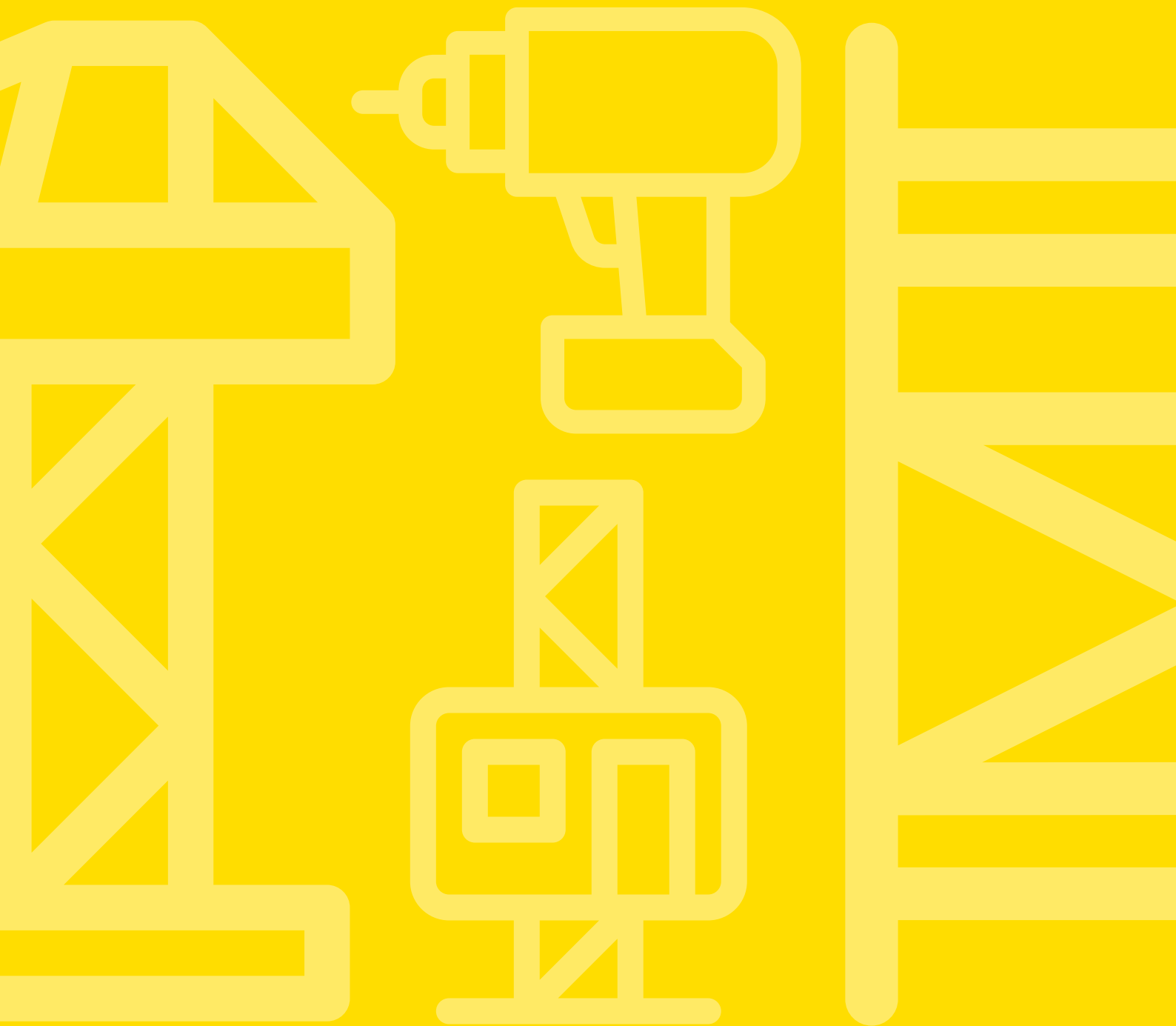


# Corporate Governance Statement 2018



**RAMIRENT**

# Ramirent Corporate Governance Statement 2018

Ramirent Plc ("Ramirent" or "the Company") complies with the Finnish Corporate Governance Code 2015 set by the Securities Market Association, as well as with the Finnish Companies Act, other applicable legislation and Ramirent's Articles of Association. The code is publicly available on [www.cgfnland.fi](http://www.cgfnland.fi). The Corporate Governance Statement is issued separately from the Board of Directors' report and it is also available on the Company's web page [www.ramirent.com](http://www.ramirent.com).

