

CAPMAN PLC

# Corporate Governance Statement 2021

CapMan Plc (“CapMan”) complies with the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association which entered into force on 1 January 2020 (the “Code”). CapMan complies with all of the recommendations of the Code. This Corporate Governance Statement (the “Statement”) has been prepared in compliance with the Code’s Corporate Governance reporting guidelines, it has been reviewed by the Audit Committee of CapMan’s Board of Directors (the “Board”) and it is issued separately from the report by the Board. CapMan’s corporate governance model also follows the Finnish laws, the articles of association of the company and the rules and directions of Nasdaq Helsinki Ltd.

The Code is publicly available on the website of the Securities Market Association at [www.cgfinland.fi/en](http://www.cgfinland.fi/en). For further information regarding CapMan’s corporate governance, please visit the company’s website at <https://www.capman.com/shareholders/governance/>.

## 1 CapMan’s governance model

CapMan is a Finnish limited liability company headquartered in Helsinki, Finland. The parent company CapMan Plc and its subsidiaries form CapMan group. CapMan’s shares are publicly listed in Nasdaq Helsinki. CapMan’s governance model consists of the general meeting of shareholders, the Board

of Directors and the CEO. In the operative management of the company the CEO is assisted by the management group.

## 2 General Meeting of the shareholders and the Articles of Association

The highest decision-making power at CapMan is held by the General Meeting of the shareholders. Among other things, the General Meeting adopts the financial statements, decides on distribution of assets based on the proposal of the Board of Directors, elects the members of the Board of Directors and the auditor, decides on the discharge from liability and on amendments to the Articles of Association. The notice to the General Meeting, the documents to be presented and the proposals for the General Meeting are published on the company’s website and, if needed, as a stock exchange release three weeks prior to the General Meeting at the latest.

In 2021, CapMan’s annual general meeting was held on 17 March in Helsinki. In order to curb the spread of the Covid-19 pandemic, the General Meeting was organized without shareholders’ and their proxy representatives’ presence at the General Meeting venue. Shareholders were able to participate in the meeting and use their shareholder rights only by voting in advance, by submitting counterproposals in advance and by asking questions in advance. In total 84 shareholders representing approximately 26 % of the reg-

istered share capital and voting rights voted in advance. The decisions are available on the company’s website at <https://www.capman.com/shareholders/general-meetings/>.

CapMan’s Articles of Association and material related to the General Meeting are available on the company’s website at the address: <https://www.capman.com/shareholders/governance/>.

## 3 Shareholders’ Nomination Board

CapMan Plc’s 2018 AGM decided to establish a Shareholders’ Nomination Board to prepare future proposals concerning the election and remuneration of the members of the Board of Directors to the General Meeting. The AGM also adopted a Charter for the Nomination Board. The Shareholders’ Nomination Board shall serve until further notice. The term of office of the members of the Shareholders’ Nomination Board expires annually after the new Shareholders’ Nomination Board has been nominated.

The Shareholders’ Nomination Board consists of representatives nominated by the four largest shareholders of the company and the Chairman of CapMan Plc’s Board of Directors, serving as an expert member. As an expert member, the Chairman of the Board of Directors of CapMan Plc does not take part in the decision-making of the Shareholders’ Nomination Board.

The following members were nominated

to the Shareholders’ Nomination Board in September 2021: Stefan Björkman (Managing Director of Föreningen Konstsamfundet r.f., representative of Silvertärnan Ab) (Chairman of the Nomination Board), Mikko Mursula (Chief Investment Officer of Ilmarinen Mutual Pension Insurance Company), Ari Tolppanen (Chairman of the Board of Oy Inventiainvest Ab) and Mikko Kalervo Laakkonen. Additionally, Andreas Tallberg, the Chairman of the Board of Directors of CapMan Plc, served as the expert member on the Shareholders’ Nomination Board.

