



United Bankers Plc

Corporate governance statement 2023



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1. Introduction

United Bankers Plc (hereinafter "United Bankers" or "Company") is a Finnish public limited liability company, whose shares are publicly traded on the official list of Nasdaq Helsinki Ltd ("Helsinki Stock Exchange") under the ticker symbol UNITED.

United Bankers complies with all of the recommendations in the Corporate Governance Code for Finnish Listed Companies issued by the Finnish Securities Market Association on 1 January 2020 (the "CG Code"). The CG Code is available from the website of the Finnish Securities Market Association at www.cgfinland.fi.

United Bankers' Corporate Governance Statement ("CG Statement") regarding the financial year 2023 has been devised according to the CG Code. United Bankers presents the CG Statement as a separate report from the Board of Directors' annual report and the official financial statements. The CG Statement, along with the Company's Financial Statements, Board of Directors' Report, and Audit Report, as well as all other documents required by the Corporate Governance Code, are available on United Bankers' website at unitedbankers.fi.

United Bankers' corporate governance is based on its Articles of Association, the Companies Act, the Securities Market Act, the Market Abuse Regulation (MAR), regulations and guidelines issued by the Finnish Financial Supervisory Authority, as well as the rules and insider guidelines of Helsinki Stock Exchange. In

addition, in its capacity as an entity owning an investment services company and a fund management company, the Company is obligated to abide by financial industry regulation. Consequently, corporate governance of the Company entails also complying with the Act on Investment Services, Act on Credit Institutions to the extent applicable, the provisions of the Act on Mutual Funds and Act on Alternative Investment Fund Managers, as well as the guidelines issued by the European Banking Authority (EBA) and the European Securities Market Authority (ESMA).

In addition, United Bankers' decision-making, governance, and operations are guided by the Company's values and its internal Code of Conduct. For United Bankers, responsibility means economic, social, and environmental responsibility. As a company, United Bankers wants to take ownership and support the sustainable development of the environment and society. This is reflected in the Company's strategy, values, and actions. Responsibility is also a key part of our value creation and United Bankers' growth strategy.

2. Descriptions concerning corporate governance

2.1 Governance structure

In addition to the parent company United Bankers, acting as the holding company, the United Bankers Group encompasses four subsidiaries fully owned by the Company: UB Asset Management Ltd, UB Fund Management Company Ltd, UB Corporate Finance Ltd, UB Nordic Forest Management Ltd.



Group structure as of 31 December 2023

Finance Ltd, and UB Nordic Forest Management Ltd, the two first-mentioned of which constitute licensed companies subject to the supervision of the Finnish Financial Supervisory Authority. In addition, the United Bankers Group includes the subsidiaries of the aforementioned subsidiaries (hereinafter, all of the aforementioned companies, along with their subsidiaries, jointly referred to as "United Bankers Group").

The administration, management, and oversight of United Bankers is divided between the General Meeting of Shareholders, the Board of Directors and the CEO as described below. In the operative management of the Company, the CEO is assisted by the other members of the Company's Management, consisting of the directors of the various business segments of the United Bankers Group, as well as of the directors of different Group functions. The Management Team manages matters relating to the entire Group. The Management Team assists the CEO in the adoption and implementation of Group-level operating principles and procedures. The CEO acts as the Chairman of the Management Team.

The planning, strategic management, steering, and risk management of the operations of the United Bankers Group have been centralised within the group's parent company United Bankers. The Board of Directors of the parent company also addresses certain more far-reaching and substantial matters of the subsidiaries in its meetings, as well as exercises ownership control in all its subsidiaries. The Board of Directors of the parent company addresses matters from the group's perspective and at a more general level than the Boards of the subsidiaries.

In United Bankers' each subsidiary, executive power is vested not only with the parent company, but also with the own Board of Directors and CEO of each subsidiary. The Boards of the subsidiaries have, when applicable, adopted the intra-group guidelines, governance and steering systems, processes, and mechanisms affirmed by the Board of Directors or the CEO of the parent company as binding upon the subsidiaries to ensure the organisation of effective and dependable corporate governance. Regardless of group-level decision-making, licensed companies within the Group are responsible for completing the tasks assigned to them under the legislation and authority regulations.

During the financial year 2023, United Bankers executed an intra-group restructuring with the purpose of simplifying the group structure. The restructuring was carried out as mergers and demergers of United Bankers' wholly owned subsidiaries. UB Securities Ltd demerged in accordance with the Finnish Companies Act in a full demerger, in which the acquiring companies were UB Asset Management Ltd and a new United Bankers' wholly owned subsidiary UB Corporate Finance Ltd, established in connection with the completion of the demerger. UB Securities Ltd ceased to exist on the execution date of the demerger, and UB Asset Management Ltd acquired all licensed operations, including safekeeping of financial instruments. The new UB Corporate Finance Ltd carries out Corporate Finance advisory services, i.e., advisory services regarding mergers and acquisitions and Nasdaq Certified Adviser activities. Simultaneously but as separate arrangements, both of UB Brokerage Company Ltd and its insurance intermediary and subsidiary UB Life Ltd merged into UB Asset Management Ltd. The execution date of the arrangements was 31 December 2023. Additionally, UB Life's Luxembourg branch was closed down.