Ramirent's Working Committee and Board of Directors have reviewed and approved this corporate governance statement. The Company's auditor, PricewaterhouseCoopers Oy, has checked that this statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

## General meetings

According to the Articles of Association, a notice to a general meeting of shareholders shall be delivered to shareholders no earlier than two months and no later than three weeks prior to the meeting, provided it is at least nine days prior to the record date of the general meeting, by publishing the notice on the Company's internet pages and, if the Company's Board of Directors so decides, in one or several national newspapers. Notice to a general meeting, the documents to be submitted to the general meeting (including the financial statements, the report by the Board of Directors and the auditor's report) and proposals made to the general meeting, will be available for shareholders at least three weeks prior to the meeting at Ramirent's web site [www.ramirent.com](http://www.ramirent.com).

To have the right to attend a general meeting, shareholders registered in the shareholders register maintained by Euroclear Finland Oy shall register with the Company no later than on the date stated in the notice of the meeting, which date may

not be earlier than ten days prior to the meeting. Participation in a general meeting on the grounds of nominee registered shares (including shares registered in the shareholders' register maintained by Euroclear Sweden AB) requires that a temporary entry of the owner of the nominee registered shares has been made in the shareholders' register maintained by Euroclear Finland Oy by the date specified in the notice of the meeting. Shareholders seeking to attend a general meeting are responsible for obtaining individual registration in sufficient time to ensure that this requirement is met.

An Annual General Meeting of Shareholders ("AGM") must be held at the latest in June in Helsinki, Espoo or Vantaa on the date determined by the Board of Directors. The financial statements, comprising the consolidated financial statements and the Board of Director's report and the auditor's report will be presented at the AGM. At the AGM the following matters shall be decided: the approval of the financial statements; the use of profit disclosed in the balance sheet; the discharge from liability of the members of the Board and the Managing Director; the remuneration of the Board members and the grounds for compensation of travel expenses, the number of Board members and auditors as well as Board proposals. At the AGM the members of the Board and the auditors shall be elected.

## Board of Directors and term

According to the Articles of Association, the Board of Directors shall consist of three (3) to eight (8) ordinary members, whose terms expire at the end of the AGM that next follows the meeting at which they were elected. The Board shall elect a Chairman amongst its members and a Deputy Chairman, if necessary. The following seven ordinary members were elected to the current Board of Directors at the AGM 2018:

- Ulf Lundahl, Chairman of the Board, (born 1952), Master of Law and Bachelor in Business, Swedish citizen, independent of the Company and of significant shareholders.
- Susanna Renlund, Deputy Chairman, (born 1958), M.Sc. (Agr.), Finnish citizen, independent of the Company and dependent of a significant shareholder.
- Kevin Appleton, member of the Board, (born 1960), B.A., British citizen, independent of the Company and of significant shareholders.
- Erik Bengtsson, member of the Board, (born 1969), M.Sc. (Industrial Engineering), Swedish citizen, independent of the Company and of significant shareholders (member until August 31, 2018).
- Kaj-Gustaf Bergh, member of the Board, (born 1955), B.Sc. (Econ.) and LL.M (Master of Laws), Finnish citizen, independent of the Company and dependent of a significant shareholder.
- Ann Carlsson, member of the Board, (born 1966), B.Sc. (Human Resources), Swedish citizen, independent of the Company and of significant shareholders.
- Tobias Lönnevall, member of the Board, (born 1980), M.Sc. (Econ.), Swedish citizen, independent of the Company and dependent of a significant shareholder.

The term of the current Board members will expire at the end of AGM 2018. More information on the Board of Directors on p. 130–131.

## Rules of procedure for Ramirent Board of Directors

The work of the Ramirent Board of Directors is governed by Finnish Companies Act, Finnish Corporate Governance Code 2015, and other relevant legislation as well as the Articles of Association of Ramirent and the Rules of Procedures which are described on the Company's web page at [ramirent.com](http://ramirent.com). The purpose of the rules is to regulate the internal work of the Board. The Board of Directors and each of its members shall in its work consider and duly comply with the aforementioned laws and rules.

