



Corporate Governance Statement 2025

26 March 2026

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Introduction

Terrafame Ltd (“Terrafame” or “the company”) is a limited liability company registered in Finland. Management and decision-making at Terrafame are governed by its Articles of Association, the Limited Liability Companies Act and other legislation in force, as well as the current Government Resolution on State Ownership Policy.

Where applicable, the company’s corporate governance practices comply with the requirements set out in the Securities Market Association’s current Corporate Governance Code. In 2025, Terrafame complied with the Corporate Governance Code 2025, which entered into force on 1 January 2025, with certain deviations.

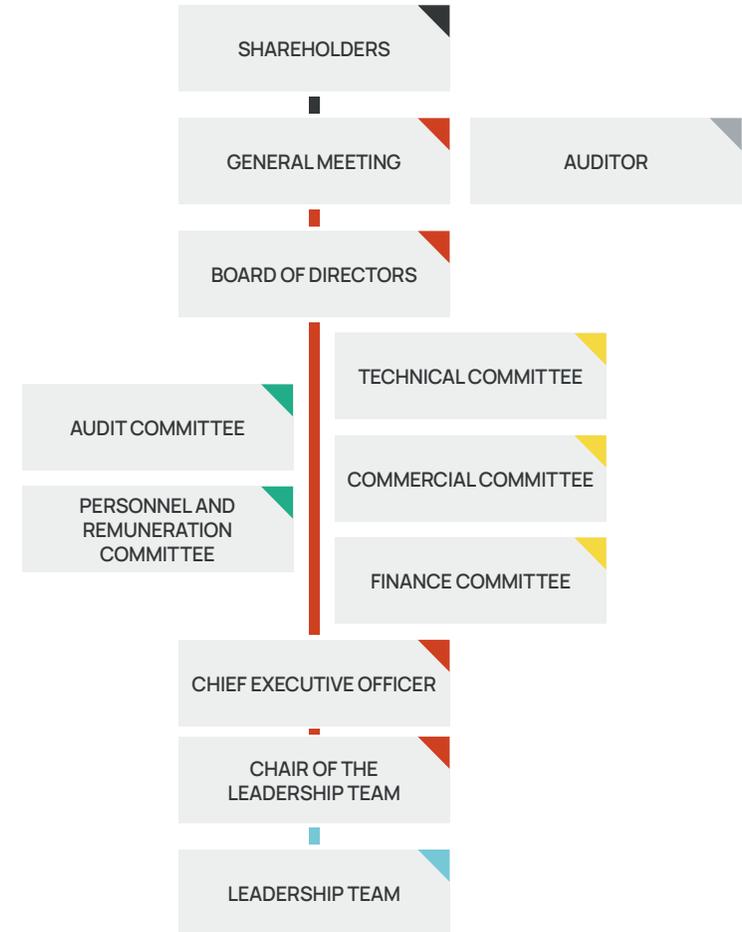
The deviations from compliance with the Corporate Governance Code are related to the company’s general meeting (recommendations 1–4) and the organisation of insider governance required of listed companies. The deviations from the Corporate Governance Code’s recommendations are based on the fact that the company’s securities are not publicly traded. In 2025, Terrafame did not comply with the balanced representation of women and men in the board of directors as referred to in Recommendation 8.

This Corporate Governance Statement has been prepared, as applicable, in accordance with the Corporate Governance Code 2025, which is available at www.cgfinland.fi/en.

Terrafame’s Board of Directors has processed the statement, and it has been prepared as a statement separate from the Board of Directors’ Report for the financial year 1 January–31 December 2025. The Corporate Governance Statement, as well as the Board of Directors’ Report and the company’s financial statements for 2025 are available at www.terrafame.com.

Governing bodies

Terrafame’s governing bodies comprise the General Meeting of Shareholders, the Board of Directors and the CEO. A shareholder agreement on the use of proprietary rights and decision-making at the company has been concluded between the company’s shareholders. The terms of the agreement are consistent with predominant market practice.



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General Meeting

The General Meeting is Terrafame's highest decision-making body. The General Meeting is held annually to confirm the company's financial statements, decide on the distribution of profits, decide on the election of Board members and the auditor and determine their fees, and discharge the members of the Board of Directors and CEO from liability. The Chair of the Board of Directors and the Vice Chair, if needed, are also elected at the General Meeting.

