kojamo

Corporate Governance Statement

2022

Corporate Governance Statement 2022

I Introduction

Kojamo plc is a public limited company registered in Finland that operates as Kojamo Group's parent company. Kojamo plc's share is listed on the Helsinki Stock Exchange (Nasdaq Helsinki Ltd). Kojamo plc has also issued bonds that are listed on the Helsinki Stock Exchange or the Irish Stock Exchange (ISE). The home state in terms of the Company's disclosure obligation is Finland.

In its decision-making and administration, Kojamo adheres to Finnish laws and regulations, Kojamo plc's Articles of Association, the EU's Market Abuse Regulation (MAR), the rules of Nasdaq Helsinki Ltd as well as the guidelines of the European Securities and Markets Authority (ESMA) and the Financial Supervisory Authority. In addition, Kojamo complies with the Securities Market Association's Finnish Corporate Governance Code 2020, which entered into force on 1 January 2020. The Corporate Governance Code 2020 is publicly available on the Securities Market Association's website at www.cgfinland.fi.

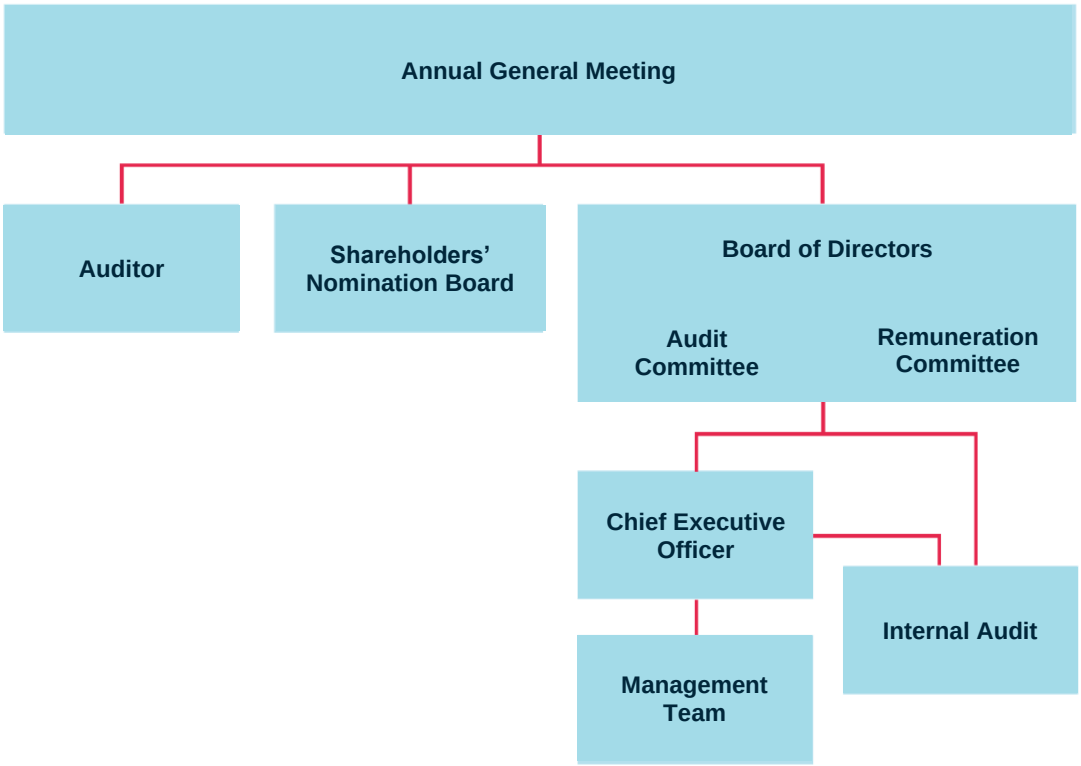
Kojamo complies with the recommendations of the Corporate Governance Code 2020 without deviations.

The statement is issued as a separate document from the Board of Directors' Report. This statement was discussed by the Audit Committee of Kojamo plc's Board of Directors on 13 February 2023.

The statement is available on Kojamo's website at https://kojamo.fi/en/investors/corporate-governance/.