The Nomination Board convened twice in 2021. The Nomination Board conducted an evaluation of the Board work, discussed, in particular the size, composition and diversity of the Board of Directors and the areas of expertise that are deemed most beneficial for the company. The Nomination Board also reviewed the remuneration of the Board and gave its proposals to the Annual General Meeting on 25 January 2021. The proposals were published as a stock exchange release.

The Charter of the Shareholders’ Nomination Board is available on CapMan’s website at: <https://www.capman.com/shareholders/governance/>

## 4 Board of Directors

### 4.1 Composition of the Board of Directors

All members of the Board are elected yearly by the Annual General Meeting. There is no



specific order for the appointment of Board members in the articles of association. According to the articles of association, the Board comprises at least three and at most nine members, who do not have deputies. Members are elected for a term of office, which starts at the close of the Annual General Meeting at which they were elected and ends at the close of the Annual General Meeting following their election. The Board elects a Chairman and a Vice Chairman from among its members. The Shareholders' Nomination Board makes the proposals on the composition of the Board of Directors and the remuneration for the Board and Committee Members to the Annual General Meeting. The Shareholders' Nomination Board's proposals are typically published as a separate stock exchange release and are also included in the notice to convene the Annual General Meeting.

The Annual General Meeting held on 17 March 2021 elected seven members to the Board of Directors. Ms. Catarina Fagerholm, Mr. Eero Heliövaara, Ms. Mammu Kaario, Mr. Olli Liitola, Mr. Johan Hammarén and Mr. Andreas Tallberg were re-elected to the Board. Mr. Johan Bygge was elected to the Board of Directors as a new member. At its organizing meeting on 17 March 2021, the Board elected from among its members Andreas Tallberg as its Chair and Mammu Kaario as Vice Chair.

The biographical details of the Board members are presented in the table on page 27.

## 4.2 Diversity of the Board of Directors

The company values that its Board members have diverse backgrounds taking into

account the competencies that are relevant for CapMan's business, such as know-how of the financial sector. The aim is that the Board consists of representatives of both genders and different age groups, that the Board members have versatile educational and professional backgrounds and that the Board of Directors as a whole has sufficient experience in an international operating environment.

The company considers that the composition of its Board is in its current form sufficiently aligned with the objectives set for the diversity of the Board composition. In 2021 both genders were represented in the Board (29 % female, 71 % male), the members were between 52 and 65 years of age, their educational backgrounds were relevant to the company's operations, and they had experience on both international and local operating environments.

## 4.3 Independence of the Board members

The majority of the Board must be independent of the company. At least two of the members that are independent from the company shall also be independent of the company's significant shareholders.

The Board made an assessment on the independence of the board members in its organizing meeting on 17 March 2021. According to the assessment Johan Bygge, Catarina Fagerholm, Eero Heliövaara, Mammu Kaario, Olli Liitola and Andreas Tallberg were independent of both the company and its significant shareholders. Johan Hammarén was non-independent of company's significant shareholder Silvertärnan Ab through board

membership, and non-independent of the company due to his employment with a group company until 2019.

Shares and share-based rights of each Board member and corporations over which he/she exercises control in the company and its group companies are presented in the table on page 27.

## 4.4 Duties and responsibilities of the Board

Under the Finnish Companies Act and CapMan's articles of association, the Board is responsible for the administration of the company and the proper organisation of its operations. The Board is also responsible for the appropriate arrangement of the control of the company's accounts and finances. The Board has confirmed a written charter for its work, which describes the main tasks and duties, working principles and meeting practices of the Board, and an annual self-evaluation of the Board's operations and working methods.