### Duties of the Board of Directors

The Board of Directors is responsible for the Company's organization and the management of the Company's affairs, including appropriate arrangement of control over the Company's accounts and finances, pursuant to the provisions of the Companies Act. The members of the Board of Directors shall, subject to any restrictions set forth in the Companies Act, the Articles of Association of Ramirent, or the Rules of Procedure, carry out the work of the Board of Directors jointly or in a working group appointed for a particular matter. The Board of Directors shall primarily be responsible for the Company's strategic issues and for issues which, with regard to the scope and nature of the Company's operations, are of a material financial, legal, or general character or otherwise of great significance.

### Assessment of the Work of Board of Directors

The Board of Directors will annually, normally at the end of the financial year, conduct an assessment of its work and work practices.

### Board Meetings

The Board of Directors shall normally hold at least seven (7) meetings per year. In addition to the Board members, the Managing Director and the Secretary of the Board of Directors will attend Board meetings. The auditor of the Company shall be invited at least once a year to attend a Board meeting. In 2018, the Board had 10 meetings. The percentage for participation was approximately 90%.

## Number of Board and Committee meetings in 2018 and participant attendance:

	Board	Working Committee
Kevin Appleton	10/10	
Erik Bengtsson, member until 31.8.2018	4/10	
Kaj-Gustav Bergh	10/10	
Ann Carlsson	8/10	
Ulf Lundahl	10/10	5/5
Tobias Lönnevall	10/10	5/5
Susanna Renlund	9/10	4/5

## Working Committee

The Board of Directors has nominated one committee, the Working Committee, to assist the Board in its work.

The Board elects amongst its members the Chairman and at least two other members to the Working Committee and confirms its work order. The Working Committee does not have any independent decision making power, except by a specific authorization given by the Board in a specified matter case by case.

Pursuant to the work order adopted by the Board of Directors, the duties of the Working Committee include, among other, the duties of an audit committee. The task of the Working Committee is to prepare and make proposals to the Board within the focus areas of corporate governance, special finance matters, risk management, compensation and employment matters as well as guidelines for strategic plans and financials goals. It is also the Working Committee's duty to oversee the accounting and financial reporting processes; to prepare the election of auditor; to review the auditor's reports and to follow up the issues reported by the external auditor.

In 2018 Ulf Lundahl, Susanna Renlund and Tobias Lönnevall were elected as members and Ulf Lundahl as the Chairman of the Working Committee. The duties of audit committee have been discharged to the Working Committee in accordance with Finnish Corporate Governance Code 2015 Recommendation 16. According to Recommendation 16, majority of the members of audit committee shall be independent of the company and at least one member should be independent of significant shareholders. All of the Working Committee members are independent of the Company and Ulf Lundahl is also independent of significant shareholders. The Board considered this composition to be proper and suitable taken into account the overall duties of the Working Committee and the versatile expertise and experience of the elected members. In 2018, the Working Committee had 5 meetings. The percentage for participation was 93%.

## Diversity and assessment of independency of the Board of Directors

The Company has established the following principles concerning the diversity of the Board of Directors. For the versatile support and development of the Company's business, the Company's Board of Directors composition should be sufficiently diverse. Both genders shall be represented on the Board of Directors. The overall aim of the Board composition is to achieve sufficiently extensive qualifications, expertise and experience. The sufficient diversity of the Board of Directors, including age and gender, as well as educational and professional background, is taken into account in the preparation of a proposal for the composition of the Board of Directors. For the evaluation of the diversity and composition of the Board of Directors, each candidate shall provide confident information

necessary for the assessment of skills and time management for the preparation of a proposal for the composition of the Board, in accordance with the instructions provided by the Company. The proposal for the Board composition is prepared by the largest shareholders.

The members of the Company's Board of Directors have broad and versatile competence, and the current breakdown by age and gender as well as educational and international background promote fulfillment of diversity, and thus, support the Company's business operations and its development. There are altogether 7 members in the Board of Directors, of which 2 are women, i.e. approximately 29 %. The members of the Board of Directors hold educational degrees from different fields and each member has international work experience in different types of positions. The members of the Board of Directors come from three different countries and their age vary from 38 to 65 years of age.