An Extraordinary General Meeting may be convened if the Board of Directors deems it necessary. An Extraordinary General Meeting must also be held if the auditor or shareholders with a total of one-tenth of all shares so demand in writing to discuss a specific issue.

The Annual General Meeting (AGM) 2025 was held on 25 March 2025.

Board of Directors

Duties and responsibility

In accordance with the Limited Liability Companies Act, Terrafame's Board of Directors is responsible for the company's governance and the appropriate organisation of its operations. The Board of Directors must also ensure that the company's accounting and financial management are appropriately supervised. The Board of Directors' role is to promote the interests of the company and its shareholders. One of the Board's key duties is to make significant decisions related to the company's operating principles, strategy, investments, organisational structure, financing and commercial matters.

According to the Articles of Association, the Board of Terrafame has between three (3) and seven (7) members. The members are elected at the Annual General Meeting for a term ending at the close of the next Annual General Meeting.

Preparation of the composition of the Board

The major shareholders of the company submit their proposals for the composition of the Board in accordance with the shareholder agreement. Thus, Finnish Minerals Group (formerly Suomen Malmijalostus Oy) has the right to nominate candidates for up to five Board positions, and the Galena funds have the right to nominate candidates for up to two Board positions. An external expert is used in the selection of Board members, if necessary.

Key content of the Board's Rules of Procedure

The Board's work is based on the values determined for Terrafame's operations: safety, commitment and efficiency.

The Board of Directors has confirmed Rules of Procedure for itself, defining the duties of the Board, its Chair and the Board committees. The key content is described below. The Rules of Procedure cover the following aspects: composition of the Board of Directors, election of Board members, responsibilities of the members and the Chair, meetings and decision-making of the Board, disqualification of members, committees, self-assessment of activities and remuneration of the members. No changes were made to the Rules of Procedure in the financial year 2025.

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The Board's responsibilities include:

- Approving the annual operating plan, business plan and budget
- Approving the financial reports, the Board of Directors' Report and the financial statements
- Preparing the remuneration policy and remuneration report
- Approving the organisational structure and remuneration system
- Appointing and dismissing the Chief Executive Officer
- Appointing the Leadership Team
- Deciding on the terms of employment of and remuneration payable to the CEO and other key personnel
- Appointing committee members and confirming the committees' Rules of Procedure
- Guiding and supervising the executive management
- Supervising the company's operations with respect to compliance with laws and regulation
- Approving long-term objectives and strategies
- Approving the company's values and principles, as well as its practices concerning the control and risk management system
- Convening the General Meeting

Board meetings

The Board of Directors has a quorum when more than half of its members participate in a meeting, either by being present or via remote connection. The Board seeks to achieve consensus in its decision-making on all occasions. If this cannot be reasonably achieved, the decisions of the Board will be made in accordance with the provisions of the Limited Liability Companies Act. According to the Act, the decisions of the Board require a simple majority. In the event of a tie, the Chair casts the deciding vote. The provisions of the Limited Liability Companies Act are observed with regard to disqualification of Board members.

The Board of Directors convenes around ten times per year in accordance with an agreed schedule. If necessary, the Board will hold additional meetings.

The Board assesses its activities and working methods annually.

Board of Directors in 2025

The Annual General Meeting held on 25 March 2025 elected the members of the Board of Directors for the term that ends at the close of the next Annual General Meeting. The following members were re-elected to the Board of Directors: Matti Hietanen, Julian Sanchez, Peter Schuhmacher and Jyrki Vainionpää. Patrick Burke was elected as a new Board member, as well as Markku Teräsvasara starting from 15 May 2025. Markku Teräsvasara was elected as Chair of the Board as of 15 May 2025 and Matti Hietanen as its Vice Chair. Hietanen served as the Chair of the Board after the Annual General Meeting until 14 May 2025. Board members Lauri Ratia, Jesus Fernandez and Riitta Mynttinen elected at the 2024 AGM were not available for re-election.

Terrafame's Extraordinary General Meeting held on 30 April 2025 elected Markus Mannström as a new member of the Board.