2.2 General Meeting of Shareholders

The General Meeting constitutes United Bankers' highest decision-making body, where shareholders of the Company participate in the steering and supervision of the Company. At the General Meeting, each United Bankers share confers one (1) vote. By attending the General Meeting either in person or via a proxy, shareholders may exercise their right to speak and vote and to participate in the decision-making in matters related to the Company. The Board of Directors may decide that the shareholders may also attend the General Meeting in a manner whereby shareholders exercise their decision-making powers by using telecommunications and technical means before or during the General Meeting.

The matters to be addressed at the General Meeting have been determined in the Companies Act and in United Bankers' Articles of Association. In addition to the matters determined by legislation and the Articles of Association, the General Meeting discusses any matter presented to the meeting by the Board of Directors. Pursuant to the Companies Act, the shareholders have the right to have a matter falling under the competence of the General

Meeting discussed at the meeting. The Company announces annually on its website, on 31 December at latest, the date by which shareholders must submit to the Company's Board of Directors any matter they wish the subsequent Annual General Meeting of Shareholders to discuss.

Notice of the General Meeting is published on the Company's website and by means of a stock exchange release at earliest of two months and at latest of three weeks prior to the General Meeting, however, no less than nine days prior to the date of record of the General Meeting. Documents to be presented at the General Meeting and resolution proposals of the Board of Directors to the General Meeting are made available for review on the United Bankers' website at latest of three weeks prior to the General Meeting.

To ensure the interaction between the shareholders and the Company's governing bodies, as well as the shareholders' right to pose questions, the Chairman of the Board of Directors, members of the Board of Directors, and the CEO are, as a rule, present at the General Meeting. In addition, a nominee for the Board of Directors must be present at the General Meeting resolving upon their election. Furthermore, the auditor of the Company is present at the Annual General Meeting of Shareholders.

In 2023, the Annual General Meeting of Shareholders was held in Helsinki on 22 March 2023. The Board of Directors decided that the company's shareholders may also exercise their voting rights by voting in advance. Shareholders who were registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the record date of the Annual General Meeting had the possibility to follow the Annual General Meeting via a webcast. A total of 51 shareholders were represented at the General Meeting, having voted in advance or attending the General Meeting either in person or by a proxy. Approximately 50 per cent of the votes conferred by all the shares were represented at the meeting. The shareholders did not submit any counterproposals or pose any questions.

In addition, Johan Linder, Chairman of the Board of Directors and Board Members Rasmus Finnilä, Rainer Häggblom, Tarja Pääkönen and Eero Suomela, CEO Patrick Anderson, Jarmo Henriksen, Attorney at Law, Nina Rosenlew, General Counsel and the

Company's principal auditor, Oy Tuokko Ltd, represented by the company's principal auditor were also present at the Annual General Meeting. Also members of the company's management team and other staff as well as representatives of Innovatics Oy, the company's registration and voting service provider for the AGM were present at the meeting.

An Extraordinary General Meeting of Shareholders is convened when deemed expedient by the Board of Directors. In addition, the auditor and shareholders representing more than ten per cent of the Company's shares, have the right to require the convening of an Extraordinary General Meeting to process a matter they have brought forth. No Extraordinary General Meetings were convened in 2023.

2.3 Board of Directors

2.3.1 Composition of the Board of Directors

The General Meeting elects the members of the Board of Directors. The names of the candidates are stated in the notice of the General Meeting.

Pursuant to the Articles of Association, the Board of Directors must consist of no less than four and no more than eight ordinary members. The Board of Directors elects their Chairman and Vice Chairman from among its members. Members of the Board of Directors are elected for a term ending at the adjournment of the first Annual General Meeting of Shareholders following the election. The General Meeting resolves upon the remuneration payable to the members of the Board of Directors.

The Company's Articles of Association do not contain any provisions regarding the order in which the members of the Board of Directors are to be appointed. The proposal to the Annual General Meeting of Shareholders as to the number of members of the Board of Directors as well as composition and remuneration of the Board of Directors is submitted by the major shareholders of the Company.

The Company discloses the following personal and ownership information concerning the members of the Board of Directors:

name, year of birth, year of commencement of Board membership, education, nationality, principal occupation, as well as the number of Company shares owned by them and/or their controlled corporations. Additionally, according to the CG Code, any dependency on the Company or the major shareholders of the Company, as well as grounds on which the member of the Board of Directors is not considered independent, are stated. The criteria are available on the Company's website at unitedbankers.fi/en/united-bankers-group/corporate-governance/board-of-directors/.