II Descriptions of Corporate Governance

Pursuant to the Finnish Limited Liability Companies Act and Kojamo plc's Articles of Association, control and administration in the company is divided among the shareholders presented at the Annual General Meeting, the Board of Directors and the CEO. The CEO is assisted by the Management Group.



Annual General Meeting

The General Meeting is Kojamo plc's highest governing body, in which shareholders exercise their decision-making powers. General Meetings are arranged so that shareholders can exercise their rights as owners effectively. For this reason, the CEO as well as the Chairman and members of the Board of Directors shall be present at General Meetings. Those standing for election to the Board of Directors for the first term shall attend the Annual General Meeting deciding on the election.

The Annual General Meeting shall, as per the Articles of Association, be arranged once a year on a date defined by the Board of Directors, at the latest six months after the financial year has ended.

The Annual General Meeting decides on the matters specified in Section 9 of the Articles of Association and any other business proposed for the agenda.

A shareholder is entitled to have a matter falling within the remit of the General Meeting considered by the General Meeting, provided that the matter is presented in writing in time for it to be included in the notice convening the meeting. In 2022, shareholders were required to present matters for consideration by the Annual General Meeting by 31 January 2022. The shareholders did not present any matters for consideration by the Annual General Meeting.

An Extraordinary General Meeting is called if the Board of Directors deems it necessary or if the auditor or shareholders, who together hold one tenth of all shares, demand it in writing to consider a specific matter.

The notice convening the General Meeting shall be delivered to the shareholders no earlier than three months and no later than three weeks prior to the meeting, but no later than nine days before the record date of the General Meeting. The notice shall be delivered to the shareholders by means of a notice published on the Company's website or at least in one national daily newspaper designated by the Board of Directors. The earliest possible registration deadline is ten days before the meeting.

Sufficient information about the issues to be discussed at a General Meeting shall be made available to shareholders before the meeting.

The Annual General Meeting was held on 16 March 2022 in Sanomatalo, Helsinki following the exceptional procedure for the meeting based on the temporary legislative act to limit the spread of the Covid-19 pandemic (677/2020) approved by the Finnish Parliament on 15 September 2020. Shareholders of the company and their proxy representatives were able to participate in the meeting and exercise shareholder rights only through voting in advance as well as by making counterproposals and presenting questions in advance. The company did not receive any counterproposals or questions. A total of 642 shareholders participated in the meeting, either personally or by proxy, representing approximately 48.0 per cent of the Company's shares and votes. The Chairman of the Board of Directors and the CEO were in attendance at the meeting. The minutes of the Annual General Meeting are available on the Company's website at https://kojamo.fi/en/investors/corporate-governance/.

Shareholders' Nomination Board

Kojamo has a permanent Shareholders' Nomination Board whose task is to prepare proposals concerning the election and remuneration of the members of the Board of Directors and remuneration of the members of the Committees of the Board of Directors to the next Annual General Meeting and, if needed, to Extraordinary General Meetings. The main task of the Nomination Board is to ensure that the Board of Directors and its members have sufficient expertise, competence and education to meet the Company's needs.

The Shareholders' Nomination Board shall comprise representatives nominated by the three largest shareholders of the Company and the Chairman of the Board of Directors as an expert member. The Chairman of the Board of Directors shall not take part in the decision-making of the Shareholders' Nomination Board.

The right to nominate representatives shall be vested with the three shareholders of the Company having the largest share of the votes represented by all the shares in the Company annually on the first working day of September. The nomination right shall be based on the Company's shareholder register maintained by Euroclear Finland Ltd, unless requests made by nominee registered shareholders or notifications related to flagging obligation indicate otherwise. Should a shareholder not wish to exercise his/her nomination right, the right shall be transferred to the next largest shareholder who otherwise would not be entitled to nominate a member.

The Shareholders' Nomination Board shall serve until further notice, until the General Meeting decides otherwise. The term of office of the members of the Shareholders' Nomination Board expires annually after the new Nomination Board has been appointed.

The Charter of the Nomination Board is available on the Company's website at https://kojamo.fi/en/investors/corporate-governance.