In accordance with the charter, the main duties of the Board were:

- to convene the General Meetings of shareholders
- to appoint and dismiss the CEO
- to supervise management
- to approve strategic and financial objectives
- to approve the budget
- to decide on the establishment of new CapMan funds and the level of CapMan's own commitments therein
- to decide on fund investments to other than CapMan funds exceeding EUR 5 million and direct investments exceeding EUR 5 million

- to decide on any major changes in the business portfolio
- to ensure that the company has a proper organisation
- to ensure the proper operation of the management system
- to approve annual financial statements and interim reports
- to ensure that the supervision of the accounting and financial management is properly organised
- to ensure that the business of the group complies with relevant rules and regulations
- to approve the principles of corporate governance, internal control, risk management and other essential policies and practices
- to decide on the CEO's remuneration and on the remuneration policy to be followed for other executives and CapMan's key employees
- to confirm the central duties and operating principles of the Board committees

The Chairman of the Board ensures and monitors that the Board fulfils the tasks appointed to it under legislation and by the company's articles of association.

## 4.5 Work of the Board in 2021

In 2021, the Board of Directors met eight times. The Board had seven meetings in the composition as elected by the 2021 AGM and one meeting in the composition as elected by the 2020 AGM.

The table on page 27 presents Board members' attendance at the meetings in 2021.

## Board of Directors in 2021

Name	Personal information	Shares and share-based rights as of 31 Dec 2021	Attendance at the Board meetings	Attendance at the Committee meetings
<b>Andreas Tallberg</b>	Chairman of the Board since 2017 Member of the Board since 2017 Born: 1963 Education: M.Sc. (Econ.). Main occupation: CEO of Oy G.W. Sohlberg Ab Chairman of the Remuneration Committee Expert member of the Shareholders' Nomination Board Independent of the company and significant shareholders	804,530	8/8	Remuneration Committee: 3/3  Nomination Board: 2/2
<b>Johan Bygge*</b>	Member of the board since 2021 Born: 1956 Education: BA (Econ.) Main occupation: Board professional Member of the Audit Committee Independent of the company and significant shareholders	28,500	7/7	Audit committee: 4/4
<b>Catarina Fagerholm</b>	Member of the board since 2018 Born: 1963 Education: M. Sc. (Econ.) Main occupation: Board professional Member of the Audit and Remuneration Committees Independent of the company and significant shareholders	73,011	8/8	Audit committee: 5/5  Remuneration Committee: 3/3
<b>Johan Hammarén*</b>	Member of the Board since 2020 Born: 1969 Education: LL.M., Bachelor of Science (Econ.) Main occupation: Managing Director, Oy Hammarén & Co Ab, board professional Non-independent of the significant shareholders and non-independent of the company	0	8/8	
<b>Eero Heliövaara</b>	Member of the board since 2018 Born: 1956 Education: M.Sc. (Eng.), M.Sc. (Business Admin.) Main occupation: Board professional Member of the Remuneration Committee Independent of the company and significant shareholders	92,000	8/8	Remuneration Committee: 2/2
<b>Mammu Kaario</b>	Member of the Board since 2017 Born: 1963 Education: LL.M., MBA Main occupation: Board professional Chairman of the Audit Committee Independent of the company and significant shareholders	38,071	8/8	Audit Committee: 5/5
<b>Olli Liitola</b>	Member of the Board since 2019 Born: 1957 Education: M.Sc. (Tech.). Main occupation: Board professional Independent of the company and significant shareholders	2,150,000	8/8	
<b>Peter Ramsay**</b>	Member of the Board since 2019 Born: 1967 Education: M. Sc. (Econ.) Main occupation during Board service: CFO and chief investment director of Veikko Laine Group Member of the Audit Committee Independent of the company and significant Shareholders	10,000	1/1	Audit Committee: 1/1

\* Elected as a new member at the AGM held on 17 March 2021

\*\* A member of the Board of Directors until the AGM held on 17 March 2021



## 5 Board Committees

The Board may establish Committees to ensure efficient preparation of the matters under its responsibility. The Committees are established, and their members are elected from among the members of the Board in the Board's organizing meeting to be held after the AGM for the same term as the Board. The Committees shall consist of at least three members. The charters for each committee shall be confirmed by the Board. The Chairs of the committees report to the following Board meeting on the topics discussed in the committee meetings. Also, the materials presented, and the minutes of the committee meetings are delivered to the Board for information. The committees do not have autonomous decision-making power, but the Board makes the decisions within its competence collectively.