The Board of Directors must evaluate the independence of its members. The majority of the members must be independent of the Company. In addition, at least two of the members representing this majority shall be independent of significant shareholders of the Company. The independence of the Board of Directors is described above in "the Board of Directors and Term" section.

## Managing director

The Board shall elect a Managing Director and, if necessary, a substitute for the Managing Director. The Managing Director is responsible for the day-to-day management of the Company's affairs. The Board of Directors has adopted Rules of Procedure for the Managing Director containing guidelines and instructions regarding the Company's day-to-day management. In fulfilling his duties the Managing Director shall be assisted by the members of the Executive Management Team.

The Managing Director has a written contract, approved by the Board of Directors. The Managing Director is not a Board member, but attends Board meetings.

The Board of Directors has appointed Tapio Kolunsarka as Managing Director, as President and Chief Executive Officer (CEO) effective from August 8, 2016. Tapio Kolunsarka is born in 1975 and is a Finnish citizen, M.Sc. (Eng. and Econ.). His prior working experience: Executive Vice President of UPM Raflatac 2016-2013; Senior Vice President of UPM Raflatac EMEA 2013-2011; Senior Vice President of UPM Raflatac Europe 2011-2008; several leading positions in UPM Raflatac in Finland and in the United States 2008-2002; before joining UPM he was a consultant at McKinsey & Company.

Tapio Kolunsarka's Ramirent-ownership: 50,000 shares on December 31, 2018.

## Executive Management Team (EMT) 2018

The EMT is an operational body, and thus, it does not constitute a statutory body of the Company. The CEO and other members designated by the Board form Ramirent EMT. The EMT assists the CEO in preparation of matters such as business plans, strategies, Ramirent policies and other matters of joint importance within Ramirent as requested by the CEO. The EMT members report to the CEO and will convene when called by the CEO. The EMT consisted of the following members:

- Tapio Kolunsarka, President and CEO
- Erik Bengtsson, Executive Vice President, Sweden and Denmark, Group Fleet and Sourcing as of 1 September 2018
- Pierre Brorsson, Executive Vice President and Chief Financial Officer until 9 October 2018
- Ulrika Dunker, Executive Vice President, Human Resources and HSEQ
- Øyvind Emblem, Executive Vice President, Norway
- Mikael Kämpe, Executive Vice President, Finland

- Dino Leistenschneider, Executive Vice President, Sourcing and Fleet Management until 31 August 2018
  - Heikki Onton, Executive Vice President, Eastern Europe
  - Jonas Söderkvist, Executive Vice President, Sweden and Denmark until 31 August 2018 and as of 1 September 2018 Executive Vice President Group Business Development and as of 9 October 2018 interim CFO
- More information on the EMT members on p. 132–133.

## Financial reporting

The Board of Directors monitors and assesses the Company's financial situation and approves all economic and financial reports published by the Company. The Chairman of the Board ensures that the Board members have relevant access to the information relating to the Company and that the Board members are regularly updated by the Managing Director with the information required to monitor the Company's business and profit development, cash flow and financial position.

Ramirent's financial reporting process is integrated and serves both external and internal reporting purposes. Ramirent prepares consolidated financial statements and interim reports in accordance with IFRS adopted by EU. Financial statements include also other information that is required by the Securities Markets Act, Financial Supervision Authority's standards and Nasdaq Helsinki Ltd's rules. Report of Board of Directors and parent company financial statements are prepared in accordance with Finnish Accounting Act and the guidelines of the Finnish Accounting Board.

External financial reporting is based on Group Accounting and Reporting instructions. Detailed reporting instructions and time schedules have been established and communicated to all persons involved with the financial reporting process.

## Internal control

Ramirent is implementing an Internal Control Policy. Internal control in Ramirent is based on the commonly accepted framework by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). It comprises of five key components: control environment, risk assessment, control activities, information and communication, and monitoring.

The objectives of the internal control and risk management systems over financial reporting are to ensure that the financial reports disclosed by Ramirent give essentially correct information about the company finances, are reliable and that Ramirent complies with the applicable laws, regulations, International Financial Reporting Standards (IFRS) as adopted by EU and other requirements for listed companies.

