

CORPORATE GOVERNANCE STATEMENT



10 YEARS OF ANGRY BIRDS





# CORPORATE GOVERNANCE STATEMENT 2019

## Introduction

Rovio Entertainment Corporation (“Rovio” or “Company”) is listed on Nasdaq Helsinki Ltd. Rovio complies with Finnish legislation, in particular the Limited Liability Companies Act, Accounting Act and Securities Markets Act, as well as Rovio’s Articles of Association and corporate governance principles ratified by the Company’s Board of Directors. Rovio complies fully with the Corporate Governance Code for Finnish Listed Companies 2015 and the new Corporate Governance Code 2020 entered into force on January 1, 2020. Rovio complies with the Corporate Governance Code 2020 applying the transitional provisions regarding the remuneration reporting. The Corporate Governance Codes are available at [www.cgfinland.fi/en/corporate-governance-code/](http://www.cgfinland.fi/en/corporate-governance-code/).

This statement includes descriptions of Rovio’s Corporate Governance and internal control procedures, as well as the main features of its risk management systems. This statement has been prepared separately from the Report of the Board of Directors.

Rovio’s Board of Directors and the Board’s Audit Committee have reviewed this Corporate Governance Statement. Rovio’s auditor, Ernst & Young Oy, has verified that the statement has been issued, and that the description of the main features of the internal control and risk management systems related to the financial reporting process contained herein are consistent with the Financial Statements. Rovio’s Board of Directors has approved this Corporate Governance Statement in its meeting on February 11, 2020.

The Corporate Governance Statement 2019 and Rovio’s Annual Report for 2019 were published on [March 10, 2020], and they are available at [www.investors.rovio.com/en/financials/reports-and-presentations/year/2020](http://www.investors.rovio.com/en/financials/reports-and-presentations/year/2020).

## Corporate governance

The ultimate responsibility for the management and operations of the Rovio and its subsidiaries (“Rovio Group”) lies with the governing bodies of the parent entity Rovio; the General Meeting of Shareholders, the Board of Directors and the CEO, supported by the Leadership Team.

### **General meeting of shareholders**

The shareholders take part in the supervision and governance of Rovio through the resolutions of General Meetings of Shareholders. The General Meeting of Shareholders is the Company’s highest decision-making body.

The General Meeting of Shareholders is generally convened by the Board of Directors. In addition to this, a General Meeting of Shareholders shall be held if Rovio’s auditor or shareholders representing a minimum of one-tenth of all outstanding shares in Rovio demand in writing that a General Meeting be convened.

The general meetings of Rovio are held in Helsinki, Espoo or Vantaa. The Annual General Meeting shall be held annually within six (6) months of the end of the financial year.

The notice convening the General Meeting shall be delivered to the shareholders no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting, but no later than nine (9) days before the record date of the General Meeting. The notice shall be delivered to the shareholders by means of a notice published on Rovio’s website or at least in one national daily newspaper designated by the Board of Directors.

In order to be entitled to attend the General Meeting, a shareholder must notify Rovio of their attendance by the date specified in the notice convening the General Meeting, which date may not be earlier than ten (10) days prior to the General Meeting.

### General meetings of shareholders in 2019

Rovio's Annual General Meeting was held on April 9, 2019 at Tennispalatsi in Helsinki. No other general meetings of shareholders were held in 2019.

### Board of Directors

According to Rovio's Articles of Association, the Board of Directors consists of a minimum of three and a maximum of nine ordinary members. The Annual General Meeting elects the Chairman and the Vice Chairman of the Board of Directors.

The duties and operating principles of the Board of Directors are based on Finnish legislation, in particular the Finnish Limited Liability Companies Act and the Securities Market Act, as well as on the company's Articles of Association, the rules of Nasdaq Helsinki and the Finnish Corporate Governance Code for companies listed on Nasdaq Helsinki.

The general objective of the Board of Directors is defining and directing strategy for the Rovio Group and duly arranging the business, administration and operations of the entire Rovio Group. The Board of Directors has a quorum when more than half of the members are present.

The Board Charter specifies the duties of the Board of Directors as well as the methods of working at a practical level. In accordance with the Board Charter, the Board of Directors shall decide on the basic strategies of the Rovio Group's business units' business plans and budgets and monitor their implementation, review and adopt the financial statements and interim reports and the stock exchange releases, decide on the conditions and boundaries concerning the Group's capital expenditure, decide on the principles related to authorization, approval and signing rights and monitor their implementation, decide on any major individual investment or expenditure as well as on any other major and strategically significant investments and financing arrangements, and decide on business acquisitions and divestments by any of the Rovio Group companies. The Board of Directors shall also decide on the dividend policy, Rovio Group's ethical values, evaluate and monitor issues pertaining to significant risks and risk management activities and risk management policies.