The Company's major shareholders are responsible for all proposals concerning the number of Board of Directors as well as Board

composition and remuneration. Evaluation of the knowledge, skills, and experience of the members of the Board of Directors is conducted in accordance with the financial industry regulation, both concerning new members and on a regular basis, all members of the Board of Directors. In addition, the board nominations seek to foster diversity within the Board of Directors.

On 22 March 2023, the Annual General Meeting of Shareholders confirmed the number of the members of the Board of Directors at six and re-elected the following members to United Bankers' Board of Directors:

| Board Member | Born | Member since | Education | Nationality | Main occupation | Number of shares held in United Bankers 31 Dec 2023* |
|--|------|---------------------------------------|--|-------------|--|--|
| Johan Linder, Chairman since 2010 | 1959 | 2010 | LL.M | Finnish | United Bankers Plc, Chairman of the Board, Oy Karl Fazer Ab, Board member | 36,529 |
| Lennart Robertsson, Vice Chairman since 2018 | 1959 | 2017 | BSc (Econ and Bus Admin) | Swedish | United Bankers Plc, Vice Chairman of the Board; InterFagervik AB, founder, Chairman of the Board | 2,910 |
| Rainer Häggblom | 1956 | 2014 | MSc (Agriculture and Forestry), MSc (Econ and Bus Admin) | Finnish | Häggblom & Partners Ltd. Oy, Chairman of the Board | 106,906 |
| Tarja Pääkkönen | 1962 | 2018 | MSc (Tech), Lic.Sc.(Tech) D.Sc. (Tech, Strategies) | Finnish | Boardman Oy, Partner | 10,342 |
| Eero Suomela | 1953 | 2020 | MSc (Econ and Bus Admin) | Finnish | Board professional | 10,000 |
| Rasmus Finnilä | 1960 | 2022 (a member also during 2013-2020) | MSc (Econ and Bus Admin) | Finnish | Asset Manager, UB Asset Management Ltd | 1,103,320 |
| | | | | | | Total 1,270,007 |

*) Number of Company shares held by the Board members and their controlled corporations at the end of the financial period on 31 December 2023.

The Board of Directors elected Johan Linder as its Chairman and Lennart Robertsson as its Vice Chairman. Nina Rosenlew, General Counsel, acted as the secretary to the Board of Directors.

The members of the Board of Directors are not a part of the operative management of the company.

2.3.2 Competence and independence requirements for the Board of Directors

A person to be elected as a member of the Board of Directors must possess both the competence and the sufficient time to carry out the task. In addition to the CG Code, independence and competence requirements for Board members have been stipulated in the Act on Investment Services, in the regulations and guidelines issued by the Financial Supervisory Authority as well as in other regulation and guidelines applicable to the financial industry.

The Company facilitates the working of the Board through providing members of the Board of Directors with sufficient information concerning the operations of the Company and of the United Bankers Group. A member of United Bankers' Board of Directors must submit to the Board of Directors and to the Company adequate information in order to have the assessment of their competence and independence carried out, as well as communicate any changes in such details. The Board of Directors conducts an assessment of the independence of its members and announces the outcome of the assessment on the Company's website. The assessment of independence also considers the comparable circumstances of private persons or legal entities belonging to the member's circle of related parties. Companies belonging to the same corporate group as the company are equated with the company.

United Bankers' Board of Directors consists both of experts in the industry the Company operates in, and of representatives of the Company's major shareholders. Based on the member-specific overall assessment conducted by the Board of Directors in accordance with the CG Code, four of the members of the Board of Directors are independent of the Company: Johan Linder, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela. Johan Linder has been a continuous member of the Board of Directors for more than ten years, but according to the Board's overall assessment, it has not compromised his independence nor are there any other factors or matters that would compromise his independence. According to the assessment of the Board of Directors, five of the members of the Board of Directors are independent of the Company's major shareholders: Johan Linder, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela. Four of

the members of the Board of Directors are independent both of the Company and of the Company's major shareholders: Johan Linder, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela.

2.3.3 Principles concerning the diversity of the Board of Directors

United Bankers' Board of Directors seeks to promote the diversity of the composition of the Board of Directors. The principles concerning diversity of the Board of Directors are included in the Company's Fit & Proper as well as suitability principles, which are considered in the working of the Board of Directors, and in the planning of the composition of the Board. The diversity of the Board of Directors is examined from a variety of aspects. Pertinent factors include, for instance, that the experience and educational backgrounds of the members are mutually complimentary, ensuring that a variety of skillsets are represented on the Board, the varying age and gender allocation of members, different backgrounds of the members in terms of board work or other leadership experience, as well as the personal attributes of the members. Diversity encourages open discourse between the members and facilitates the decision-making of the members of the Board of Directors. The materialisation of diversity and progress towards the attainment of the diversity objectives are assessed in the annual self-assessment of the Board of Directors.