For the period starting on 1 September 2022, the Shareholders' Nomination Board consisted of Arve Regland, Risto Murto and Jouko Pölönen. Arve Regland served as Chairman.

Shareholders' Nomination Board 31 December 2022		
Arve Regland	Risto Murto	Jouko Pölönen
Chairman		
b. 1972	b. 1963	b. 1970
Education: M.Sc. in Business, Authorised Public Accountant	Education: D.Sc. (Econ.)	Education: M.Sc. (Econ.), eMBA

Main occupation: Fredensborg AS, Group CFO	Main occupation: Varma Mutual Pension Insurance Company, CEO	Main occupation: Ilmarinen Mutual Pension Insurance Company, CEO

The Nomination Board convened six times during the financial year 2022 and once during January 2023, with an attendance rate of 100 per cent. The Nomination Board members were present at the meetings as follows:

Members of the Nomination Board	Attendance/Number of meetings
Arve Regland	7/7
Risto Murto	7/7
Jouko Pölönen	7/7

Composition and operations of the Board of Directors

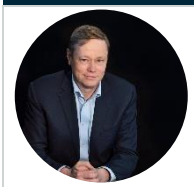
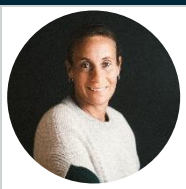
Composition of the Board of Directors

Kojamo plc's Board of Directors is elected by the Annual General Meeting, based on a proposal by the Shareholders' Nomination Board. The Board of Directors consists of a minimum of five and a maximum of eight members. The members of the Board of Directors do not have a specific appointment order.

The term of the Board of Directors is one year and ends at the close of the next Annual General Meeting following the election.

The Annual General Meeting held on 16 March 2022 elected seven members to Kojamo's Board of Directors: From the previous members of the Board of Directors Chairman Mikael Aro, Vice-Chairman Mikko Mursula and members Reima Rytsölä, Matti Harjuniemi, Anne Leskelä and Catharina von Stackelberg-Hammarén were re-elected. Kari Kauniskangas was elected as a new member to the Board of Directors.

Board of Directors on 31 December 2022

						
Mikael Aro	Mikko Mursula	Matti Harjuniemi	Kari Kauniskangas	Anne Leskelä	Reima Rytsölä	Catharina von Stackelberg-Hammarén
Chairman	Vice-Chairman					
b. 1965	b. 1966	b. 1958	b. 1974	b. 1962	b. 1969	b. 1970
Education: eMBA	Education: M.Sc. (Econ.)	Education: MA	Education: M.Sc. (Tech.), B.Sc. (Econ.)	Education: M.Sc. (Econ.)	Education: M.Soc.Sc., CEFA, AMP	Education: M.Sc. (Econ.)
Main occupation: Triton, Senior Industry Adviser	Main occupation: Ilmarinen Mutual Pension Insurance Company, Deputy CEO, Investments	Main occupation: Finnish Construction Trade Union, Chairman	Main occupation: Professional board member, AINS Group Oy, Group CEO (from 1 January 2023)	Main occupation: Professional board member	Main occupation: Solidium Oy, CEO (from 1 August 2022)	Main occupation: Marketing Clinic Oy, Executive Chairman of the Board
Member of the Board since 2019, Chairman since 2019	Member of the Board since 2016, Vice-Chairman since 2016	Member of the Board since 2010	Member of the Board since 2022	Member of the Board since 2018	Member of the Board since 2014	Member of the Board since 2021

Shares owned by the members of the Board of Directors on 31 December 2022

On 31 December 2022, the members of the Board of Directors or corporations over which they exercise control owned shares and share-based rights in the Company or in companies belonging to the same Group as the Company as follows:

Member of the Board	Share ownership on 31 December 2022
Mikael Aro	31,914
Mikko Mursula	4,151
Matti Harjuniemi	3,473
Kari Kauniskangas	814
Anne Leskelä	4,151
Reima Rytsölä	8,473
Catharina von Stackelberg-Hammarén	2,778

Operations of the Board of Directors

The Board of Directors shall act according to the interests of Kojamo and all of its shareholders. The members of the Board of Directors do not represent the shareholders that might have nominated them.