In addition, the Board of Directors shall decide on appointment and dismissal of the Chief Executive Officer, his/her possible deputy and on the appointment and dismissal of other members of the Leadership Team, monitoring issues relating to top management resources, significant changes in the business organization of the Rovio Group, as well as decide on the overall remuneration principles and overall framework within the Rovio Group, including the short and long term incentive plans and review and adopt the remuneration reports and remuneration policies.

The Board of Directors is also responsible for calling the annual General Meeting of the Shareholders and providing all necessary proposals to the General Meeting.

Rovio does not have a Board nomination committee, and thus the Board of Directors prepares and presents to the General Meetings the proposals for the compilation and the remuneration (in accordance with the Remuneration Policy) of the Board of Directors.

The Board of Directors conducts an annual self-assessment in order to further develop its work. The Board also annually evaluates the independence of its members in accordance with the recommendations of the Finnish Corporate Governance Code.

### Board of Directors meetings in 2019

Until the Annual General Meeting held on April 9, 2019, the Board of Directors comprised of the following six (6) members: Chairman Mika Ihamuotila, Vice Chairman Kaj Hed, Camilla Hed-Wilson, Kim Ignatius, Jenny Wolfram and Niklas Zennström.

The Annual General Meeting on April 9, 2019 resolved that the Board of Directors comprises seven (7) members and re-elected Mika Ihamuotila as Chairman, Kaj Hed as Vice Chairman, and Camilla Hed-Wilson, Kim Ignatius and Jenny Wolfram as members and Fredrik Löving and Jeferson Valadares were elected as new members until the end of the Annual General Meeting in 2020.

Among the members of the Board of Directors, Kim Ignatius, Mika Ihamuotila, Fredrik Löving, Jeferson Valadares and Jenny Wolfram are independent of Rovio and its significant shareholders. Kaj Hed and Camilla Hed-Wilson are beneficial owners of Oivor AB, Rovio's largest shareholder, and thus they are deemed not independent from Rovio's major shareholders.

The Board of Directors met or held a teleconference 16 times in 2019. The average attendance of members at Board meetings was 95%. The main focus of the Board of Directors in 2019 was the monitoring and supervision of the Company's financial reporting, carrying out the governance duties pertaining to listed companies, Games and Brand Licensing business strategies, strategy and the funding round for Hatch Entertainment Oy, strengthening the games portfolio and development of new games and understanding the major changes within the industry, the evaluation and preparation and the balancing of risks and financing of potential M&A activities, reviewing and deciding on remuneration models for personnel and management and the balancing of risk and financing of the Rovio Group.

Attendance in 2019	Meetings of the Board of Directors
Mika Ihamuotila	16/16
Kaj Hed	16/16
Camilla Hed-Wilson	16/16
Kim Ignatius	16/16
Fredrik Löving (member as of April 9, 2019)	11/11
Jeferson Valadares (member as of April 9, 2019)	11/11
Jenny Wolfram	16/16
Niklas Zennström (member until April 9, 2019)	3/5

The fees paid to the Board of Directors in 2019 totaled EUR 519,000.00.

## Members of the Board of Directors in 2019

### **Mika Ihamuotila, Chairman of the Board of Directors**

Ph.D. (Econ.)

Born 1964, Finnish citizen

- Chairman of the Board of Directors since 2017
- Member of the Board of Directors since 2013
- Member of Rovio's Audit Committee and Remuneration Committee since 2017
- Independent of the Company and its major shareholders

### **Primary work experience**

- Chairman of the Board of Directors of Marimekko Oyj
- President of Marimekko Oyj 2008–2015 and CEO 2008–2016
- Member of the Board of Directors of Elisa Oyj 2003–2008
- President and CEO of Sampo Pankki Oyj 2001–2007
- Chairman of the Board of Directors of Sampo Pankki Oyj 2001–2005, Member of the Board of Directors thereof 2005–2007, and CEO thereof 2005–2007
- Member of the Board of Directors and CEO of Mandatum Pankki Oyj 1999–2001 and Executive Director thereof 1998–2000

### **Positions of trust**

- Member of the Board of Directors of Sanoma Oyj
- Chairman of the Mannerheim Foundation
- Member of the Supervisory board of Finnish Cultural Foundation

### **Share ownership (December 31, 2019)**

- 245,190 shares owned through PowerBank Ventures Ltd, a company under his control

**Kaj Hed, Vice Chairman of the Board of Directors**

Electrical engineer, studies of financing

Born 1955, Finnish citizen

- Vice Chairman of Rovio's Board of Directors since 2017
- Chairman of Rovio's Board of Directors in 2005–2006 and 2008–2017
- Independent investor

