

Corporate Governance Principles

1 Provisions Followed by the Company and the Corporate Governance Code

Koskisen [Corporation] (hereinafter referred to as the “**Company**” or “**Koskisen**”) is a Finnish public limited liability company, and the responsibilities and obligations of its administrative organs are governed by the laws of Finland.

The Company’s decision-making and governance comply with the Finnish Limited Liability Companies Act, regulations concerning listed companies, Koskisen’s Articles of Association and the rules and guidelines of Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”).

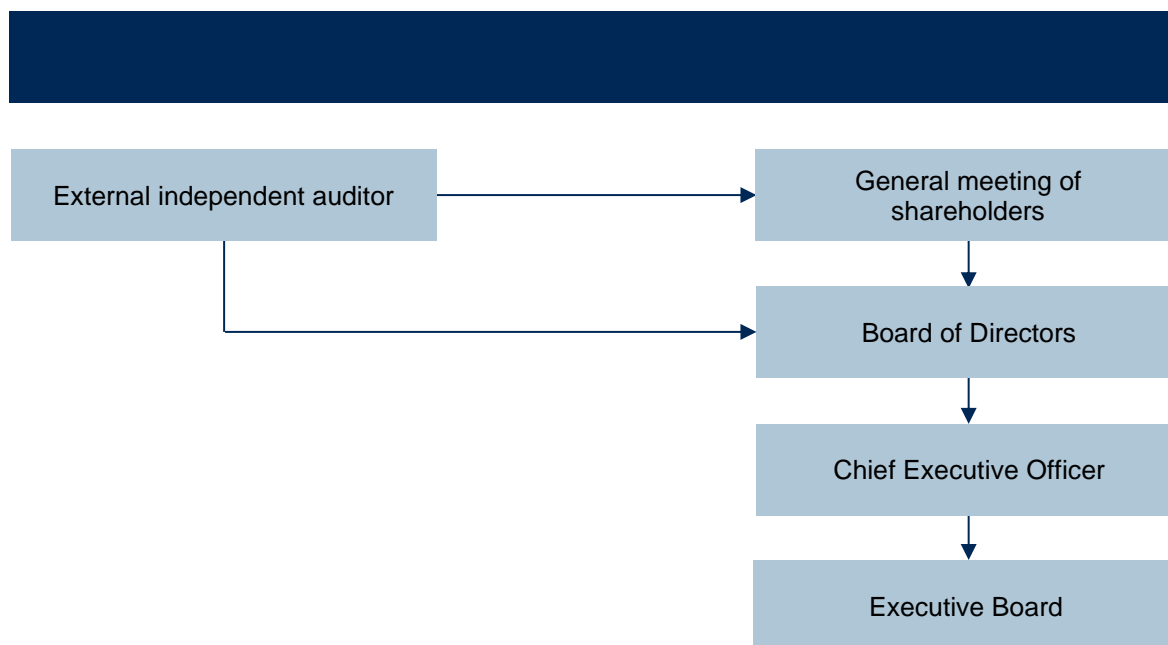
The Company complies with the Corporate Governance Code for Finnish listed companies (hereinafter referred to as the “**Corporate Governance Code**”). The Corporate Governance Code is available in full at www.cgfinland.fi.

2 Group Structure

The parent company of the Koskisen Group is Koskisen Corporation, with its registered office in Kärkölä, Finland. The Group includes the subsidiaries Kosava-Kiinteistöt Oy in Finland, Koskisen Sp z.o.o in Poland and Koskiles OOO in Russia.

3 Administration

The diagram below presents the administrative structure of Koskisen:



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4 General Meeting of Shareholders

4.1 General

The highest decision-making body is the Company's shareholders at general meetings of shareholders, where the shareholders can exercise their right to speak, present questions and vote.

The Annual General Meeting shall take place each year by the end of June, and it shall discuss matters which are to be reviewed by the Annual General Meeting under the Limited Liability Companies Act and which are included within its jurisdiction under the Articles of Association, as well as proposals made to it. The Company's Annual General Meeting usually takes place in April-May. If necessary, an extraordinary meeting of shareholders shall be convened, discussing a specific proposal made to the meeting of shareholders.

As a rule, the general meeting of shareholders reviews matters according to the agenda prepared by the Board of Directors. Under the Limited Liability Companies Act, a shareholder shall have the right to submit a written request to the Board of Directors to have a matter included on the agenda of the next general meeting of shareholders. The Company shall announce well in advance on its website the date by which shareholders shall present their demands concerning matters to be reviewed by the Annual General Meeting.

If a shareholder or shareholders representing a minimum of 10 percent of all shares or the Company's auditor in writing demand that a certain matter shall be reviewed by a general meeting of shareholders, the Board of Directors shall convene the general meeting to review the matter concerned.

4.2 Duties

Significant matters falling under the decision-making authority of the general meeting of shareholders include, *inter alia*:

- adopting the financial statements and resolving on the distribution of funds;
- resolutions on the number, election and remuneration of the members of the Board of Directors;
- discharging the members of the Board of Directors and the Chief Executive Officer (the "CEO") from liability;
- resolving on amendments to the Articles of Association;
- share issues or authorizing the Board of Directors to decide on share issues; and
- increasing or decreasing the share capital.