The Board of Directors oversees the appropriate organisation of the management and operations of the Company. The Board of Directors is responsible for ensuring the appropriate organisation of the Company's accounting and financial control. The Board of Directors guides and supervises the Company's operational management.

The Board of Directors has compiled a written charter for its operations, defining the main tasks and operating principles of the Board. The charter is available on the Company's website at https://kojamo.fi/en/investors/corporate-governance.

According to the charter, the main tasks of the Board of Directors include, among other things:

- electing the Vice-Chairman of the Board of Directors and appointing a Secretary;
- appointing the CEO of the Company and the Deputy CEO as well as deciding on the terms of their employment;
- setting personal targets for the CEO annually and evaluating their achievement;
- appointing the members of the Group's Management Team and confirming the terms of their employment;
- deciding on short-term and long-term incentive plans;
- approving financial statements and consolidated financial statements as well as interim reports and financial statement bulletins;
- preparing matters that will be considered by the Annual General Meeting, convening the Annual General Meeting and preparing draft resolutions for the Annual General Meeting in accordance with the Finnish Limited Liability Companies Act and the Company's Articles of Association (e.g. the use of the profit shown in the balance sheet);
- approving the Corporate Governance Statement;
- approving the Remuneration Policy and Remuneration Report;
- approving the Group's strategic objectives;
- approving the budget as well as investment and divestment plans;
- ensuring the operation of the management system;
- confirming any policies devised in the Group (e.g. policies related to personnel, treasury and risk management);
- confirming the values and operating model of the Company and monitoring their realisation;
- deciding on significant investments and divestments;
- deciding on significant loans and guarantees;
- deciding on related party transactions that are not conducted in the ordinary course of business of the Company or are not implemented under arm's-length terms;
- meeting with the auditors at least once a year;
- deciding on delaying the disclosure of inside information in accordance with the Company's insider guidelines. The delay decision can also be made by the CEO with the CFO as deputy;
- discussing and approving significant stock exchange releases; and
- discussing all other matters that the Chairman of the Board of Directors or the CEO have submitted to the agenda of the meeting.

A member of the Board of Directors shall not participate in the discussion or decision of a matter that has bearing on a company or organisation in which he or she works or serves as a member of an administrative body.

Focus areas of the Board of Directors' operations in 2022

The focus of the Board of Directors' operations in 2022 was on ensuring profitable growth in accordance with Kojamo's strategy, fostering future competitiveness, guiding the Group's business operations, advancing in the roadmap of sustainability, securing financing, looking into the fair value of investment properties, and deciding acquisitions and divestments of real estate assets.

Meetings of the Board of Directors

The Board of Directors convened 13 times in 2022. The attendance rate was 98 per cent.

The Board members were present at the meetings as follows:

Member of the Board	Attendance/Number of meetings
Mikael Aro	13/13
Mikko Mursula	12/13
Matti Harjuniemi	13/13
Kari Kauniskangas, from 16 March 2022	12/13
Anne Leskelä	13/13
Minna Metsälä, until 16 March 2022	1/13
Reima Rytsölä	13/13
Catharina von Stackelberg-Hammarén	12/13

Evaluation of the Board of Directors' operations

The Board of Directors evaluates its operations and working methods annually. The objective is to evaluate the success of the Board of Directors' operations and how they could be developed. The evaluation looks into how the Board of Directors' own action plan has been carried out. In addition, the evaluation examines whether the charter of the Board of Directors is up to date. The Board of Directors also aims to evaluate the effectiveness of its own operations. The outcomes of the evaluation shall be observed when preparing a proposal for the composition of the new Board of Directors and when developing the next action plan.

Independence of the members of the Board of Directors

The Board of Directors evaluates the independence of its members annually. A majority of the Board members must be independent of the Company. At least two of the members belonging to the aforementioned majority must be independent of the Company's significant shareholders. Independence here refers to independence within the meaning of the Finnish Corporate Governance Code 2020, which entered into force on 1 January 2020.

The Board of Directors has evaluated that all Board members are independent of the Company and its significant shareholders.