**Primary work experience**

- Chairman of the Board of Kiosked Oy Ab 2012–2014
- Deputy Member of the Board of Directors and CEO of Global Inter Partners Ab since 2009
- CEO and the Chairman of the Board of Trema Group 1992–2003

**Positions of trust**

- A Member of the Board of Directors of Oivor AB
- Chairman of the Board of Hatch Entertainment Oy
- Chairman of the Board of Moor Holding AB
- Chairman of the Board of Moor&Moor AB
- Chairman of the Board of MobiTizer Ltd

**Share ownership (December 31, 2019)**

- 12,919,011 shares owned through Oivor AB. Oivor AB owns in the aggregate 32,297,528 shares in Rovio and 40% of the shares of Oivor AB are controlled by Kaj Hed.

**Camilla Hed-Wilson, Member of the Board of Directors**

BBA (Human resource management and Arts Management)

Born 1983, Finnish citizen

- Member of Rovio's Board of Directors since 2011
- Member of Rovio's Remuneration Committee since 2019

**Positions of trust**

- Founder and Chairman of the Board of Directors of Fiilinki Oy
- Chairman of the Board of Directors of Wild Sloths Oy
- CEO and Chairman of the Board of Directors of Brilliant Problems Oy
- Member of the Board of Directors of Oivor AB

- Member of the Board of Directors of New Nordic School Oy

**Share ownership (December 31, 2019)**

- 6,459,505 shares owned through Oivor AB. Oivor AB owns in the aggregate 32,297,528 shares in Rovio and 20% of the shares of Oivor AB are controlled by Camilla Hed-Wilson.

**Kim Ignatius, Member of the Board of Directors**

BSc (Econ.), Helsinki School of Economics and Business Administration

Born 1956, Finnish citizen

- Member of Rovio's Board of Directors since 2017
- Chairman of Rovio's Audit Committee and Remuneration Committee since 2017
- Independent of the Company and its major shareholders

**Primary work experience**

- Executive Vice President and Member of the management team of Sanoma Corporation 2017
- Chief Financial Officer of Sanoma Corporation 2008–2016
- Member of the Board of Directors and the Chairman of the Audit Committee of Millicom International Cellular S.A. 2011–2014
- Executive Vice President and CFO of TeliaSonera AB 2003–2008
- Executive Vice President and CFO of Sonera 2000–2003
- CFO of Tamro 1997–2000
- Various domestic and international management positions with Amer Oyj 1984–1997

**Positions of trust**

- Member of the Board of Directors and Chairman of the Audit and Risk Committee of Fortum Oyj
- Member of the Board and Audit Committee of Elisa Oyj
- Member of the Board and Chairman of the Audit Committee of Yliopiston Apteekki
- Member of the Board of Directors' Institute Finland

**Share ownership (December 31, 2019)**

- 9,000 shares



**Fredrik Löving, Member of the Board of Directors**

Master of E-Commerce, E-Commerce, Project Management,  
Bachelor of Information Technology, Information Systems

Born 1979, Swedish citizen

- Member of Rovio's Board of Directors since 2019
- Independent of the Company and its major shareholders

**Primary work experience**

- EVP, Digital & Interactive at Psyop
- Founder & Head of Studio at Goodbye Kansas LA
- Head of Studio and General Manager at EA DICE LA 2013–2017
- Producer and Development Director at DICE Sweden 2007–2013
- Online Business Project Manager at Eniro 2005–2007

**Positions of trust**

- Member of the Board of Directors of Swedish Chamber of Commerce

**Share ownership (December 31, 2019)**

- 0 shares

**Jeferson Valadares, Member of the Board of Directors**

MSc, Computer Science, Artificial Intelligence

BS, Computer Science

Born 1975, Brazilian citizen

- Member of Rovio's Board of Directors since 2019
- Independent of the Company and its major shareholders

**Primary work experience**

- Co-founder and CEO of Doppio
- General Manager, Mobile and Vice President of Product Development at Bandai Namco Entertainment America 2014–2018
- Studio General Manager and Executive Producer at BioWare/Electronic Arts 2012–2014
- General Manager, Games at Flurry 2011–2012
- Studio Director at Playfish/Electronic Arts 2009–2011

- Creative Director, EA Mobile UK at Electronic Arts 2007–2009
- Development Director at Sumea Studio/Digital Chocolate 2005–2007
- Producer at Cinemaware 2004–2005
- CEO of Jynx Playware 2000–2004

**Share ownership (December 31, 2019)**

- 0 shares

**Jenny Wolfram, Member of the Board of Directors**

LL.M

Born 1990, Finnish citizen

- Member of Rovio's Board of Directors since 2017
- Member of Rovio's Audit Committee and Remuneration Committee since 2017
- Independent of the Company and its major shareholders

**Primary work experience**

- CEO, Member of the Board of Directors and founder of BrandBastion Ltd
- Chairman of the Board of Directors of Oy Group Dash Ab
- Member of the Board of Directors and CEO of Jenny Wolfram Ab
- Chairman of the Board of Directors and CEO of Oy Wolfram Ab

**Positions of trust**

- Member of the Board of Directors of GV Finland Oy
- Recognized by Forbes 30 under 30 in Marketing in 2017

**Share ownership (December 31, 2019)**

- 0 shares

**Niklas Zennström, Member of the Board of Directors until April 9, 2019**

Dual degrees in Business and M.Sc. (Eng.)