Terrafame's Board annually assesses the independence of its members. Of the members elected by the 2025 Annual General Meeting, Teräsvasara, Mannström, Schuhmacher and Vainionpää are independent of the company and its major shareholders. Hietanen is the CEO of Terrafame's parent company, Finnish Minerals Group, and therefore not independent of a major shareholder. Burke and Sanchez are employed by Trafigura Group, which includes Terrafame's minority shareholders, the Galena funds, and are therefore not independent of a major shareholder.

The Board members or the entities over which they exercise control held no shares or share-based rights in Terrafame at the end of 2025.

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Terrafame's Board of Directors as of 31 December 2025

Markku Teräsvasara Chair	GENDER Male	YEAR OF BIRTH 1965	NATIONALITY Finnish	EDUCATION/TITLE BSc (Civil Engineering)	PRINCIPAL OCCUPATION Board professional	MEMBER SINCE 2025	INDEPENDENT
Matti Hietanen Vice Chair	GENDER Male	YEAR OF BIRTH 1977	NATIONALITY Finnish	EDUCATION/TITLE Master of Laws trained on the bench, MSc (Economics)	PRINCIPAL OCCUPATION CEO Finnish Minerals Group Oy	MEMBER SINCE 2017	NOT INDEPENDENT OF A MAJOR SHAREHOLDER
Patrick Burke	GENDER Male	YEAR OF BIRTH 1987	NATIONALITY United Kingdom, Ireland	EDUCATION/TITLE BA (Hons)	PRINCIPAL OCCUPATION Global Head of Investments and M&A Trafigura Group	MEMBER SINCE 2025	NOT INDEPENDENT OF A MAJOR SHAREHOLDER
Markus Mannström	GENDER Male	YEAR OF BIRTH 1963	NATIONALITY Finnish	EDUCATION/TITLE M.Sc. (Paper Technology)	PRINCIPAL OCCUPATION Board professional	MEMBER SINCE 2025	INDEPENDENT
Julian Sanchez	GENDER Male	YEAR OF BIRTH 1973	NATIONALITY Spanish	EDUCATION/TITLE BSc (Mining Engineering)	PRINCIPAL OCCUPATION Head of Trafigura Mining Trafigura Group PTE	MEMBER SINCE 2022	NOT INDEPENDENT OF A MAJOR SHAREHOLDER
Peter Schuhmacher	GENDER Male	YEAR OF BIRTH 1965	NATIONALITY German	EDUCATION/TITLE PhD in Chemistry	PRINCIPAL OCCUPATION Board professional	MEMBER SINCE 2024	INDEPENDENT
Jyrki Vainionpää	GENDER Male	YEAR OF BIRTH 1976	NATIONALITY Finnish	EDUCATION/TITLE MSc (Economics)	PRINCIPAL OCCUPATION CEO A. Ahlström Oy	MEMBER SINCE 2021	INDEPENDENT

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Diversity

Terrafame has defined the principles concerning the diversity of its Board of Directors, which are described as part of the Corporate Governance Statement. The composition of the Board of Directors seeks to ensure that the Board has extensive expertise, experience and knowledge with regard to Terrafame's production process and line of business.

As Terrafame also operates as a producer of battery chemicals, knowledge of the base metal market and chemistry, as well as the automotive industry and its subcontracting networks, is highlighted in the Board of Directors' work. This enables the Board to carry out its duties as efficiently as possible, particularly those related to the company's strategy, finances and risk management. The Board's diversity with respect to competence and gender enables the achievement of Terrafame's business objectives.

According to Terrafame's assessment, the principles concerning the Board's diversity have been implemented insofar that the Board's composition is a representation of multidisciplinary and diverse experience in both national and international business activities as regards the industry, products and geographical location of Terrafame. The members of the Board have diverse experience serving on the boards of other companies and, in addition to strong financial and industry expertise, possess multidisciplinary experience in governance and legal matters. The Board members' educational backgrounds also serve to ensure the achievement of Terrafame's business objectives.

At the end of 2025, the Board consisted of seven members, of which all were men (100%). Of the Board members, four were citizens of Finland, one was a citizen of Spain, one of Germany and one of United Kingdom and Ireland.

Board of Directors' work in 2025

The company's Board of Directors met in total 14 times in 2025. In addition, the Board made two written decisions on current matters by email.