In its organizing meeting held on 17 March 2021, CapMan's Board of Directors established an Audit and Remuneration Committee.

### 5.1 Audit Committee

The Audit Committee has been established to improve the efficient preparation of matters pertaining to financial reporting and supervision.

The duties of the Audit Committee included:

- monitoring the financial position of the Company
- monitoring and assessment of the financial reporting process
- supervising the financial reporting process
- monitoring and assessment of the company's internal control and risk management systems and compliance processes

- monitoring and assessment of the most significant financial and tax risks
- review of the Company's Corporate Governance Statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- evaluating the independence of the statutory auditor or audit company, particularly the provision of related services
- other communications with the auditor
- preparing the proposal for resolution on the election of the auditor
- defining the principles concerning the monitoring and assessment of related party transactions
- monitoring and assessment of the processes and risks relating to IT security
- evaluation of the use and presentation of alternative performance measures
- monitoring and assessment of any special issues allocated by the Board and falling within the competence of the audit committee.

The Board has in its organizing meeting on 17 March 2021 elected Mammu Kaario (chairman), Catarina Fagerholm and Johan Bygge as members of the Audit Committee. In 2021, the Committee met five times. The table on page 27 presents the Committee members' attendance at the meetings.

All members of the Audit Committee were independent of the company and its significant shareholders. All members of the Audit Committee are experienced in demanding positions in financial administration and business management and they hold degrees suitable for Audit Committee members.

### 5.2 Remuneration Committee

The Remuneration Committee has been established to improve the efficient preparation of matters pertaining to the remuneration and appointment of the CEO and the rest of the management team as well as the remuneration policy covering the company's other personnel.

The main duties of the Remuneration Committee in accordance with the charter were to assist the Board by preparing the Board decisions concerning:

- CEO appointment and remuneration
- company management team's remuneration principles generally and individual situations as required
- company's overall principles for total compensation structure.

The Committee further contributed to:

- securing the objectivity and transparency of the decision-making regarding remuneration issues in the company
- the systematic alignment of remuneration principles and practice with company strategy and its long-term and short-term goals
- the appointment of the management team of the company.

In addition to the abovementioned tasks, the Remuneration Committee prepared the company's Remuneration Policy and Remuneration Report for governing bodies.

The Board has in its organizing meeting on 17 March 2021 elected Andreas Tallberg (Chairman), Catarina Fagerholm and Eero Heliövaara as members of the Remuneration Committee. The Committee convened three times in 2021. The table on page 27 presents

the Committee members' attendance at the meetings.

All members of the Remuneration Committee are independent of the company and its significant shareholders.

## 6 Chief Executive Officer (CEO)

In 2021, CapMan's CEO was Joakim Frimodig (born 1978, BA (Oxon)). Frimodig's shares and share-based rights and those of the companies over which he exercises control are presented in the table on page 9.

The Board elects the company's CEO. The CEO's service terms and conditions are specified in writing in the CEO's service contract, which is approved by the Board. The CEO manages and supervises the company's business operations according to the Finnish Companies Act and in compliance with the instructions and authorisations issued by the Board. The CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. Generally, the CEO is independently responsible for the operational activities of the company and for day-to-day decisions on business activities and the implementation of these decisions. The CEO appoints the heads of business areas. The Board approves the recruitment of the CEO's immediate subordinates. The CEO cannot be elected as Chairman of the Board.

## 7 Management Group

The main tasks of the Management Group consist of

- (i) coordination of team strategy, fundraising, resources as well as marketing and brand issues,
- (ii) implementation of decisions by the Board and the CEO/ Management Group,
- (iii) giving input by providing information for the decision-making and participating in discussion, and
- (iv) spreading information within the teams as agreed in the Management Group.