Diversity of the Board of Directors

The diversity of the Board members' expertise, experience and views supports the company's business operations and development as well as open dialogue and independent decision-making. Moreover, diversity promotes good corporate governance, effective supervision of the executives and succession planning.

In preparing their proposal to the Annual General Meeting, the Shareholders' Nomination Board shall take into account the requirement for diversity.

Kojamo has established the principles for ensuring the diversity of the Board of Directors. The number of Board members and the composition of the Board shall meet the requirements of the Company's size, market position and industry. The Company's Board of Directors shall have sufficient expertise, competence and experience in matters related to the Company's industry and business operations. The Board shall collectively have sufficient competence and qualifications in matters related especially to the Company's industry and business operations, managing a public limited company comparable in size, corporate and financial management, strategy and corporate transactions, internal auditing, risk management and good Corporate Governance.

A further objective is that Board members shall represent both genders and different age groups and serve terms of different lengths. Board members are also expected to have sufficient time for their Board duties.

The composition of the Board of Directors is in line with the diversity principles. Seven of the Board members have graduated from higher education institutions. The Board members work in executive positions in various fields and are aged 48 to 64. The Board of Directors includes both genders: five of the Board members are men and two are women. The terms of office of the members range from one to thirteen years.

Board committees

The Board of Directors has two permanent committees that assist the Board by preparing issues for the Board to consider. The permanent committees are the Audit Committee and the Remuneration Committee. The Board of Directors is responsible for the performance of the duties it allocates to the Committees. If necessary, the Board of Directors may also establish other committees and temporary working groups from among its members to prepare other important decisions.

The committees have no decision-making authority in themselves; their purpose is to assist the Board of Directors by preparing issues that are within the Board's remit. The committees report regularly to the Board of Directors.

The Board of Directors elects the members and chairmen of the committees from among its members. The members' term of office is one year, ending at the close of the next Annual General Meeting after the election. Each committee shall have at least three members. A quorum of a committee meeting shall be attained when the Chairman and at least one member are present.

The Board of Directors has confirmed written charters for the committees, defining their tasks and operating principles.

Audit Committee

The main tasks of the Audit Committee, according to the written charters the Board has confirmed for them, include:

- monitoring and assessing the financial reporting system;
- monitoring and assessing the efficiency of the internal control, internal audit and risk management systems;
- monitoring and assessing how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary activities and arm's-length terms;
- monitoring and assessing the independence of the statutory auditor and the provision of related services to the Company;
- monitoring the statutory audit of the financial statements and consolidated financial statements;
- monitoring the Company's financial position;
- monitoring the Company's financing situation and tax status;
- monitoring significant financial as well as financing and tax risks;
- overseeing the financial and risk management reporting processes;
- defining the principles concerning the monitoring and evaluation of related party transactions;
- approving the operating instructions of the internal audit;
- discussing internal audit plans and reports;
- maintaining contact with the auditor and reviewing the Auditor's Report;
- preparing the proposals for the resolutions regarding the selection and remuneration of the auditors;
- monitoring processes and risks related to IT security;
- reviewing the Company's Corporate Governance Statement and statement of non-financial information;
- evaluating compliance with laws and regulations; and
- resolution and monitoring of any special issues allocated by the Board of Directors and falling within the competence of the Audit Committee.

Focus areas of the Audit Committee's operations in 2022

The focus areas of the Audit Committee's operations in 2022 were monitoring and evaluating the financial reporting system, discussing financial reviews and related materials, interaction with the Company's auditors and internal audit function, looking into financing, fair value of investment properties, and data protection.

The majority of the members of the Audit Committee shall be independent of the Company and at least one member shall be independent of the Company's significant shareholders.

During the period 1 January–31 December 2022, the Audit Committee was chaired by Anne Leskelä and included Mikko Mursula, Catherina Stackelberg-Hammarén, Matti Harjuniemi (until 16 March 2022), and Kari Kauniskangas (from 16 March 2022) as members.

The Audit Committee convened four times during the financial year, with an attendance rate of 100 per cent.