In 2025, the most important focus area of the Board's work was Terrafame's strategy update and its commercial operations. Other important areas included the achievement of the planned capacity of the battery chemicals plant, the progress of the investment in the secondary leaching area 5–6, and securing the company's financing position.

Acting as the Secretary to the Board was the parent company's (Finnish Minerals Group) lawyer or their deputy.

Audit Committee

In accordance with its Rules of Procedure, the Audit Committee assists the Board in tasks related to the organisation, monitoring and assessment of financial reporting, auditing, cash management, risk management and matters related to taxation.

Between 1 January and 25 March 2025, the members of the Audit Committee were Jyrki Vainionpää (Chair), Jesus Fernandez and Riitta Mynttinen. The Board of Directors, appointed in the Annual General Meeting on 25 March 2025, elected from its members Jyrki Vainionpää (Chair) and Patrick Burke as members of the Audit Committee. In addition, the Board elected Markus Mannström as a member of the Audit Committee as of 30 April 2025 and Matti Hietanen as of 28 November 2025. Ville Sirviö, Chief Financial Officer of Terrafame, served as secretary to the committee.

The Audit Committee met four times in 2025. The Committee's focus areas included risk management and metal and currency hedging practices, a review of the 2025 budget and forecasts, a review of the 2024 financial statements and 2025 interim reports, a review of the financial position and processes related to additional financing, and a review of the audit plan and its findings. In addition, the Audit Committee reviewed the development plans for the company's reporting and forecasting and the financial impacts of the updated strategy.

Personnel and Remuneration Committee

The duties of the Personnel and Remuneration Committee include, among other things, the assessment and preparation of Terrafame's remuneration principles, the assessment and preparation of the appointment of the CEO and the members of the Leadership Team, and the assessment and preparation of the remuneration of the management and key personnel.

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Between 1 January and 25 March 2025, the members of the Personnel and Remuneration Committee were Lauri Ratia (Chair), Matti Hietanen and Julian Sanchez. The Board of Directors, appointed in the Annual General Meeting on 25 March 2025, elected from its members Markku Teräsvasara (Chair from 15 May 2025), Matti Hietanen and Julian Sanchez as members of the Personnel and Remuneration Committee. Terrafame's Chief Personnel and Governance Officer Heini Rötä acted as the secretary of the committee.

	BOARD MEETINGS	AUDIT COMMITTEE	PERSONNEL AND REMUNERATION COMMITTEE
Markku Teräsvasara Chair (from 15 May 2025)	 9/9		 1/2
Lauri Ratia Chair (until 25 March 2025)	 3/3		 2/2
Matti Hietanen Vice Chair (Chair 25 March–14 May 2025)	 14/14	 0/1	 4/4
Patrick Burke (from 25 March 2025)	 10/11	 1/2	
Jesus Fernandez (until 25 March 2025)	 2/3	 0/2	

During 2025, the committee convened four times. The committee's work focused on, among other things, the targets and remuneration of the CEO and the Leadership Team. In addition, the committee's work emphasised the Leadership Team changes and roles related to the implementation of the company's strategy, which was updated during the autumn.

	BOARD MEETINGS	AUDIT COMMITTEE	PERSONNEL AND REMUNERATION COMMITTEE
Markus Mannström (from 30 April 2025)	 9/9	 2/2	
Riitta Mynttinen (until 25 March 2025)	 3/3	 2/2	
Julian Sanchez	 14/14		 4/4
Peter Schuhmacher	 14/14		
Jyrki Vainionpää	 14/14	 4/4	

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Management of the company

Terrafame’s operational activities include production and commercial operations. The company’s support functions include strategy and investments, finance, people, culture and governance, sustainable development, quality, and communications.

The company also has three advisory committees in accordance with the shareholder agreement. The Board of Directors has confirmed the members and duties of these committees.

CEO

The CEO is responsible for the day-to-day management of the company in accordance with the guidelines and regulations issued by the Board of Directors (general authority). The CEO is responsible for ensuring the legal compliance of the company’s accounting practices and the reliable organisation of its asset management.