The composition of the Management Group, responsibilities and the shares and share-

based rights of the members of the Management Group and of the companies over which they exercise control at the end of the financial year of 2021 are presented in the table below.

## 8 Internal control and risk management

The aim of CapMan's internal control and risk management is to ensure that the company's operations are efficient, appropriate, reliable and in compliance with regulation, and that risks associated with the company's business and objectives are identified and appropriately monitored and managed. The group's internal

control system is an essential part of the group's management system and consists of organization structure, policies, processes, working instructions, allocation of tasks and responsibilities, approval authorizations, manual and automated controls, monitoring reports and reviews. The Board and the CEO are responsible for the internal control and the risk management but the internal control is conducted on all levels of the organization, in all business and support functions. Each employee is individually responsible for the compliance of policies and instructions and for reporting the faults and malpractice to his/her supervisor or other designated persons.

## 9 Internal control and risk management pertaining to the financial reporting

The internal control and risk management pertaining to the financial reporting process is part of CapMan's overall internal control framework. The key roles and responsibilities for internal control and risk management have been defined in the group's internal guidelines which are approved and updated by the management and/or the Board of Directors of the company.

CapMan's internal control and risk management concerning financial reporting are designed to provide, among other things, reasonable assurance concerning the reliability, comprehensiveness and timeliness of the financial reporting and the preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles and other requirements for listed companies. The objective is also to promote good corporate governance and risk management practices and to ensure the compliance with laws, regulation and CapMan's internal policies.

### 9.1 General description of the financial reporting process

CapMan's operating model is based on having a local presence in Finland, Sweden, Denmark, Norway, Estonia, Luxembourg and the UK, and operating the organisation across national borders. CapMan's subsidiaries and branches in eight countries report their results on a monthly or quarterly basis to the parent company. The bookkeeping function is mainly outsourced.

### Management Group in 2021

Name	Responsibilities	Personal information	Shares and share-based rights on 31 Dec 2021
<b>Joakim Frimodig*</b>	CEO	Born: 1978 Education: BA (Oxon)	Shares: 1,015,500
<b>Anna Berglind</b>	Head of People and Culture	Born: 1974 Education: M.Sc. (Soc.)	Shares: 140,940
<b>Niko Haavisto</b>	CFO	Born: 1972 Education: M. Sc. (Business)	Shares: 399,510
<b>Heidi Sulin from 11/2021</b>	COO	Born: 1979 Education: LL.M.	Shares: 35,000
<b>Christian Borgström</b>	Head of CapMan Wealth Services	Born: 1971 Education: M.Sc. (Econ.)	Shares: 843,000
<b>Antti Kummua from 08/2021</b>	Head of CapMan Growth Equity	Born: 1976 Education: M.Sc. (Econ.), CFA	Shares: 18,206
<b>Pia Käll</b>	Head of CapMan Buyout	Born: 1980 Education: M.Sc. (Tech.)	Shares: 100,200
<b>Maximilian Marschan</b>	Head of CaPS	Born: 1974 Education: M.Sc. (Econ.)	Shares: 134,700
<b>Mika Matikainen</b>	Head of CapMan Real Estate	Born: 1975 Education: M. Sc. (Econ), M.Soc.Sc	Shares: 113,850
<b>Juha Mikkola until 08/2021</b>	Head of CapMan Growth Equity	Born: 1961 Education: M.Sc. (Econ.)	Shares: 212,213
<b>Ville Poukka</b>	Head of CapMan Infra	Born: 1981 Education: M.Sc. (Econ)	Shares: 131,466
<b>Mari Simula</b>	Head of Fund Investor Relations	Born: 1982 Education: M.Sc. (Tech.)	Shares: 277,392

\* In addition, Joakim Frimodig's holding company Boldhold Oy is a minority owner in Silvertärnan Ab, which owns 10.36% of all shares in CapMan Plc



Financial information is assembled, captured, analysed, and distributed in accordance with existing processes and procedures. The group has a common reporting and consolidation system that facilitates compliance with a set of common control requirements. The monthly accounting entries of the most significant subsidiaries and branches are transferred to the Group's reporting system on an entry-by-entry level. The other subsidiaries submit their figures either monthly or quarterly to the group accounting to be entered into the group reporting system for consolidation. The reported figures are reviewed in subsidiaries as well as in group accounting. Group accounting also monitors the balance sheet and income statement items by analytically reviewing the figures. The consolidated accounts of CapMan are prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU.