Born 1966, Swedish citizen

- Member of Rovio's Board of Directors 2011–2019
- Independent of Rovio and its major shareholders

### Performance evaluation of the Board of Directors

The Board of Directors conducted a self-assessment of its work and working methods in 2019. The key objective of the assessment is to evaluate the operations of the Board during the year and to function as basis for the development of the work of the Board and the diversity. The Board discussed the self-assessment results both within the Board and together with the management.

### Principles concerning the diversity of the Board of Directors

The Board of Directors has laid out its principles concerning diversity in its Charter as well as in its Principles of Diversity policy issued in 2017. In accordance with the policy, the following diversity principles are taken into account when preparing the proposal for the election of the members of the Board of Directors to the General Meeting: ensure that the Board of Directors as a whole possess the necessary knowledge and experience on the business, social and cultural conditions in the most significant markets to Rovio's business; ensure that the Board of the Directors have a fair and balanced combination of professional experience, skills, gender, nationality, knowledge, and variety of opinions and backgrounds considering Rovio's current and future needs and thus the capability to positively influence the long-term strategic direction and performance of Rovio; ensure that both genders are represented on the Board of Directors.

The Annual General Meeting held on April 9, 2019 confirmed the number of Board members as seven and re-elected five of the members who served on the Board in the preceding year and elected two new members. Five of the Board members are men and two are women. The Board members have degrees in four different fields of study, with a majority of the degrees in economics and technology. All of the members have professional experience in various types of positions and from various industries and are from various countries: Finland, Brazil and Sweden. The members represent different ages between 29 and 64 years, and the duration of their service on the Rovio Board of Directors is 1–14 years.

### Board committees

Rovio has two Board committees: Audit Committee and Remuneration Committee.

#### Audit Committee

The Board's Audit Committee assists the Board of Directors ("Board") in matters relating to financial reporting, internal control and risk management systems and related party transactions in accordance with the duties specified for audit committees in the Finnish Corporate Governance Code. The purpose of the Committee is to assist the Board in ensuring the appropriate arrangement of the governance, controls and risk management and to release the Board's time for strategic matters by providing the Board with a regular update on matters reviewed and evaluated by the Committee.

The Board of Directors has confirmed the Audit Committee's key duties and operating principles in the Audit Committee Charter.

The Audit Committee consists of the Chairman and at least two members. The Committee meets regularly at least four times per year. The term of office of the members is one year. The majority of the Committee members shall be independent of the company and at least one member shall be independent of significant shareholders. The members of the Committee must have sufficient expertise and experience with respect to the Committee's area of responsibility and the mandatory tasks relating to auditing. Due to the mandatory auditing duties, at least one member of the Committee must have expertise specifically in accounting, bookkeeping or auditing. A person participating in the day-to-day management of the Company (such as the Chief Executive Officer) cannot be appointed as a member of the Committee.

In its organizational meeting held on April 9, 2019, Rovio's Board of Directors appointed Kim Ignatius as the Chairman of the Audit Committee, with Mika Ihamuotila and Jenny Wolfram as members.

In 2019, the Audit Committee met four times to discuss the following matters: approval of the Audit Committee's annual plan, reviewing interim financial reports and the related external reporting, reviewing the audit plan and audit-related

fees, reviewing audit reports, reviewing impairment calculations, approving plans related to internal auditing and internal control and handling reports related to these functions, reviewing finance and cash flow, evaluating the risk management process and reviewing the risk analysis, approval of Rovio's corporate governance system, reviewing the disclosures of non-financial information, supervising the effectiveness and development of Compliance processes, discussing changes to IFRS standards, discussing dividends, share buy-back programs, the outlook for 2019 and submitting a proposal to the Board of Directors regarding the selection of auditors. The Audit Committee carries out a self-evaluation of its performance.

The meeting attendance of the members of the Audit Committee in 2019 is shown below:

Attendance in 2019	Meetings of the Audit Committee
Kim Ignatius	4/4
Mika Ihamuotila	3/4
Jenny Wolfram	4/4

Other members of the Board of Directors also attended the meetings occasionally.