The Company has been implementing the diversity requirements in the composition of the Board of Directors. At the close of the 2023 financial period, members of the Board of Directors represented experience from a variety of executive and board positions, expertise on the capital markets and business life and possessed mutually complimentary educational backgrounds, skillsets, and experience. All of the members of United Bankers' Board of Directors possess university degrees, representing economic sciences, law, agriculture and forestry as well as engineering sciences. The longest term of office of the Board members had lasted for thirteen (13) years, and the shortest two years, with the median being five and a half (5.5) years. The median figure of the years of birth of the members of the Board of Directors was 1959, and the age difference between the youngest and oldest member was 9 years.

In selecting the Board of Directors, the objective is to ensure a composition that is as diverse as possible. Both genders must be represented at the Board of Directors. The representation of both genders on the Board of Directors is considered a factor complementing diversity. The General Meeting elected five (5) male members and one (1) female members to the Board of Directors.

2.3.4 Duties of the Board of Directors

United Bankers' Board of Directors is entrusted with the overall responsibility for the steering and oversight of the Company and the Group and for ensuring that the Company's corporate governance, operations as well as the supervision of its accounting and asset management activities are duly organised. The Board of Directors discusses and adopts the Company strategy, as well as the principles and procedures regarding the organisation, accounting, and oversight of asset management. The Board of Directors has devised written Rules of Procedure for its operations, setting forth its fundamental duties and meeting practices.

The duties of the Board of Directors include, inter alia:

- Adopting the strategy and vision for the different business areas of the Company and of the United Bankers Group, as well as overseeing the execution of the strategy
- Adopting the Company's commercial and financial objectives, as well as the strategic plans of the Group and its business segments and monitoring the development of the operative business functions of the group companies, changes in the operating environment and the attainment of the set targets
- Adopting the organisational structure and values of the Company and of the United Bankers Group
- Ensuring that the supervision of accounting and asset management is duly arranged as well as seeing to the proper arrangement of corporate governance and operations
- Adopting internal governance and steering principles as well as monitoring the appropriateness thereof
- Based on the proposal of the Audit Committee, adopting all internal guidelines, principles and policies required under the regulation and subject to Board approval
- Based on the proposal of the Audit Committee, adopting the Company's Corporate Governance Statement
- Adopt the ESG principles and ESG report of the United Bankers group of companies
- Resolving upon the establishment and composition of Board committees
- Adopting the Rules of Procedure of the Board of Directors and its committees and the Management Team and assessing that their content is appropriate and up-to-date
- Resolving upon matters of substantial financial significance or in terms of principle, reorganisations, establishment, modification or discontinuation of business functions, investments, mergers and acquisitions, as well as divestments
- Resolving upon matters pertaining to the Company's shares and other financial instruments, as well as on other related measures
- Approving material agreements, transactions, and other arrangements between the related parties of the United Bankers Group and the group companies
- Regularly processing reporting concerning the Company's financial standing, including capital adequacy and liquidity management, the operating results of the Company and of the United Bankers Group as well as the development of sales and personnel
- Monitoring the financial statements and other financial reporting and reliability of such reporting
- Approving the Company's financial statements and half-year reports as well as financial results releases
- Assessing the independence and competence of the members of the Board of Directors annually and overseeing that the members of the Board of Directors satisfy the independence requirements
- Assessing its own performance as a self-assessment once a year at the end of the period of office, also including an assessment of committee work
- Assessing and providing feedback to the CEO on their performance on an annual basis
- Appointing and dismissing the CEO, resolving upon the terms and conditions of the CEO's service agreement as well as, based on the proposal of the CEO, appointing members of the Company's Management Team

- Monitoring the expediency of the CEO's actions as well as supervising and steering the operative management of the Company
- Approving and proposing the remuneration policy to the General Meeting
- Processing and approving, based on a proposal by the Remuneration Committee, the principles of the United Bankers' remuneration systems
- Approving and presenting the remuneration report to the General Meeting, approving other information concerning remuneration
- Monitoring and supervising the efficiency, functioning, and procedures of internal control as well as risk and capital adequacy management, as well as approving the operating principles of internal control and internal audit, and risk and capital adequacy management
- Overseeing that the applicable laws and authority regulations are adhered to within the United Bankers Group and that the competent authorities are duly reported to
- Approving and overseeing the Company's and the United Bankers Group's overall risk strategy, processing the report on risk management, the compliance function as well as on the risks actualised
- Convening the Annual General Meeting of Shareholders and submitting proposals to it, determining the Company's dividend policy, and making a proposal to the Annual General Meeting of Shareholders on dividend distribution
- Confirming the objectives in the United Bankers Group's personnel plan
- Processing pending and threatened legal and administrative processes that may have a material effect on the financial standing of the Company

United Bankers' Board of Directors addresses matters of its wholly-owned subsidiaries at a general level in its meetings, to the extent such matters have material financial relevance or are far-reaching in their effects or are significant in terms of principle. The actual resolutions are, however, passed at the Board meetings of each subsidiary.