The Audit Committee members were present at the meetings as follows:

Members of the Audit Committee	Attendance/Number of meetings
Anne Leskelä	4/4
Mikko Mursula	4/4
Matti Harjuniemi, until 16 March 2022	1/4
Kari Kauniskangas, from 16 March 2022	3/4
Catharina von Stackelberg-Hammarén	4/4

Remuneration Committee

The main tasks of the Remuneration Committee, according to the written charters the Board has confirmed for them, include:

- approving the Remuneration Policy of the Company's governing bodies and the Remuneration Report;
- presenting the Remuneration Policy of the Company's governing bodies and the Remuneration Report at the Annual General Meeting and responding to questions concerning them;
- preparing matters pertaining to the remuneration and other financial benefits of the Company's CEO and Deputy CEO;
- preparing matters pertaining to the remuneration and other financial benefits of other executives;
- evaluating the remuneration of the CEO and other executives and ensuring the appropriateness of the incentive plans,
- preparing matters pertaining to the Company's incentive plans;
- preparing matters pertaining to the nomination of the CEO and Deputy CEO as well as identifying their successors; and
- planning the remuneration of other personnel and development of the organisation.

Focus areas of the Remuneration Committee's operations in 2022

The focus areas of the Remuneration Committee's operations in 2022 were monitoring the competitiveness of incentive plans, monitoring forecasts concerning the short-term and long-term incentive plans and preparations concerning the 2023 short-term incentive plan and the 2023–2025 long-term incentive plan.

The majority of the Remuneration Committee shall be independent of the Company.

During the period 1 January–31 December 2022, the Remuneration Committee was chaired by Mikael Aro and included Reima Rytsölä, Minna Metsälä (until 16 March 2022), and Matti Harjuniemi (from 16 March 2022) as members.

The Audit Committee convened four times during the financial year, with an attendance rate of 100 per cent.

The Remuneration Committee members were present at the meetings as follows:

Members of the Remuneration Committee	Attendance/Number of meetings
Mikael Aro	4/4
Matti Harjuniemi, from 16 March 2022	3/4
Minna Metsälä, until 16 March 2022	1/4
Reima Rytsölä	4/4

CEO

The Board of Directors appoints the CEO and Deputy CEO. The CEO is responsible for the running administration of the Company in accordance with the instructions and regulations given by the Board of Directors (general jurisdiction). The CEO oversees that the accounts of the Company are in compliance with the law and that the Company's financial affairs have been arranged in a reliable manner. The CEO shall give the Board of Directors and its members all the information necessary to carry out their tasks.

The CEO is responsible for the Company's business in general, and for ensuring that its operations are properly organised and its objectives achieved. The CEO prepares and presents to the Board of Directors the Company's strategic plan, budget and investments and divestments plan as well as ensures that they are implemented as decided by the Board of Directors. The CEO reports to the Board of Directors on the company's financial position, business environment and other significant matters related to the company's operations. The CEO also chairs the Management Team.

The duties of the CEO are performed by the Deputy CEO if the CEO is unable to perform the duties.

The CEO is Jani Nieminen, M.Sc. (Tech.), MBA. The CEO's deputy is CFO Erik Hjelt, LL.Lic., eMBA.

The terms of the CEO's service are specified in writing in the CEO's service contract approved by the Board of Directors. The terms of the Deputy CEO's service are also specified in writing in a service contract approved by the Board of Directors.

Management Team

The Management Team assists the CEO in the handling of operational issues, the preparation of Group strategy issues and the facilitation of internal communications.

The Management Team is also responsible for implementing the Board of Directors' decisions under the leadership of the CEO. The Management Team analyses changes in the operating environment and prepares actions accordingly as well as prepares matters for the Board of Directors and its committees.

At the end of 2022, the composition of the Management Team was as follows:

Management Team on 31 December 2022

Jani Nieminen	Erik Hjelt	Katri Harra-Salonen	Irene Kantor	Tiina Kuusisto	Ville Raitio
b. 1968	b. 1961	b. 1969	b. 1968	b. 1968	b. 1978
CEO	CFO, Deputy CEO	Chief Digital Officer	Marketing and Communications Director (until 31 Dec 2022)	Chief Customer Officer (CCO)	Chief Investment Officer (CIO)
Education: M.Sc. (Tech.), MBA	Education: LL.Lic., EMBA	Education: M.Sc. (Tech.), eMBA	Education: MA, EMBA	Education: M.Sc. (Econ.)	Education: M.Sc. (Econ.)