### Remuneration Committee

The Board's Remuneration Committee is responsible for preparing matters pertaining to the remuneration and appointment of the Chief Executive Officer (CEO) and the members of the Leadership Team, evaluating the performance of the CEO and making recommendations to the Board on Company's remuneration framework. The Committee also prepares the remuneration policy and the remuneration reports.

The Board of Directors has confirmed the Remuneration Committee's main duties and operating principles in the Remuneration Committee Charter.

The Remuneration Committee consists of the Chairman and at least two members. The Committee meets regularly at least four times per year. The term of

office of the members is one year. The majority of the Committee members shall be independent of the company and at least one member shall be independent of significant shareholders. Neither the CEO nor a member of the Leadership Team may be appointed as a member of the Committee.

In its organizational meeting held on April 9, 2019, Rovio's Board of Directors appointed Kim Ignatius as the Chairman of the Remuneration Committee, with Camilla Hed-Wilson, Mika Ihamuotila and Jenny Wolfram as members.

In 2019, the Remuneration Committee met five times to discuss the following matters: evaluating the Leadership Team's compensation models and levels, evaluating short-term and long-term incentive programs and preparing a proposal for the Board, discussing the talent management process, reviewing the succession plans and activities concerning key individuals, reviewing and evaluating the results of personnel surveys and monitoring recruitment processes. The Remuneration Committee carries out a self-evaluation of its performance.

The meeting attendance of the members of the Remuneration Committee in 2019 is shown below:

Attendance in 2019	Meetings of the Remuneration Committee
Kim Ignatius	5/5
Camilla Hed-Wilson	5/5
Mika Ihamuotila	4/5
Jenny Wolfram	5/5

Other members of the Board of Directors also attended the meetings occasionally.



## Chief Executive Officer (CEO) and the Leadership Team

### CEO

The Chief Executive officer (CEO) is responsible for managing and controlling Rovio's business and day-to-day operations in accordance with the directions and instructions by the Board of Directors. It is the duty of the CEO to ensure that the Rovio's operations are in compliance with the laws and regulations applicable at the time. The CEO is the chairman of the Leadership Team.

The CEO reports on his/her actions to the Board of Directors. The Board of Directors decides on the appointment and dismissal of the CEO. The CEO may have a deputy who will attend to the duties of the CEO in the event that the CEO is prevented from doing so him/herself.

On November 30, 2015, Rovio's Board of Directors appointed Ms. Kati Levoranta as the CEO of Rovio. She assumed the duties of CEO on January 1, 2016.

### Leadership Team

In 2019 the Leadership Team consisted of the CEO, CFO, Head of Games, Head of Brand Licensing, General Counsel, CMO and Head of HR. The Leadership Team assists the CEO in planning operations and operative management, as well as prepares matters for discussion by the Board of Directors. Leadership Team meetings are convened by the CEO on a regular basis.

The Leadership Team prepares Rovio Group's strategic and annual planning, supervises the implementation of plans and financial reporting, and prepares significant investments as well as mergers and acquisitions.

The Leadership Team members have authority within their individual areas of responsibility and have the duty to develop the company's operations in accordance with the targets set by the Board of Directors and the CEO. In addition to their main duties, the Leadership Team members may also be members in the Boards of subsidiaries.

In 2019, the Leadership Team worked on clarifying the Company's growth strategy with a focus on defining the Games portfolio strategy to support the

growth of Games business. In the second half of the year, the Brand Licensing business unit was structured to be aligned with the overall Company strategy. Furthermore, the Leadership Team worked on employee incentive plans and remuneration framework and talent strategy. In the fall of 2019, the Leadership Team presented the clarified strategy in the Company's first Capital Markets Day.

In 2019, the Leadership Team was comprised of the following members:

### Kati Levoranta, CEO

LL.M (in Finland and Columbia University School of Law, the United States), MBA (Econ.)

Born 1970, Finnish citizen

- Joined Rovio in 2012
- CEO since 2016
- Member of Rovio's Leadership Team since 2012
- Head of Sales, EMEA at Rovio 2015
- Chief Legal Officer at Rovio 2012–2015

### Primary work experience

- Several positions at Nokia Oyj and Nokia Siemens Networks Oy 2005–2011, latest Head of Global Commercial Transactions

### Positions of trust

- Member of the Board of Directors of Finland Chamber of Commerce
- Member of the Board of Directors of OP Cooperative (as of January 1, 2020)

### Share ownership (December 31, 2019)

- 37,653 shares

### Number of options (December 31, 2019)

- 90,000 from option program 2019, 90,000 from option program 2018 and 90,000 from option program 2017

### Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)