The CEO of Terrafame is responsible for the operational management of business operations in accordance with the strategic plans, budgets, operational plans, guidelines and regulations approved by the Board. The CEO presents operational matters to the Board and is responsible for the implementation of decisions made by the Board.

Leadership Team

Antti Koulumies has acted as Terrafame’s CEO as of 1 September 2025. Seppo Voutilainen served as Terrafame’s CEO until 31 August 2025.

Terrafame updated its strategy in the autumn of 2025. As part of the strategy update, the company reorganised its management structure, with the aim of clarifying the division of responsibilities and supporting the effective planning and implementation of the strategy.

The Leadership Team reports to Terrafame’s CEO and convenes on a regular basis, typically weekly. CEO Antti Koulumies acts as the chair of the company Leadership Team.

The CEO and other members of the Leadership Team or the entities over which they exercise control held no shares or share-based rights in Terrafame at the end of the 2025 financial year.

Leadership Team at the end of 2025

Antti Koulumies Chief Executive Officer	YEAR OF BIRTH 1986	GENDER Male	EDUCATION MSc (Eng.)
Veli-Matti Hilla Chief Sustainability Officer	YEAR OF BIRTH 1971	GENDER Male	EDUCATION MSc
Sander de Leeuw Chief Commercial Officer	YEAR OF BIRTH 1967	GENDER Male	EDUCATION Engineer (Chemical Engineering), MBA
Teemu Lindberg Chief Strategy and Investment Officer	YEAR OF BIRTH 1976	GENDER Male	EDUCATION MSc (Eng.)
Heini Rötä Chief People and Governance Officer	YEAR OF BIRTH 1982	GENDER Female	EDUCATION MSc (Technology)
Ville Sirviö Chief Financial Officer	YEAR OF BIRTH 1982	GENDER Male	EDUCATION MSc (Economics)
Seppo Voutilainen Chief Operating Officer	YEAR OF BIRTH 1971	GENDER Male	EDUCATION M.Sc. (Engineering)

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Advisory committees

The shareholder agreement concerning the company provides for establishing three advisory committees:

Commercial Committee

Evaluation, monitoring and planning of commercially relevant matters of the company, as well as the acquisition of information related to them.

Technical Committee

Evaluation, monitoring and planning of topical matters related to the company's production operations and development projects, as well as the acquisition of information related to them.

Finance Committee

Evaluation and monitoring of the company's position in terms of funding and the planning and preparation of initiatives to improve the position, as well as the acquisition of information related to them.

The members of the committees are appointed in accordance with the shareholder agreement. The committees operate in accordance with separate Rules of Procedure confirmed by the Board. No independent decision-making or representation powers have been assigned to the committees.

Commercial Committee

Due to the slower-than-expected development of the European battery value chain, the Commercial Committee focused especially on renegotiating contracts with the company's existing customers, as well as on identifying potential new Asian customers interested in low-carbon nickel sulphate. At the end of 2025, the Commercial Committee consisted of Peter Schuhmacher (Chair), Markku Teräsvasara, Daniel von Arx and Matt Hadfield. The Committee also invited the CEO and Chief Commercial Officer to attend its meetings.

Technical Committee

In 2025, the Technical Committee consisted of Greg Morris (Chair, Trafigura), Jean Joubert (Trafigura), Ville Miettinen (Finnish Minerals Group), Jarmo Mäkinen (Finnish Minerals Group), Antti Arpalähti and Jouni Pakarinen (Terrafame). The committee met on a monthly basis in 2025, discussing e.g. techno-economic topics related to Terrafame's entire production process and development projects. In addition, it actively participated in budgeting and the production of forecasts. The Technical Committee also invited members of the Leadership Team to attend its meetings, as well as the Board members.

Finance Committee

The Finance Committee did not convene in 2025. The company's financing was discussed regularly in the meetings of the Board of Directors.

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Control systems

The Board of Directors is responsible for the arrangement of internal control, risk management and internal auditing. Terrafame's Board has confirmed the company's principles concerning internal control and risk management. Considering the scope of the company's business operations, no internal audit organisation has been set up for the company.

Description of the main features of the risk management systems

Terrafame complies with the risk management policy adopted by its Board of Directors. The company identifies risks, assesses their impact on its operations and plans any necessary risk management measures. The key safety, process, environmental and operational business risks are updated annually, and the results and measures are discussed by the company's Leadership Team and Board of Directors.