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4.3 Notice of the Meeting

A notice of a general meeting of shareholders shall be submitted to the shareholders by publishing the notice on the Company's website or in one or more widely circulated daily newspapers specified by the Board of Directors at the earliest three (3) months and at the latest three (3) weeks before the general meeting; however, a minimum of nine (9) days before the record date referred to in Chapter 5, Section 6a of the Limited Liability Companies Act. The notice of the meeting shall mention the matters to be discussed at the meeting and other information required by the Limited Liability Companies Act and Corporate Governance Code.

The notice of the meeting and proposals of the Board of Directors shall also be published as a stock exchange release. A proposal concerning the composition and remuneration of the Board of Directors and election of the auditor by shareholders representing a minimum of 10 per cent of the votes conferred by shares in the Company shall correspondingly be published as a stock exchange release.

The agenda of the general meeting, resolution proposals and meeting documents under the Limited Liability Companies Act, including the remuneration report and remuneration policy, if it is to be discussed by the meeting, shall be made available to shareholders on the Company's website a minimum of three weeks prior to the general meeting.

4.4 Participation

In accordance with the Limited Liability Companies Act, a shareholder shall have the right to participate in a general meeting and exercise their voting and other shareholder rights if their holding has been recorded in the list of shareholders maintained by Euroclear Finland Oy ("**Euroclear**") a minimum of eight (8) business days prior to the meeting (general meeting record date). Shareholders can exercise their rights at the general meeting either personally or by authorized proxy. A shareholder can have several proxies, representing the shareholder with regard to shares in different book-entry accounts. When registering for the general meeting, the shareholder shall report the shares with regard to which each proxy will represent the shareholder.

The holder of nominee-registered shares shall have the right to participate in a general meeting by virtue of shares on the basis of which they would have the right to be recorded in the list of shareholders maintained by Euroclear on the general meeting record date. In addition, participation requires that the shareholder has been temporarily entered in the list of shareholders maintained by Euroclear on the basis of these shares. With regard to nominee-registered shares, this is considered to constitute registration for the general meeting.

The Board of Directors of the Company may decide that the general meeting of shareholders may also be attended by a shareholder using his/her/its decision-making power fully through a data connection link and technical tool during the general meeting of shareholders.

In addition, the Board of Directors of the Company may decide that the general meeting of shareholders may also be attended by mail or through a data connection link and technical tool prior to or during the general meeting of shareholders. The Board of Directors may also



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decide that only part of the shareholder's rights may be used in such way and that the rights may only be exercised in a manner decided by the Board of Directors.

4.5 Participation of the Members of the Board of Directors and the CEO in Meetings

The CEO, Chair of the Board of Directors and members of the Board of Directors shall generally be present at general meetings. In addition, the auditor shall be present at the Annual General Meeting. A candidate for membership of the Board of Directors shall participate in the general meeting of shareholders at which the election takes place. If one or more individuals will not be present, the Company shall inform the general meeting of their absence.

4.6 Decision-making

The Company has one series of shares, and each share confers one vote at the general meeting. The shareholders can vote differently based on different shares, unless otherwise specified in the Articles of Association. A shareholder can also vote on the basis of only part of their shares. As a rule, resolutions of the general meeting require a simple majority of the votes cast at the meeting. The person receiving the most votes shall be elected. However, the general meeting of shareholders may, prior to the election, decide that being elected requires more than half of the votes cast. The Limited Liability Companies Act lists the situations in which a resolution requires two-thirds ($\frac{2}{3}$) of the votes cast and shares represented at the general meeting.

The Company's Articles of Association do not include a redemption clause or restrictions on voting.

The minutes of the general meeting, including voting results, and attachments to the minutes which are part of the resolution of the general meeting, shall be published on the Company's website within two weeks of the general meeting. The resolutions made by the general meeting shall also be published as a stock exchange release immediately once the general meeting has ended. The documents associated with the general meeting shall be available on the Company's website for a minimum of five years after the general meeting.

5 Board of Directors

5.1 Duties and Responsibility

The duties and responsibilities of the Company's Board of Directors shall be determined by the Limited Liability Companies Act and other applicable legislation. The Company's Board of Directors has general competence in all of the matters that are not prescribed to be decided on or carried out by other organs under law or the Company's Articles of Association. It is a general duty of the Company's Board of Directors to see to the administration of Koskisen and the appropriate organization of its operations. The Board of Directors shall in all situations act in line with the interests of Koskisen.

The duties of the Board of Directors shall include, *inter alia*:

- preparing reports of the Board of Directors, financial statements and interim reports;



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- seeing to the appropriate organization of accounts and financial administration;
- preparing proposals for the general meeting of shareholders and convening general meetings of shareholders;
- approving and confirming strategic guidelines and risk management principles;
- confirming annual budgets and operating plans;
- appointing the CEO and deciding on the CEO’s terms of service;
- deciding on the company structure;
- making significant business decisions, such as mergers and acquisitions, significant contracts, investments and financing arrangements; and
- deciding on other matters falling under the responsibilities of the Board of Directors under legislation.