- 31,195

**Ville Heijari, CMO**

Undergraduate Student of Philosophy

Born 1978, Finnish citizen

- Joined Rovio in 2010
- CMO since 2018
- Member of Rovio's Leadership Team since 2018
- CMO of Games Business Unit 2016–2018
- SVP Brand Marketing at Rovio 2012–2013
- VP Franchise Development at Rovio 2010–2012

**Primary work experience**

- General Manager at Two Men and a Dog Oy 2015–2016
- Head of Supply, Europe at Vungle 2014–2015
- General Manager, Europe at PlayHaven 2013–2014
- Documentation Designer at Idean 2008–2009

**Share ownership (December 31, 2019)**

- 44,841 shares

**Number of options (December 31, 2019)**

- 40,000 from option program 2019, 30,000 from option program 2018 and 17,500 from option program 2017

**Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)**

- 10,000

**Simo Hämäläinen, Head of Brand Licensing** (until January 31, 2020)

M.Sc. (Eng.)

Born 1980, Finnish citizen

- Joined Rovio in 2013
- Head of Brand Licensing since 2017
- Member of Rovio's Leadership Team since 2017
- Various roles at Rovio 2013–2017, latest Head of Marketing and Promotions

**Primary work experience**

- Member of the Board of Directors at Alberga Brewing Company Oy since 2016
- Various international sales, marketing and brand management positions at Oy Hartwall Ab and Heineken N.V. 2007–2013

**Share ownership (December 31, 2019)**

- 11,070 shares

**Number of options (December 31, 2019)**

- 40,000 from option program 2019, 40,000 from option program 2018 and 40,000 from option program 2017

**Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)**

- 15,000

**Heini Kaihu, Head of HR** (since February 1, 2019)

M.A. (English Translation, Communication, Interactive and Digital Media)

Born 1973, Finnish citizen

- Joined Rovio 2012
- Head of HR since 2019
- Member of Rovio's Leadership Team since 2019
- Head of Studio, Games 2014–2019
- Director Games Portfolio 2012–2014

**Primary work experience**

- EVP Product and Member of Leadership Team at Sulake 2011–2012, various Product and Team management and leadership positions at Sulake 2005–2011

**Share ownership (December 31, 2019)**

- 34,761 shares

**Number of options (December 31, 2019)**

- 40,000 from option program 2019, 17,500 from option program 2018 and 17,500 from option program 2017

**Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)**

- 7,500

**René Lindell, CFO**

Ph.D. (Tech.), M.Sc. (Econ.)

Born 1976, Finnish citizen

- Joined Rovio in 2014
- Chief Financial Officer at Rovio since 2017
- Member of Rovio's Leadership Team since 2016
- Chief Strategy Officer and Strategy and Business Development Officer at Rovio 2014–2017

**Primary work experience**

- Strategy Director at Nokia Oyj 2011–2014
- Management Consultant at the Boston Consulting Group 2006–2011

**Share ownership (December 31, 2019)**

- 15,578 shares

**Number of options (December 31, 2019)**

- 40,000 from option program 2019, 40,000 from option program 2018 and 40,000 from option program 2017

**Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)**

- 15,500

**Alexandre Pelletier-Normand, Head of Games**

B.Sc. (Computer Science)

Born 1980, Canadian citizen

- Joined Rovio January 2019
- Head of Games since 2019
- Member of Rovio's Leadership Team since 2019

**Primary work experience**

- Several leadership positions at Gameloft SE 2003–2012 and 2014–2018, latest Executive Vice President, Games
- Co-Founder of Execution Labs

**Positions of trust**

- Member of the Board of Directors of Execution Labs

**Share ownership (December 31, 2019)**

- 2,490 shares

**Number of options (December 31, 2019)**

- 40,000 from option program 2019

**Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)**

- 100,000

**Minna Raitanen, General Counsel**

LL.M.

Born 1974, Finnish citizen

- Joined Rovio in 2012
- General Counsel at Rovio since 2016
- Member of Rovio's Leadership Team since 2016
- Senior Legal Counsel at Rovio 2012–2016

**Primary work experience**

- Senior Legal Counsel at Nokia Siemens Networks Oy and Nokia Oyj 2005–2012
- Attorney-at-law at Veikko Palotie & co 2000–2004

**Share ownership (December 31, 2019)**

- 6,150 shares

**Number of options (December 31, 2019)**

- 40,000 from option program 2019, 40,000 from option program 2018 and 40,000 from option program 2017

**Shares allocated in accordance with the Restricted Share Plan (December 31, 2019)**

- 12,500

The following former member of the Leadership Team left their position in 2019:

**Marjo Kuosmanen**, Head of HR until January 31, 2019



## The main features of Rovio's risk management and internal control

### Risk management

#### Purpose

The Rovio risk management policy defines the objectives and principles, organization, responsibilities and practices of risk management within Rovio.

