

## **RECOMMENDATION OF THE AUDIT COMMITTEE OF BOARD OF DIRECTORS OF CAPMAN PLC TO CAPMAN PLC'S BOARD OF DIRECTORS – ELECTION OF THE AUDITOR IN THE ANNUAL GENERAL MEETING 2018**

This recommendation is based on the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the "Regulation").

In accordance with the obligations set out in Article 16(2) of the Regulation the Audit Committee of the Board of Directors of CapMan Plc has to give a recommendation to the Board of Directors of CapMan Plc on the selection of the statutory auditor. Audit Committee's recommendation shall be justified and contain at least two choices for the audit engagement and the audit committee shall express a duly justified preference for one of them.

The Audit Committee has received three good proposals made by candidate auditors. The proposals have been prepared in accordance with the selection criteria predetermined in the tender documents. The Audit Committee has evaluated the proposals based on the selection criteria and has paid special attention to experience on auditing publicly listed companies, business and industry experience within the audit team and auditor firm, experience on the special issues related to CapMan Group such as private equity and real estate fund management business, a proactive approach and good cooperation and communication between the auditors of the parent company and of the subsidiaries in different countries.

Audit Committee recommends to the Board of Directors that the statutory auditor for CapMan Plc to be appointed would be Ernst & Young Oy. Secondary choice for the audit engagement would be PricewaterhouseCoopers Oy.

Audit Committee states that its recommendation is free from influence of any third party and that the audit committee has not been obligated to follow the clause set out in Article 16(6) of the Regulation.