It is the obligation of the Board of Directors to promote the interests of the Company and of all its shareholders. The Board of Directors assesses its operations and working methods annually and refines its operation based on the outcome of the assessment.

2.3.5 Attendance at meetings of the Board of Directors

United Bankers' Board of Directors convenes in accordance with a pre-confirmed meeting schedule, as a rule once per month and no less than ten times per year. Where necessary, or owing to the urgency of matters, the Board of Directors may also convene more often than this or pass resolutions without convening a meeting. During the financial period of 2023, the Board of Directors convened a total of fifteen times.

Attendance of members of the Board of Directors at meetings in 2023:

| Board member | Meetings |
|-----------------------------------|----------|
| Johan Linder, Chairman | 14/15 |
| Lennart Robertsson, Vice Chairman | 15/15 |
| Rasmus Finnilä | 15/15 |
| Rainer Häggblom | 14/15 |
| Tarja Pääkkönen | 15/15 |
| Eero Suomela | 14/15 |

2.3.6 Board's self-assessment

The Board of Directors assesses its performance and operating methods on an annual basis. The assessment is usually conducted in the form of a self-assessment and the results are addressed and discussed at the December meeting of the Board of Directors. Board members evaluate the performance of the Board of Directors in their duties and responsibilities set forth above, the composition and structure of the Board of Directors, working culture, efficiency of Board meetings, as well as the performance of individual members of the Board of Directors. Furthermore, members of the Board of Directors evaluate the performance and working methods of the Chairman of the Board of Directors and of the committees. Any identified areas for improvement are considered when planning the work of the Board of Directors.

2.4 Committees of the Board of Directors

2.4.1 General

United Bankers' Board of Directors has established an Audit Committee and a Remuneration Committee for the purposes of preparing matters under its responsibility, reporting on their work to the Board of Directors on a regular basis.

The Board of Directors appoints the members of each committee and their chairmen from among its members each year at the organizational meeting of the Board of Directors following the Annual General Meeting. Each committee shall consist of at least three members. The committees are not vested with any independent decision-making power, but, rather, the Board of Directors passes resolutions based on their preparatory work.

2.4.2 Audit Committee

The Audit Committee is tasked with assisting United Bankers' Board of Directors in ensuring that the United Bankers Group has in place an adequate internal monitoring system encompassing its entire operations, seeing to it that the Company's risk management has been appropriately arranged and monitoring the reporting process pertaining to the financial statements. Further duties of the Audit Committee include, inter alia:

- monitoring and assessing the correctness of the Company's financial reporting, as well as the reliability of such reporting, and monitoring the content and scope of the statutory audit of the financial statements and of the consolidated financial statements;
- overseeing the annual accounts reporting process and issuing recommendations with the intention of ensuring the reliability of the reporting process;
- overseeing the formulation of the Company's accounting practices;
- monitoring that the Company's operations and internal control has been organised in a manner required by the applicable laws, regulations, as well as by good management and governance practices; and

- preparing the proposal to be submitted to the Annual General Meeting of Shareholders concerning the selection and remuneration of the auditors.

A minimum of two members of the Audit Committee must be independent of United Bankers and a minimum of one member must be independent of United Bankers' major shareholders. No less than one member of the Audit Committee must be an independent person with expertise in accounting or auditing.

The members of United Bankers' Audit Committee in 2023 and the attendance at meetings per each member is indicated in the following table.

| Audit Committee member | Attendance in meetings |
|-------------------------------|-------------------------------|
| Eero Suomela, Chairman | 7/7 |
| Rainer Häggblom | 7/7 |
| Johan Linder | 6/7 |

2.4.3 Remuneration Committee

The Remuneration Committee assists the Board of Directors in preparing matters pertaining to the general remuneration principles and the remuneration and the succession of the CEO and senior management. The Remuneration Committee also prepares matters regarding the remuneration of the heads of control functions. Furthermore, tasks of the committee include assisting the Board of Directors with preparing matters pertaining to the remuneration of the personnel, as well as in the regular assessment of the functioning of the remuneration system and supervision of its compliance.

The majority of the members of the Remuneration Committee must be independent of United Bankers. The members of the Remuneration Committee in 2023 and the attendance at meetings per each member is indicated in the following table.

| Remuneration Committee member | Meetings |
|--------------------------------------|-----------------|
| Johan Linder, Chairman | 4/4 |
| Tarja Pääkkönen | 4/4 |
| Lennart Robertsson | 4/4 |

2.5 CEO

Patrick Anderson (born 1979), MSc (Economics and Business Administration), has acted as the CEO of United Bankers since 2010.

The CEO executes and oversees United Bankers' day-to-day business operations and administration in accordance with the resolutions of the Board of Directors, and guidelines issued by the Board of Directors. The CEO ensures that the United Bankers Group's accounts are kept in accordance with the legislation and that financial management and asset management has been arranged reliably. The CEO further ensures that the risk management, compliance function, and internal audit of the United Bankers Group have been organised in an expedient manner and in accordance with the principles and guidelines adopted by the Board of Directors.