Risk management is an important part of the Rovio Group business management and corporate governance. The objective of Rovio's risk management is to support the entire organization in achieving its strategic, operational and financial targets. In order to meet the objectives Rovio has incorporated procedures to recognize, assess and manage risks and their consequences. The risk management objective is reached when the Group has identified the uncertainties, risks and opportunities related to the targets and is able to effectively assess and manage the risks.

#### Rovio's enterprise risk management

Risk management in Rovio aims at ensuring a Group wide risk recognition, assessment, management and control. Risk management is a part of Rovio's day-to-day decision-making and operations. Risk management is handled both centrally and in business units to ensure efficiency and visibility across the organization. Key risks are regularly and systematically recognized, assessed and reported to the Board of Directors as a part of the business operations at a Group and business unit level.

#### Risk definition and risk categories

Rovio divides risks into external and internal risks and further into strategic, operational and financial risks.

Strategic risks are uncertainties mainly related to changes in Rovio's operating environment and the ability to respond to these changes or to prepare

for them. These can be related to e.g. changes in the macro-economic situation, legislative environment, technologies, consumer behaviors and competitive environment.

The purpose of assessing strategic risks and opportunities is to identify the measures that can and should be taken to achieve objectives by taking controllable risks. Failure to identify or take advantage of opportunities also constitutes a risk.

Operational risks are circumstances or events which can prevent or hinder the achievement of objectives or cause damage to people, property, business or information. The goal is to avoid or reduce operational risks to an extent, where the cost of measures is in a reasonable proportion to the extent of the risk.

Financial risks are risks related to Rovio's financial position. These include currency risk, liquidity and funding risk, interest rate risk, credits and counterparty risk. The management of financial risks is based on the Group's finance policy, confirmed by the Board of Directors.

Risk assessments consider also other aspects than purely financial impacts. Reputational risks arise if Rovio's operations are inconsistent with the expectations of different stakeholder groups, such as the end consumers for Rovio's products, services, business partners or authorities. Preventing reputational risks requires compliance with Rovio's internal guidelines and corporate governance. The management of reputational risks relies especially on providing timely and appropriate external communication.

The risks are further divided into group level and business unit (i.e. Games and Brand licensing) level risks.

#### Risk management in 2019

Rovio continued the development and streamlining of its risk management process in 2019. The identification and reporting of risks has been formalized and established as a regular activity to ensure efficiency and compliance.

In 2019, special attention continued to be paid to topics such as privacy matters and the Angry Birds Brand. Also game portfolio risks were identified and mitigating actions taken to enable continued success.

## Internal control

The goal of Rovio's Internal Control is to ensure profitable and efficient operations, reliable financial reporting, and compliance with applicable laws, regulations, policies and practices.

Rovio's strategic and business objectives as well as Rovio's Corporate Governance set the foundation for the Internal Control processes. Rovio's internal controls are designed to manage, eliminate and mitigate the relevant operational, financial, and compliance risks, and thereby ensure reliable financial reporting, and efficient and compliant operations.

The Board's Audit Committee monitors the efficiency and functioning of the internal control process, Rovio management is responsible for establishing and maintaining adequate internal controls and for monitoring the effectiveness as part of operative management.

Rovio's internal control is determined to be effective, when the Leadership Team and the Board of Directors have reasonable assurance, that the organization:

- Operates effectively
- Reports in conformity with applicable rules, regulations, and standards or with the entity's specified reporting objectives; and
- Complies with applicable laws, rules, regulations, and external standards.

## Internal audit

The objective of Rovio's internal audit is to advise and provide assurance on the functionality of Rovio's Internal Control, internal audit and risk management systems and processes.

Rovio does not have its own internal audit team; the Internal Audit at Rovio is more a process than a function. Internal Audit is led by the Audit Committee, who ultimately decides the procedures and activities to be performed. Some of these may be delegated within Rovio, for instance to the CEO, CFO or General Counsel or

outsourced to an external party, if that is more efficient and/or adequate. Internal Audit may work closely together also with external auditors, especially in areas where they mutually support each other's objectives.

Internal Audit is responsible for the development and the approval of an audit plan. The plan typically details proposed approach over the next 12 months. The Audit Committee reviews and approves the Internal Audit plans, which are executed either by Rovio internally or outsourced to reliable partners, especially in areas that require fully independent and/or specialized knowledge and capabilities.

### Internal audit in 2019

The previously prepared internal audit plan was followed in 2019. In accordance with the plan, various audit areas were presented to the Board of Directors, which selected the User Acquisition and its processes and operating methods as the focus area for 2019. Rovio's internal audit partner KPMG carried out the process assessment and validation. Based on the internal audit performed by KPMG, no material areas requiring immediate action were identified.