The Board of Directors has a charter that specifies the duties of the Board of Directors and its Chair. The Board of Directors shall convene according to a pre-agreed schedule normally from 8 to 12 times a year and hold extraordinary meetings, if necessary. The Board of Directors shall annually review its activities and operating methods.

5.2 Members

In accordance with the Articles of Association, the general meeting of shareholders elects a minimum of three (3) and a maximum of nine (9) members of the Board of Directors. The term of office of a member of the Board of Directors commences at the close of the general meeting that elected them and expires at the close of the next Annual General Meeting. The general meeting of shareholders elects a chair of the Board of Directors. The most efficient Board of Directors work requires the members of the Board of Directors to have mutually complementary competencies and expertise and sufficient diversity. In preparing a proposal concerning the composition of the Board of Directors, the Board of Directors shall consider the candidates’ educational and professional background, gender and international experience so that expertise and education that extensively and diversely supports Koskisen’s operations are present on the Board of Directors.

Chair

The general meeting of shareholders elects a chair for one year at a time.

The Chair of the Board of Directors, *inter alia*:

- convenes meetings of the Board of Directors;
- approves the agenda prepared by the CEO for Board of Directors meetings;
- is responsible for minutes being drawn up for each meeting of the Board of Directors;



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- keeps in touch with the CEO and members of the Board of Directors in between meetings and is responsible for the organization of the work of the Board of Directors; and
- is responsible for ensuring that the provisions of the charter of the Board of Directors are followed in the work of the Board of Directors.

In the event of a tie in a matter voted on by a Board Meeting, the Chair shall have the casting vote.

5.3 Committees

The Company has an Audit Committee, which consists of minimum of three (3) and a maximum of five (5) members, including a Chair, that are elected by the Board of Directors among its members following the Annual General Meeting. The term of office of the members of the Audit Committee is one year.

The majority of the members of the Audit Committee shall be independent of the Company and at least one member of the Audit Committee shall be independent of the significant shareholders of the Company. Members of the Audit Committee shall have relevant expertise and experience required for the performance of the duties and responsibilities of the Audit Committee and the mandatory tasks relating to auditing. At least one of the members of the Audit Committee shall have expertise in accounting or auditing and the members of the Audit Committee as a whole shall have relevant expertise in the Company's business operations.

A person who participates in the day-to-day management of the Company or a company in the same group of companies, for example as a CEO, cannot be appointed to the Audit Committee.

The Board of Directors has confirmed a written charter for the Audit Committee that lays down the key duties and operating principles of the Audit Committee.

The Board of Directors has not established any committees in addition to the Audit Committee.

6 CEO

It is the duty of the CEO to manage the operations of Koskisen in accordance with the guidelines and orders issued by the Company's Board of Directors and to keep the Board of Directors informed of the development of the business and financial position of Koskisen. As a rule, the CEO may only take unusual or extensive measures, considering the scope and quality of the Company's operations, when authorized to do so by the Board of Directors. The CEO is also responsible for organizing the day-to-day administration of Koskisen and seeing to it that Koskisen's accounts are organized reliably.

The Board of Directors appoints the CEO and decides on the remuneration paid to the CEO and other terms of the CEO contract in line with the remuneration policy in force. The terms



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of the CEO's service shall be agreed upon in writing. The CEO shall be appointed to the position until further notice.

7 Executive Board

The Executive Board supports the CEO in implementing the Company's strategy and manages the business operations of Koskisen on the whole. The members of the Koskisen Executive Board have extensive authority to operate within their respective areas of responsibility, and it is their duty to develop the business operations of Koskisen in line with the objectives set by the Company's Board of Directors and the CEO. The Executive Board convenes regularly on a monthly basis and as necessary.

8 Auditor

The Company's general meeting of shareholders elects the auditor on the basis of the Board of Directors' recommendation. In accordance with the Company's Articles of Association, the Company's auditor shall be a firm of auditors approved by the Finnish Patent and Registration Office. The term of office of the auditor ends at the close of the next Annual General Meeting.

9 Internal Control and Risk Management

The Company's Board of Directors has confirmed the operating principles of internal control followed at Koskisen, aiming to ensure that the Company's objectives regarding, inter alia, Koskisen's strategy, operations, practices and financial reporting in particular are met. The operating principles of internal control also contribute to ensuring the Company's compliance with legislation and regulations. The Company's Board of Directors has also defined the principles of risk management. The purpose of risk management is to ensure the comprehensive and appropriate identification, assessment, management and supervision of risks.

10 Insider Management

Koskisen has in force insider guidelines approved by the Board of Directors. These are based on the legislation in force, regulations issued by the competent authorities and other regulations, as well as the insider guidelines of Nasdaq Helsinki.

The person in charge of insider issues at Koskisen is the Chief Financial Officer (the "CFO"), who is also responsible for maintaining the insider lists. The practical duties relating to the insider list and the management of inside information are taken care of by a person designated by the person in charge of insider issues. The person in charge of managing the duty to disclose management and related party transactions is Director, Sustainability and Communications and a substitute appointed by them.



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