The Management Team meetings are attended by the General Counsel of the Company and, at the CEO's discretion, the Company's internal auditor and other specialists.

On 31 December 2022, the members of the Management Team and corporations over which they exercise control owned shares and share-based rights in the Company and companies within the same Group as follows:

Members of the Management Team	Share ownership on 31 December 2022
Jani Nieminen	102,725
Erik Hjelt	40,963
Katri Harra-Salonen	2,554
Irene Kantor	16,750
Tiina Kuusisto	12,412
Ville Raitio	14,629

III Descriptions of internal control procedures and the main features of risk management systems

Risk management

Kojamo's risk management is based on the company's risk management and treasury policy, business principles and the risk assessments carried out during the strategy and annual planning process. Risk management is part of the company's internal control, its purpose being to ensure that the company achieves its business objectives.

The role of risk management is to identify, classify, analyse and manage central risks associated with the operations. The aim is to ensure the achievement of the goals related to financial performance, customers and personnel.

Responsibility for the organisation of risk management and the risk management policy rests with the Board of Directors. Risk management is based on the risk assessments carried out during the strategy and annual planning process, which involve identifying key risks, evaluating their likelihood and potential impacts, and defining the means to manage them. Any significant changes in risks associated with the operations and the business environment are evaluated regularly and reported to the Audit Committee and the Board of Directors as part of quarterly interim reporting.

Internal control

Internal control seeks to ensure that Kojamo's operations comply with current legislation and regulations and the company's operating principles, and that the company's financial and business reporting is reliable. Internal control also seeks to safeguard Kojamo's assets and ensure that its operations are efficient and reliable, thereby enabling its strategic goals to be achieved.

The internal control and risk management operating model for financial reporting is designed so as to gain sufficiently dependable information on the reliability of financial reporting and to ensure that the financial statements are drawn up according to current legislation and regulations.

Kojamo's internal control system is based on the framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The organisation of internal control is the responsibility of the Board of Directors and the CEO. However, responsibility for carrying out internal control is shared by the entire organisation: each individual Group employee is responsible to his/her supervisor for internal control in his/her area of responsibility.

Auditing environment

Principal responsibility for the internal auditing of financial reporting rests with the Board of Directors. The working order of the Board of Directors outlines the responsibilities of the Board and the division of duties within the Board and among its committees. The principal task of the Audit Committee appointed by the Board of Directors is to ensure that the principles outlined for financial reporting, risk management and internal control are complied with, and that appropriate contact is kept with the company's auditors. It is the duty of the CEO to maintain an organisational structure in which responsibility, authority and reporting relationships are clearly and comprehensively defined in writing, and to ensure that the internal control environment is adequately resourced.

In addition to laws and regulations, financial reporting is governed by Kojamo's operating principles, HR policy, financing policy, data security policy, accounting principles and reporting instructions.

Auditing measures

Kojamo's financial and operational reporting process complies with the Group's operating instructions and current process descriptions. The primary responsibility for the operational management of the monitoring environment for financial reporting lies with the CFO. The quality of reporting is ensured through process control measures. These include the reconciliation of accounts, system-generated controls, and inspections and other measures undertaken by management or other parties. Control functions have designated managers who are responsible for their sufficiency and the efficacy of their execution.

Control of the reporting and budgeting processes is based on Kojamo's standardised reporting principles, which are drawn up and maintained by the financial management.

Monitoring

The effectiveness of internal financial reporting control is monitored by the Board of Directors, the Audit Committee, the CEO and the internal auditing department. Internal control encompasses the monitoring of monthly financial and operational reports, the reviewing of forecasts and plans and the reviewing of reports prepared by internal auditing as well as quarterly interim reports from the external auditors.

Any significant changes in risks in business operations and the business environment are regularly evaluated as part of quarterly interim reporting.

Internal auditing submits a summary report to the Audit Committee every six months concerning the inspections conducted, principal observations made, and actions agreed upon.