## Auditing

Rovio Entertainment Corporation has one external auditor, who shall be an auditing firm approved by the Finnish Patent and Registration Office. The term of the auditor shall be until the conclusion of the first Annual General Meeting following the election. The Annual General Meeting elects the auditor and decides on their fees.

The Annual General Meeting of April 9, 2019, elected the audit firm Ernst & Young Oy, a firm of Authorized Public Accountants, as Rovio's auditor. The auditor with principal responsibility is Mikko Ryttilahti. Ernst & Young Oy has been Rovio's auditor since 2013.

In 2019, Rovio paid a fee of EUR 367,136.77 for auditing services. Additionally, Rovio paid the auditor EUR 5,300 for other non-audit related services.

## Insider management

Rovio observes the Market Abuse Regulation (EU 596/2014, "MAR") and the regulations and guidance given under it, including the insider guidelines of Nasdaq Helsinki Ltd. In addition to this, Rovio has prepared supplementing internal Rovio Insider Guidelines.

Rovio has defined the members of the Board of Directors, the CEO and other members of the Leadership Team as persons discharging managerial responsibilities ("managerial persons"). The managerial persons and their closely associated persons are required to notify Rovio and the FIN-FSA of every transaction conducted on their own account relating to the Financial Instruments of (or linked to) Rovio without delay and at the latest within three business days after transactions in question were conducted. Rovio discloses via stock exchange releases and its website information on transactions by managerial persons and their closely associated persons.

The managerial persons may not conduct any transactions on their own account or for the account of a third party, directly or indirectly, relating to Rovio's shares or other financial instruments during a closed period of thirty (30) calendar days before the announcement of an interim financial report, half-year report or a year-end report, including the day of publication of said report. Rovio has further expanded the trading restrictions during the closed period to cover such employees and other persons, who are not managerial persons but may have access to information on the interim financial report(s) or the year-end report or otherwise have regular access to essential financial information of Rovio due to their position or duties at Rovio (so-called "closed period employees").

Rovio's insider list comprises one or more project-based insider lists. Rovio may also create a list of "permanent insiders" who, due to the nature of their role or position, continuously have access to all inside information within the company. Rovio maintains a list of employees and service providers who have access to inside information.

Trading in the shares or other financial instruments of Rovio is always prohibited when holding inside information relating to Rovio or its financial instruments, regardless of whether the person has been entered into an insider list.

Rovio's General Counsel is responsible for insider guidelines and general insider management within the Company.

## Related party transactions

Rovio complies with the applicable laws, the Corporate Governance Code and the rules of Nasdaq Helsinki Ltd. regarding related party transactions.

Rovio has a Related Party Transactions Policy approved by the Board of Directors, which describes the process of monitoring, assessing and identifying potential related party transactions and the decision-making process and the disclosure of the related party transactions. The Audit Committee monitors and assesses related party transactions at Rovio and if a transaction is potentially identified as a related party transaction, the transaction will be referred for the decision making at the Board of Directors.

Rovio has defined the parties that are related to the company and maintains a list of individuals and legal persons who are considered as related parties and is monitoring the list regularly. Rovio reports its principles regarding the related party transactions annually in the Governance Statement and reports the actual related party transactions in its financial statements. Related party transactions that are material to shareholders and that deviate from normal business operations or are not made according to ordinary business terms and conditions, shall be published in accordance with the Securities Market Act and the Nasdaq Helsinki rules of the Exchange.



## Disclosure policy

In its communications, Rovio complies with EU and Finnish legislation, the Market Abuse Regulation (EU No 596/2014) and regulations based on it, the rules and guidelines of Nasdaq Helsinki Ltd, the guidelines of ESMA (European Securities and Markets Authority) and the Finnish Financial Supervisory Authority, the Finnish Corporate Governance Code for listed companies as well as Rovio's Disclosure Policy.

Rovio's Disclosure Policy describes the key principles and practices according to which Rovio communicates with the different capital market participants. The principles set out in the disclosure policy apply to the entire Rovio Group.

The objective of Rovio's financial and investor communications is to ensure that all market participants have simultaneously and without delay an access to equal, fair, sufficient and simultaneous information on the material factors relating to Rovio and its business, which factors may have an effect on the value of Rovio's financial instruments, and that the information disclosed gives correct and sufficient information on Rovio's operations.

In accordance with a pre-announced schedule, Rovio discloses information on its financial performance and financial position in its financial statements and reports of the Board of Directors, financial statements releases, half year releases and interim reports.

Rovio discloses to the public primarily the information regarding the group and its reporting segments (Games, Brand Licensing and Other). As a general rule, financial information or key performance indicators of the Company's other units or legal persons are not published.