### Control environment

Ramirent's Board of Directors bears the overall responsibility for the internal control over financial reporting and sets the tone at the top. The Board has established a working order that clarifies the Board's responsibilities and regulates the Board's and Working Committee's internal distribution of work. The Working Committee's primary task is to ensure that established principles for financial reporting, risk management and internal control are followed and that appropriate relations are maintained with Ramirent's auditors. The CEO is responsible for maintaining an effective control environment and ensuring the ongoing work on internal control over the financial reporting. The CEO is supported by the CFO and EMT, which consist of the operative management of the business segments who have the first line of responsibility for executing day-to-day control and risk management pertaining to the financial reporting process. The roles of implementation of the internal control and risk management are illustrated on the following page.

Since 2015 Ramirent has centralized accounting and finance

## Roles & responsibilities for risk management, internal control and audit



services from Sweden, Denmark, Norway, Finland to a Shared Service Center (SSC) in Tallinn, Estonia. Group reporting is provided to the Group head office in Helsinki, Finland.

### Risk assessment

Risk assessments over financial reporting aim to identify and evaluate the most significant risks affecting the financial reporting at the Group and reporting segment levels on an on-going basis. The risks are for example compliance with laws, fraud, loss or misuse of assets. Based on the risk assessment, controls are set to ensure that the objectives of financial reporting are met. Information on development of key risks and actions are communicated regularly to the Working Committee.

### Control activities

In 2018 Ramirent continued with the implementation of the group key controls. Ramirent has identified key end-to-end processes and controls. Examples of such internal control activities are: authorizations, approvals, account reconciliations, physical counts, analysis, segregation of duties, manual and automatic controls integrated in information systems, as well as various reports and management reviews.

### Information and communication

Ramirent has a common internal information and communication system, Raminet, and external homepage in all countries of operation. On Raminet all employees should find relevant information for their work including the internal rules. Externally on Ramirent homepage, relevant information is provided to external parties, e.g. shareholders.

SpeakUp Line is available both internally and externally for anonymous reporting of any kind of violations of Ramirent policies and controls, misconduct, sexual harassment, fraud or fraudulent activity, as well as non-compliance to rules and regulations of financial markets.

### Monitoring

Ramirent is consistently monitoring and developing the effectiveness of its internal controls. The overall assurance approach is being developed to ensure good balance of monitoring activities.

Examples of such activities are: regular compliance reviews, inspections, audits control self-assessments.

### Risk management and business risks

The purpose of Ramirent's risk management is to provide the Board and management with reasonable assurance of the achievement of the Company's objectives related to strategy and operations, the reliability and correctness of financial reporting and compliance with the relevant regulations and internal policies. Ramirent's risk management activities are continuous and embedded in the business and the design and implementation of internal controls is an integrated part of risk management. Key risk management activities are described in the Risk Management Policy and for financial risks in the Finance Policy. The policies regarding risk management are based on the commonly accepted controls framework (COSO 2013) and standard ISO 31000:2009 (Risk Management).

The management of business operations and common functions is responsible for the execution of risk management. Finance managers in each segment are responsible for coordination of the risk management. Group Finance coordinates the overall risk management process, analyses the risks and responses as well as prepares risk reporting for CFO and CEO oversight and for Working Committee and Board reporting. Every employee must know and manage the risks in their areas of responsibility.

Ramirent has developed a uniform risk assessment and reporting model. Risk identification is based on business objectives and opportunities. Risks are prioritized based on their significance by assessing the financial impact and the probability of realization. When assessing the impact, the reputation, wellbeing of people and environment are assessed in addition to the financial impact.

Risks are discussed within the risk management steering group at segment, common function and group level. Group Finance prepares a Group Risk Report, on which the CEO comments and presents to the EMT, the Working Committee and the Board. The Board discusses most significant risks and uncertainties.

#### Risk management responses in 2018

In 2018, key focus of risk management were the development of cyber and GDPR risk management model, stabilization of common ERP and IT services model, changes in the business and digitalization.

#### Focus areas of risk management in 2019

In 2019, key focus of risk management will be on changes in the business environment, digitalization, meeting the growing demands of compliance and risks of IT security.