Terrafame assesses risks and opportunities as part of its business planning and decision-making processes. To limit unnecessary and excessive risk-taking, risks related to the company's operating environment, operational activities, the environment and financial position are assessed regularly when planning and managing business operations.

Description of the internal control procedures

The aim of Terrafame's internal control is to ensure that the company's operations are efficient and that results will be achieved, that business risks are adequately and appropriately managed, and that the information produced is reliable. The internal control system is also used to monitor compliance with the company's policies and guidelines.

Main features of the internal control and risk management systems related to the financial reporting process

Terrafame seeks to ensure that the company's financial reporting complies with the requirements in force in such a way that the company's financial statements provide a true and fair view of the company's operations and financial position. The system for monitoring compliance with the requirements is based on the management's very exact and transparent reporting process and company-related values, as well as its corporate culture of emphasising honest and transparent activities.

Reporting misconduct

Everyone working at Terrafame's industrial site is responsible for the compliance of their own operations. Employees are encouraged to primarily contact their supervisor with any questions about compliance with or the interpretation of Terrafame's Code of Conduct or possible breaches of the Code of Conduct. The employees of partner companies can turn to their employer's contact person for Terrafame.

To report suspected violations, the personnel of Terrafame and its partner companies can use the company's internal channels or the whistleblowing channel, which is open to everyone and available on both the company intranet and the public website.

Reports can be submitted via the channel anonymously. The channel operates on a platform provided by an external service provider, and reports submitted through the channel are received by an external expert.

Terrafame is responsible for ensuring that there will be no harmful consequences for employees reporting violations of the law or the company's Code of Conduct or other guidelines.

In 2025, seven notifications were made through the channel, one of which related to environmental safety, one related to common practices, and five others related to e.g. traffic. All cases were properly investigated and dealt with.

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Principles for related party transactions

Terrafame’s Board of Directors has confirmed that the company complies with its parent company’s (Finnish Minerals Group) policy for organising related party governance and processing related party transactions.

Terrafame Ltd’s key related parties include the following entities: Finnish Minerals Group, the State of Finland, the Galena Private Equity Resources Investment 2 L.P. fund, the Galena Private Equity Resources Investment 3 L.P. fund, the Galena Private Equity Resources Investment 4 L.P. fund and the Trafigura Group. Terrafame’s related parties also include entities in which the State of Finland exercises control or considerable influence.

In addition, the related parties also include the members of the Board, the CEOs and the members of the Leadership Teams of the Group companies, as well as persons responsible for Terrafame Ltd’s commercial agreements, and the immediate family members of the persons referred to here, as well as entities over which they or their immediate family members have control.

Terrafame has applied an exemption pursuant to which it only reports significant transactions with State-related companies.

According to the related party policy, the Board’s exclusive competence includes all significant transactions involving the company’s related parties, who/which may be natural persons or organisations. Decisions on transactions with related parties comply with the disqualification provisions of the Finnish Limited Liability Companies Act (624/2006).

Terrafame’s financial administration maintains a register of the company’s related parties (organisations and natural persons).

Transactions between the company and its related parties in 2025 are described in the financial statements under Note 1.26 Related party events.

Auditing

The purpose of the statutory external audit is to verify that the financial statements and the Board of Directors’ Report provide accurate and adequate information about the company’s performance and financial position. In addition, the auditing includes an audit of the company’s accounting and governance.

According to the Articles of Association, Terrafame’s auditor must be an audit firm authorised by the Finnish Patent and Registration Office. The auditor’s term of office ends at the close of the next Annual General Meeting following their election.

Auditor in 2025

In 2025, Terrafame’s auditor was KPMG, Authorised Public Accountants, with Toni Aaltonen, APA, as the principal auditor. The auditor has issued a statutory auditor’s report to the shareholders of Terrafame in connection with the company’s financial statements and has reported on their findings to the company’s Board of Directors.

The auditor’s fee is paid and expenses reimbursed in accordance with an invoice approved by the company. In 2025, the fees paid to the auditor were as follows:

Fees paid to the auditor	2025	2024
For the audit	230,923	117,409
Non-audit services	78,968	31,525
		EUR



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