senior management does not have any other compensation systems or supplementary pension plans.

Remuneration of other management and key personnel

In addition to the Executive Group members, other managers and key personnel in the Finavia Group are covered by the STI scheme.

The STI and LTI schemes are based on the guidelines issued by the Ownership Steering Department. Under the STI and LTI schemes, the performance-related pay paid during a tax year may not exceed 80 per cent of the individual's yearly fixed basic pay.

The decision-making process and main principles of the incentive schemes

The criteria for the STI and LTI periods, the targets set out for the schemes and their weightings are determined by the Board of Directors each year in accordance with the targets laid out for the Group. In the STI criteria, the emphasis is on Group-level indicators of financial performance,

customer satisfaction and sustainability. The STI scheme may have criteria for the Group as a whole, for individual profit centres and for individual employees. As a rule, the earning criteria for the STI scheme are the same for the senior management, other management and key personnel, which motivates the entire company to pursue shared goals. The earning criteria support the achievement of Finavia's strategic objectives. The sustainability indicator also promotes the achievement of the sustainability targets set for Finavia by the State as the company's owner. The sustainability indicator in the incentive scheme is energy efficiency for both management and the personnel. The targets of the long-term incentive scheme (LTI) are based on increasing shareholder value.

Under all of the incentive schemes, the performance-related pay is not paid in full if the safety criterion and the criteria for the financial indicator are not met.

The maximum reward under the short-term incentive scheme for Finavia Corporation's Executive Group members was increased to 40 per cent for the period 2023–2024 because the three-year long-term incentive scheme confirmed by the Board of Directors for the period 2023–2025 will only become payable for the first time after the adoption of the financial statements for 2025. The common earning criteria for 2023 for Finavia's short-term incentive schemes (STI) and the incentive scheme for the personnel were confirmed as Finavia Group's EBITDA (for the personnel, Finavia Corporation's EBITDA), customer satisfaction and energy efficiency.

Remuneration of Finavia's management in 2023

Fees and salaries paid to Finavia's CEO and Executive Group members in 2023

	Salaries and fringe benefits in 2023, EUR	Performance bonus based on the 2022 earning period, as set out in the STI scheme, paid in 2023, EUR	Performance bonus based on the 2021–Q1/2023 earning period, as set out in the STI scheme, paid in 2023, EUR	Total paid in 2023, EUR	Total paid in 2022, EUR
President and CEO	369,119	0	189,906	559,025	359,097
Other members of the Executive Group	1,301,759	0	611,969	1,913,728	1,311,334

Remuneration of Airpro Oy's CEO

	Salaries and fringe benefits in 2023, EUR	Performance bonus based on the 2022 earning period, as set out in the STI scheme, paid in 2023, EUR	Performance bonus based on the 2021–Q1/2023 earning period, as set out in the STI scheme, paid in 2023, EUR	Total paid in 2023, EUR	Total paid in 2022, EUR
President and CEO	184,007	0	26,079	210,085	

The maximum performance-related pay under the long-term incentive scheme for the members of Finavia Corporation's Executive Group is 50 per cent and the performance-related pay at the target level is 25 per cent. Finavia's Board of Directors approved the long-term incentive scheme (LTI) for the period 2023–2025, confirmed Finavia's enterprise value as the earning criterion and set target levels for the enterprise value. Rewards under the LTI scheme can become payable for the first time in 2026 after the adoption of the financial statements for 2025.

Details of the CEO's contract of employment

In addition to the salary, the CEO has a company car and telephone. The retirement age and pension of the CEO are determined on the basis of the Employees Pensions Act.

The CEO's period of notice is six months. When the employment is terminated by the employer, the CEO receives a six months' pay for the period of notice. The CEO does not receive any separate compensations in addition to the salary for the period of notice.

Bonuses payable to other members of staff

Finavia Corporation has a personnel fund. All employees, apart from the senior management and those who are within the scope of the performance-based remuneration scheme, are members.

After the COVID-19 years of 2021–2022, Finavia's Board of Directors resumed the previous

practice and confirmed an incentive scheme for the personnel that is based on earning criteria set annually by the Board of Directors along with targets for the criteria. As a rule, the earning criteria for the STI scheme are the same for the senior management, other management and key personnel, which motivates the entire company to pursue shared goals.

The bonus is paid to the personnel fund annually after the adoption of Finavia Corporation's financial statements if the earning criteria and thresholds confirmed by the Board of Directors are met. If the targets set for the incentive bonus for personnel are achieved, a maximum amount corresponding to six per cent (6%) of the annual salary of the personnel covered by the personnel fund can be paid into the personnel fund. The bonus in accordance with the confirmed incentive scheme will be payable by June 2024 at the latest. The company does not have any other remuneration schemes for the personnel.

Rewards paid in 2023 under the incentive scheme confirmed for Finavia Corporation's personnel for the period 2021–2022

The targets set for the incentive scheme confirmed for Finavia's personnel for 2021–2022 were met at a rate of 60 per cent for 2021, and the bonus accrual for 2021 is three per cent of the total wages in 2021 of the personnel within the scope of the fund. The targets for 2022 were met at a rate of 64.8 per cent and the bonus for 2022 is 3.24 per cent of the total wages of the personnel within the scope of the fund in the year in question. The bonus payable to the

personnel under the incentive scheme for 2021–2022 amounts to EUR 2,311,875.

Remuneration of Airpro Oy's personnel

Finavia's subsidiary Airpro Oy and its subsidiary RTG Ground Handling Oy have their own employee incentive schemes confirmed for the year 2023. The payment criteria for the incentive schemes of Airpro Oy and RTG Ground Handling Oy are approved by the Board of Directors of Airpro Oy. If the targets set for the incentive bonus for personnel are achieved, a maximum amount corresponding to two per cent (2%) of the annual salary of the personnel covered by the bonus scheme can be earned.

Airpro's personnel did not have an incentive scheme in place in 2022. Consequently, no incentive rewards were paid to the personnel in 2023.



FINAVIA

FOR SMOOTH TRAVELLING

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