#### Internal Audit

The objective of the Internal Audit is to provide assurance and to support management in development of operational efficiency and effectiveness in risk management, control and governance processes. The scope of Internal Audit is company-wide and no department or business unit of Ramirent is exempt from review. Internal Audit conducts risk-based assurance and consulting services both based on annual plan and ad-hoc needs. Additionally, Internal Audit manages the SpeakUp Line and organizes internal investigations. While majority of Internal Audit work is conducted in-house, co- or outsourcing is used for certain engagements needing specialized knowledge or resources.

Internal Audit is functionally independent from the operational management. The Internal Audit Charter is approved by the Board of Directors. Working Committee appoints the Head of Internal Audit and approves the annual Internal Audit Plan and any material changes to it. Results of audits are reported to the Working Committee at least quarterly.

#### Auditors

According to Ramirent's Articles of Association, the Company shall have at least one (1) and at the most two (2) auditors. The auditors must be certified public accountant firms. The auditor's term shall terminate at the end of the AGM that next follows their election.

PricewaterhouseCoopers Oy, Certified Public Accountant Firm, has acted since 2011 as the auditor of the Company the main responsible auditor individual being Ylva Eriksson, APA. PricewaterhouseCoopers Oy was elected in the Annual General Meeting held on 15 March 2018 as the auditor of the Company with Enel Sintonen, APA, acting as the principally responsible auditor. The Working Committee makes an annual evaluation of the auditor's independence. The scope of the audit, the audit focus areas and the audit costs are detailed in the Group audit plan.

Fees paid to the auditors include remuneration paid for audit services amounting to EUR 361 (346) thousand and remuneration paid to the company's auditor for non-audit services amounting to EUR 512 (59) thousand.

#### Insider administration

In its insider administration Ramirent complies inter alia with the following laws and regulations: the Finnish Securities Market Act, EU Market Abuse Regulation ("MAR"), regulations and guidelines issued by the Finnish Financial Supervisory Authority, and rules and guidance issued by Nasdaq Helsinki Ltd.

Ramirent has adopted an internal Ramirent Insider Policy which complies with the Nasdaq Helsinki Guidelines for Insiders.

The members of the Board of Directors and its secretary, the President and CEO, and the members of the Group Executive Management Team are defined as persons discharging managerial responsibilities (the "Manager(s)"). The Managers, as well as persons closely associated with them, shall notify the company and the Finnish Financial Supervisory Authority of transactions relating to the shares or other financial instruments of the company, provided that the total amount exceeds EUR 5,000 within a calendar year. In addition, the company shall disclose such transactions to the public with a stock exchange release.

In addition, the company has also designated certain persons preparing interim financial reports or year-end reports, as well as certain other managers of the company and persons responsible for its finances, financial reporting and communications, and persons who have access to the abovementioned information, regardless if they have inside information, as persons within the information core of the company.

A Manager and a person within the information core of the company shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the Ramirent shares or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim report or a year-end report and including also the day of the publication of an interim report or a year-end report (Closed Window).

Ramirent complies with MAR and other applicable rules and regulations in administration of insider information and thereto related insider lists. The company maintains a project or event specific insider list of all the people, who have an access to inside information and who work under an employment agreement or otherwise take care of tasks through which they have an access to inside information, for example as advisor. Also Managers, who are aware of a project, are registered on the list. Project-specific insiders may not disclose nor take advantage of such unpublished confidential company information (i.e. no trading on Ramirent securities or related derivative financial instruments is allowed while holding insider information).

The company also complies with MAR and other applicable rules and regulations regarding disclosure obligations (e.g. procedures relating to defining certain information as inside information and delaying of disclosure of inside information).



**RAMIRENT** is a leading service company offering equipment rental for construction and other industries. Our mission is to help our customers gear up on safety and efficiency by delivering great equipment and smooth service with a smile. We have 2,905 co-workers and 294 customer centers across ten countries in northern and eastern Europe. In 2018, Ramirent Group sales reached a total of EUR 712 million. Ramirent is listed in Nasdaq Helsinki (RAMI).

**Ramirent - Gear Up. Equipment rental at your service**



**Group headquarters**

Ramirent Plc  
Tapulikaupungintie 37  
PO Box 31, 00751 Helsinki  
Finland  
Tel. +358 20 750 200  
communications@ramirent.com

[www.ramirent.com](http://www.ramirent.com)

**Equipment rental at your service**