

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
Andreas Tallberg	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
Johan Bygge*	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
Catarina Fagerholm	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
Johan Hammarén*	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	
Eero Heliövaara	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
Mammu Kaario	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
Olli Liitola	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	
Peter Ramsay**	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



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