## 9.2 Control and risk management of the financial reporting process

The Board has the overall responsibility for the proper arrangement of internal control and risk management over financial reporting. The Board has appointed the Audit Committee to undertake the more specific tasks in relation to financial reporting process control such as monitoring the financial statements reporting process, the supervision of the financial reporting process and monitoring the efficiency of the company's internal control. The Audit Committee also reviews regularly the main features of the internal control and risk management systems pertaining to the financial reporting process.

The management of the group is responsible for the implementation of internal control and risk management processes and for ascertaining their operational effectiveness. The management is also responsible for ensuring that the company's accounting practices comply with laws and regulations and that the company's financial matters are managed in a reliable and consistent manner.

The CEO leads the risk management process by defining and allocating responsibility areas. The CEO has nominated the group's CFO as risk manager to be in charge of coordinating the overall risk management process. The risk manager reports to the Audit Committee on matters concerning internal control and risk management. The management has allocated responsibility for establishing more specific internal control policies and procedures to personnel in charge of different functions. The group's management and accounting departments possess appropriate levels of authority and responsibility to facilitate effective internal control over financial reporting.

## 9.3 Risk assessment and control activities

Risks related to the financial reporting process are identified through the objectives of financial reporting. The risk assessment process is designed to identify financial reporting risks and to determine how these risks should be managed. Control activities based on risk assessments are determined for all levels of the organisation. These activities include guidelines and instructions, approvals, authorisations, verifications, reconciliations, analytical

reviews, and segregation of duties.

In the annual strategy process of the group, the identified risks are reviewed, the risk management control activities are mapped and effects of potential new identified risks on the strategy are evaluated. The objectives and responsibilities of the risk management process as well as the determination of the risk-appetite were updated during 2021.

## 9.4 Information and communication pertaining to the financial reporting

CapMan has defined the roles and responsibilities pertaining to financial reporting as a part of the group's information and communication practices. External and internal information regarding financial reporting and its internal control is gathered systematically, and relevant information on the group's transactions is provided to the management. Up-to-date information relevant for the financial reporting is presented in a timely manner to the relevant functions such as the Board and management group. All external communications are carried out in accordance with the group disclosure policy, which is available on the company's website: <https://www.capman.com/shareholders/statements-policies/disclosure/>

## 9.5 The organisation and monitoring of internal control activities

To ensure the effectiveness of internal control pertaining to financial reporting, monitor-

ing activities are conducted at all levels of the organisation. Monitoring is performed through ongoing follow-up activities, separate evaluations or a combination of the two. Separate internal audit assignments are initiated by the Board or management. The scope and frequency of separate evaluations depend primarily on the assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported to the management, and serious matters to the Audit Committee and the Board.

Group accounting performs monthly consistency checks of income statement and balance sheet for subsidiaries and business areas. The group accounting team also conducts management fee and cost analysis, quarterly fair value change checks, impairment and cash flow checks as well as control of IFRS and other applicable regulatory changes. The Audit Committee and the Board regularly review group-level financial reports, including comparison of actual figures with prior periods and budgets, other forecasts, monthly cash flow estimates and covenant levels. In addition, the Audit Committee monitors in more detail, among others, the reporting process (including the management's discretionary evaluations), risk management, internal control and audit.

The monitoring team, which is independent of the investment teams, is responsible for the quarterly valuation process, monitoring and forecasting fair value movements and preparing the models for and calculating carried interest income for the funds under the management of the Group.