The CEO is appointed by United Bankers' Board of Directors. The CEO is only permitted to undertake actions that are unusual and far-reaching considering the scope and nature of the Company's activities when authorised to do so by the Board of Directors. The CEO shall not be elected to act as the Chairman of the Board of Directors or, as a rule, as a member of the Board of Directors.

The ownership in the Company held by the CEO and his controlled corporations as at the close of the financial period, on 31 December 2023:

| CEO | Shares | Type of book-entry securities |
|------------------|---------|-------------------------------|
| Patrick Anderson | 601,232 | Share |

In addition to the CEO of the parent company, United Bankers, each of the subsidiaries in the United Bankers Group have a CEO of their own. The CEO of each of the subsidiaries in the United Bankers Group primarily reports to the Board of Directors of the subsidiary in question, as well as to the CEO and Management Team of the parent company. The CEOs of the subsidiaries also report to United Bankers' Board of Directors when necessary.

2.6 Other management

The task of the United Bankers' Management Team is to assist the CEO of United Bankers in the operational management of the United Bankers group in accordance with the objectives set by the Board of Directors. The Management Team, inter alia, processes and prepares matters related to the business strategy and the internal guidelines of the United Bankers Group. The Management Team convenes regularly on a monthly basis, usually once a week. The Management Team is not an actual governing body under company law, but it has de facto a significant position within the organisation of the Company's management.

The members of the United Bankers' Management Team, as well as their years of birth, education, area of responsibility, year of commencement of Management Team membership, as well as the number of shares in the Company held by them and/or their controlled corporations have been set forth below.

- Patrick Anderson (b. 1979), MSc (Economics and Business Administration), CEO of United Bankers, Chairman of the Management Team 2010-
- Jani Lehti (b. 1966), MSc (Economics and Business Administration), CEO of UB Asset Management Ltd 2005-, member of the Management Team 2012-
- Inka Noramaa (b. 1975), MSc (Economics and Business Administration), Director of Investor Relations and Communications, member of the Management Team 2018-
- John Ojanperä (b. 1981), MSc (Economics and Business Administration), CEO of UB Fund Management Company Ltd, member of the Management Team 2016-
- Timo Ronkainen (b. 1965), MSc (Economics and Business Administration), Director of Institutional Asset Management at UB Asset Management Ltd, member of the Management Team 2012-
- Jarkko Saukkola (b. 1968), MSc (Economics and Business Administration), COO of United Bankers, member of the Management Team 2018-
- Jukka Rasku (b. 1979), MSc (Economics and Business Administration), Director of Private Asset Management at UB Asset Management Ltd, CEO of UB Brokerage Ltd 2020-2023, member of the Management Team 2020-

John Ojanperä acts as the secretary for the Management Team. As a main rule, in 2023, the Management Team convened on a weekly basis.

The Company ownership held by members of the Management Team and their controlled corporations at the end of the financial period on 31 December 2023:

| Management Team member | Pcs | Book-entry securities category |
|-------------------------------|------------|---------------------------------------|
| Patrick Anderson, CEO | 601,232 | Share |
| Jani Lehti | 494,850 | Share |
| Inka Noramaa | 85,575 | Share |
| John Ojanperä | 65,745 | Share |
| Jukka Rasku | 15,732 | Share |
| Timo Ronkainen | 245,355 | Share |
| Jarkko Saukkola | 13,494 | Share |

The Company's Board of Directors resolves upon the terms and conditions of the service and employment relationships of the CEO and members of the Group's Management Team as well as other compensation. Further details concerning remuneration are available from United Bankers' website at unitedbankers.fi.

3. Internal control, risk management and other control procedures

3.1 General description of internal control

With the assistance of the Audit Committee, United Bankers' Board of Directors is responsible for the evaluation and monitoring of internal control and risk management systems. Internal control and risk management encompasses all the functions of the United Bankers Group. The objective of the risk management of the United Bankers Group is to seek to systematically identify, assess, process, and prevent risks resulting from the business operations of the Group that may either in the short or in the long term have a negative impact on the business of the United Bankers Group or its revenue formation, or compromise its operations as mandated by regulation.

The Board of Directors confirms the principles of risk management, internal control, internal audit and the compliance function, liabilities, Group risk limits, and other general guidelines in accordance with which the internal control, risk management, compliance function, and internal audit are organised. The CEO is responsible for the implementation of the principles affirmed by the Board of Directors within the organisation of the United Bankers Group.

The internal control and risk management of the United Bankers Group are built on the principle of three lines of defence:

3.1.1 Business segments – First line of defence

Risk management is part of internal control. Consequently, the Group's subsidiaries and business segments, as the first line of defence, are responsible for the identification of risks, risk management measures, as well as the construction of the internal control processes and knowhow. The Boards of Directors and management of the Group's subsidiaries, as well as the directors of the business segments are responsible for ensuring that risk management and internal control is at an adequate level in the said functions through ascertaining the appropriate safeguards as well as processes for identifying, assessing and management of risks.

3.1.2 Risk management and compliance – Second line of defence

The parent company risk management and compliance functions independent of the business of the United Bankers Group comprise the second line of defence in risk management and internal control. The risk management and compliance functions maintain and develop internal control and risk management methods, propose improvements to risk management principles and devise internal guidelines and processes. They additionally support, maintain, and monitor the actualisation of risk management and internal control, the deployment of methods and principles as well as the legality of governance and of the business.

The risk management functions support the management and business functions of the United Bankers Group and of its subsidiaries subject to supervision by providing a systematic approach to the evaluation and development of the risk management, over-

sight, and administrative processes. The task of the risk management function is to ensure and monitor that the risk management is at an adequate level relative to the quality, scope, diversity, and risks of the business of the companies within the United Bankers Group. The risk management function oversees the day-to-day business, as well as compliance with the risk limits designated for the business segments and the risk exposure principles and guidelines. The risk management function reports to the Board of Directors on a biannual basis and to the Management Team on a quarterly basis.

The compliance function is responsible for overseeing compliance with the regulation within the operations of the United Bankers Group as well as supports management and the business segments in the application of legislation, authority regulations and internal guidelines. The compliance function develops and oversees compliance with due procedure in customer relationships as well as the materialisation of the ethical principles within the United Bankers Group. The compliance function reports its observations regularly to United Bankers' Board of Directors or the Audit Committee and to the Management Team. Furthermore, the compliance function reports its findings to the Board of Directors biannually.

3.1.3 Internal audit – Third line of defence

The third line of defence consists of internal audit, independent of the business functions and providing support for the Board of Directors and senior management. The Board of Directors of the parent company of the United Bankers Group approves the internal audit action plan annually, upon the internal audit's presentation. The task of the internal audit is, through targeted audits, to assess the functioning, expediency, and effectiveness of the United Bankers Group's internal oversight system objectively and systematically, as well as compliance with internal guidelines and their development. A separate audit report is devised of each audit. The audit report includes the findings of the internal audit, as well as recommendations for remedial action.

The United Bankers Group does not have a separate internal audit function of its own. The operation of internal audit in the United Bankers Group has been arranged as an outsourced service, op-

erated by a reputable external operator selected by the Company's Board of Directors. In 2023, internal audit was entrusted to KPMG Oy Ab.

3.3 Financial reporting process

Oversight of the financial reporting of the United Bankers group is the responsibility of the parent company's Board of Directors. The Board of Directors oversees the financial reporting with the assistance of the Audit Committee. Furthermore, the tasks of the Audit Committee include the regular assessment of the risk and capital adequacy management, as well as financial audit monitoring.

United Bankers' CEO and CFO are tasked with ensuring that the accounting and financial reporting complies with law, the applicable accounting policies, and the guidelines issued by United Bankers' Board of Directors. The accounting and financial reporting of the United Bankers Group has been centralised within the financial administration of the parent company. United Bankers' financial administration is centrally responsible for external calculation and reporting to the Board of Directors and the Management Team. United Bankers' financial administration is also responsible for the monitoring and reporting of the performance of each business segment. The Board of Directors, the Audit Committee, CEO, and the Management Team are responsible for the monitoring and thereby ensure the efficiency of internal controls.

United Bankers' consolidated financial statements for 2023 were devised in accordance with the International Financial Reporting Standards (IFRS). Alongside the IFRS standards, the preparation of the United Bankers Group's financial statements is subject to legislation, regulations, and guidelines applicable to investment services companies and fund management companies. In addition to its annual accounts, the United Bankers Group also devises a half-year report published every six months in accordance with the IAS 34 standard. The guidelines and calculation principles regarding financial reporting are applied in all the group companies.

3.4 Capital adequacy management

The capital adequacy management of the Company comprises part of the financial management and administration of the United

Bankers Group both on strategic and operative level. The objective of capital adequacy management is to ensure the group's risk tolerance, as well as the non-disrupted business continuity also in the case of any unexpected events. The assessment of capital adequacy is based upon the identification, measurement, and assessment of risks. Capital adequacy management and proactive capital planning serves to ensure that the United Bankers Group's own funds are sufficient to cover the material risks encountered by the Group and the business operations. The adequacy of the capital buffer is tested through stress tests.

4. Audit

At the Annual General Meeting of Shareholders, the shareholders annually elect an auditor for the Company that must be an audit firm certified by the Finland Chamber of Commerce. The proposal prepared by the Company's Board of Directors as to the auditor is announced in the notice of the General Meeting. United Bankers' Annual General Meeting of Shareholders held on 22 March 2023 elected Oy Tuokko Ltd as the Company's auditor, with the responsible auditor being Authorised Public Accountant Janne Elo.