CapMan's subsidiaries holding a license to act as alternative investment fund manager or investment firm granted by the Finnish Financial Supervisory Authority, have separate risk management and internal audit functions as required by applicable laws.

The compliance function oversees that the operations of the CapMan Group comply with regulation and that the group companies will adopt the relevant new regulations promptly.

## 10 Other information

### 10.1 Procedures related to insider administration

CapMan complies with the Market Abuse Regulation's ("MAR", 596/2014) rules on managers' transactions and insider management and the guidelines for insiders issued by Nasdaq Helsinki. In addition, CapMan has its own internal policy regarding insider management. The Group's Compliance Officer is responsible for insider administration and shall e.g. monitor that employees comply with insider rules and trading restrictions, maintain project-specific insider lists, arrange internal trainings for employees on insider rules and on disclosure responsibilities of listed companies.

CapMan maintains an internal, non-public list of managers and persons closely associated with them, which are, according to MAR, obliged to disclose all transactions made with financial instruments issued by CapMan. CapMan has determined the members of the Board of Directors and the Management Group (including the CEO) as managers defined in the MAR (hereinafter "Manager(s)").

Each Manager has been instructed to inform the persons closely associated with them about the obligation to disclose transactions. CapMan publishes a release on each transaction which has been executed by a Manager or his/her closely associated person with the financial instruments issued by CapMan in case the total value of all transactions of this person exceeds EUR 5,000 within a calendar year. The total holding of CapMan's shares and share-based rights of each Manager is annually published as a part of the Annual Report.

CapMan maintains project-specific insider lists for the projects, as set out in MAR, which may have a significant effect on the prices of the financial instruments issued by CapMan. These project-specific insider lists are drafted and maintained in accordance with the MAR and CapMan's internal policies and are established following a decision to delay the disclosure of inside information. The persons added to the project-specific list and other persons who possess inside information related to CapMan, are advised not to trade in financial instruments issued by CapMan. Prior to trading in CapMan's financial instruments, each manager and employee is obliged to personally assess whether he/she is in the possession of inside information related to CapMan.

CapMan's Managers (as described above) or employees who receive financial information related to CapMan Plc are not permitted to trade in financial instruments issued by CapMan during a closed period of 30 calendar days prior to the publication of CapMan's interim reports, half-year financial report or financial statements bulletin (closed

period). The publication dates are announced annually over a stock exchange release. CapMan's Managers and employees have been instructed to inform their closely associated persons regarding closed periods and trading restrictions on CapMan's financial instruments during the closed period. According to the internal trading pre-approval procedure, the Managers of CapMan Group are obliged to request a written pre-approval from the Compliance Officer before trading in financial instruments issued by CapMan.

### 10.2 Principles regarding Related Party Transactions

The company does not customarily enter into transactions with its related parties which would be significant for the company and deviate from the ordinary course of business or would be conducted in deviation from customary market terms. Possible significant and out of ordinary transaction deviating from market terms would be discussed in the Board meeting. The Board also confirms the company's principles regarding related party transactions. The related party transactions are monitored by the financial administration and the legal function as part of the company's customary reporting and control processes and the relevant persons are instructed of the related party matters. The company maintains a list of its related parties, and related-party transactions are reported in the financial statements, and significant related-party transactions are published as stock exchange releases, in accordance with applicable rules and regulations.

### 10.3 Audit fees

Ernst & Young Oy, authorised public accountants, acted as auditor of the company in 2021. Ms. Ulla Nykky, APA, acted as the lead auditor. The audit fees paid to the auditor amounted to 293,000 euros (283,000 euros 2020) and the fees related to other non-audit services amounted to 10,000 euros (28,000 in 2020).

### 10.4 Internal audit

Taking into account the nature and extent of the company's business, CapMan has not considered it necessary to organise internal audit as a separate function. The internal audit of the licensed operation has been outsourced to an external service provider.

2 February 2022  
CAPMAN Plc  
Board of Directors