The auditors verify that the financial statements of the United Bankers Group are prepared in accordance with the applicable legislation and guidance and present a true and fair view of the financial performance and financial position of the Group to the shareholders and other stakeholders. As part of the annual audit assignment, the auditors of the United Bankers Group audit the books and administration of the Group parent company and its subsidiaries. The requirements of internal control are considered in the audit plans of the auditors. The auditors submit an annual audit report to United Bankers' Annual General Meeting of Shareholders. Additionally, the auditors report to the Board of Directors the key items in the audit plan, as well as provide a written audit report concerning the entire corporate group in connection with each half-year report and annual accounts.

The total fees paid to the auditors in 2023 amounted to EUR 142,655. The audit fee amounted to EUR 122,013. Fees unrelated to the audit amounted to EUR 20,642. The other fees primarily consist of legal and tax advisory services.

5. Main procedures relating to insider administration

The United Bankers Group adheres to the insider and trading guidelines adopted by the parent company's Board of Directors. United Bankers has in place an insider administration organisation determined by the Board of Directors, including the person in charge of insider matters and their deputy, as well as the compliance function. Insider administration is responsible for establishing, maintaining and updating insider registers, maintains the register of persons of the management subject to the disclosure obligation and of their related parties, verifies the details of those considered as insiders on a regular basis, is responsible for granting trading permissions, oversees the compliance with insider regulations and provides information of the closed periods relating to trading with the Company's share.

The Company has determined that the persons obligated to disclose their transactions with United Bankers' share and other financial instruments include United Bankers' Board members, CEO, other members of the Management Team, the CFO and Finance Manager, as well as their related parties.

The Company maintains a list of the management members subject to the disclosure obligation and of their related parties. The statutory information concerning the persons role in the management, their related parties as well as their controlled corporations and corporations which they have influence over is maintained in the register. A register of the members of the management subject to the disclosure obligation and their related parties does not constitute an insider register.

United Bankers publishes information concerning a transaction effected by a member of the management or one of their related parties immediately, or latest within two (2) working days of receiving a notification concerning the transaction.

United Bankers maintains project-specific insider registers of persons having access to insider information, as required under the insider regulation. Each person included on an insider register is notified in writing of their inclusion on the list, together with the obligations and sanctions relating thereto. Persons possessing inside

information are not allowed to engage in trade with the securities of the relevant company. Persons entered on a project-specific insider register are also notified in writing of the termination of the insider project and related obligations.

Furthermore, United Bankers maintains a supplementary section of the insider register consisting of permanent insiders, identifying persons with a continuous access to insider information in the Company. These registers are not public.

Pursuant to the internal trading permission procedure of the United Bankers Group, members of the Boards of Directors of the Group companies, as well as persons employed by the United Bankers Group and its tied agents, as well as legally incompetent persons for whom such persons act as guardians, along with controlled corporations of such persons, must also request a written permission from the person responsible for insider matters to trading with United Bankers' shares or other financial instruments prior to carrying out such transaction. The aforementioned persons and instances must also not engage in shorting of United Bankers' shares or other financial instruments.

United Bankers adheres to a 30-day closed period, ending in the publication of a half-year report or a financial statements release. During the closed period, the aforementioned persons and instances are not allowed to trade with United Bankers' shares or other financial instruments.

6. Principles concerning related-party transactions

United Bankers assesses and monitors transactions carried out with its related parties and ensures that any conflicts of interest are duly considered in the Company's decision-making. The Company's Board of Directors has determined the instances considered as related parties of the Company, with United Bankers' CEO, together with the financial administration, being responsible for compiling, maintaining, and updating the register of related

Transactions between the Company and its related parties are acceptable when they contribute to the purpose of the Company's operations and to the Company's interests and when there is a sound business reason. Related-party transactions must be carried out in compliance with the general principles of the Finnish Companies Act, such as the limited liability company's purpose of generating profit, the principles of equal treatment of shareholders as well as the obligation of the Company's management to promote the Company's interests by acting diligently.

The Company's Board of Directors has determined and adopted the principles for monitoring and evaluating United Bankers' related-party transactions. The Board of Director's Audit Committee monitors and evaluates whether the agreements and other legal acts concluded between the Company and its related parties fall under the scope of the Company's customary operations and satisfy the arm's length principle. The Audit Committee also evaluates potential conflicts of interest regarding potential related-party transactions and submits recommendations to the Board of Directors for appropriate measures in order to execute such transactions. Should the contemplated transaction deviate from the customary business of the Company or in case its execution would not apply the arm's length principle or be in accordance with customary market practices, the transaction shall be cancelled or submitted to the Board of Directors for approval.

The Company's CEO, financial administration, and risk management function of the group administration monitor related-party transactions as part of the Company's normal reporting and oversight practices.

Material transactions between United Bankers and its related parties are reported in the notes of United Bankers' consolidated financial statements. Pursuant to the Securities Market Act, material related-party transactions that are not part of the customary business operations or that are not executed on customary commercial terms, are also published as stock exchange releases.