IV Other information to be provided

Internal auditing

The internal audit is responsible for the independent evaluation and assurance function required of a listed company, which systematically examines and verifies the efficiency of risk management, control, management and governance. The Audit Committee of Kojamo's Board of Directors has confirmed the operating instructions for the internal audit function.

Kojamo's internal auditing has been outsourced to the audit firm PricewaterhouseCoopers Oy. Kojamo has designated the CFO and Group Controller to be in charge of coordinating the practical activities. Internal auditing operates under the authority of the CEO and the Audit Committee and reports its observations and recommendations to the Audit Committee, the CEO, the Management Team and the auditor. The auditing function covers all companies and functions in the Kojamo Group.

The auditing operations are based on risk analyses and conversations with the Group management related to risk management and control. Regular meetings with the auditor are set up in order to guarantee sufficient audit coverage and to avoid overlapping operations.

Internal auditing annually draws up an auditing plan that is approved by the CEO and the Audit Committee. The auditing plan is modified based on risks, if necessary.

Focus areas of the internal auditing operations in 2022 and 2023

The main focus areas of internal auditing operations in 2022 were related to unit inspections, the state of IT security and sustainability, management of occupancy rate and customer satisfaction.

In 2023 the main focus areas of internal auditing are related especially to HR processes, Treasury operations, New Construction Investment and unit inspections.

Insider management

With regard to insider management, Kojamo complies with the provisions of Market Abuse Regulation (EU) No. 596/20147 ("MAR") of the European Parliament and the Commission, guidelines issued by the Finnish Financial Supervisory Authority and the European Securities and Markets Authority (ESMA) as well as the rules and insider guidelines of Nasdaq Helsinki Ltd. In addition, Kojamo has prepared insider guidelines, approved by the Board of Directors.

The insider guidelines have been published on Kojamo's website at https://kojamo.fi/en/investors/corporate-governance/.

The insider guidelines shall be applied to persons discharging managerial responsibilities within Kojamo as well as to all persons who have access to inside information. The guidelines shall also be applied to any persons acting on behalf of the Company or on its account when they perform tasks through which they have access to inside information.

Kojamo maintains a list of persons discharging managerial responsibilities and persons closely associated with them. Persons discharging managerial responsibilities refer to members of the Board of Directors, the CEO and the members of the Management Team. Persons at Kojamo discharging managerial responsibilities and persons closely associated with them must inform Kojamo and the Finnish Financial Supervisory Authority of all of their business transactions. Kojamo publishes notifications on transactions made by persons discharging managerial responsibilities and persons closely associated with them promptly and no later than two business days after it has received a notification from a person discharging managerial responsibilities or a person closely associated with them.

All persons who have access to project-related inside information and who work for the Company or perform tasks for the Company through which they have access to project-related inside information, including any external consultants and auditors, are entered in the event-based insider list.

Persons subject to the trading restriction include, among others, members of the Board of Directors, CEO, members of the Management Group, persons participating in the preparation, drawing-up and disclosure of financial reports or other persons who receive information about Kojamo's result before it is disclosed. The trading restriction is also applied to legally-incompetent persons under the custody or trusteeship of persons subject to the trading restriction. The restriction also covers the execution of transactions for one's own account or for the account of a third party, directly or indirectly, for instance through a legal person over which a person discharging managerial responsibilities exercises control.

A person who discharges managerial responsibilities within Kojamo or who has been defined to be subject to the trading restriction may not execute transactions on their account or for the account of a third party during a closed period. At Kojamo, the closed period begins once the quarter in question ends and runs until the publication of a financial statements bulletin, a half-yearly financial report or an interim report. However, the closed period is always at least thirty (30) days before the publication of the interim report, half-yearly financial report or financial statements bulletin in question. Kojamo also does not repurchase its own shares during this period.

The auditor and the auditor's remuneration

The audit is conducted by the auditor elected at the Annual General Meeting. The auditor of the Company shall be an auditing firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the close of the next Annual General Meeting following the election.

During the statutory annual audit, the auditor inspects the Company's accounts, annual report, financial statements and governance for the period under review. The auditor also inspects the consolidated financial statements and relationships between Group companies.

The auditor for the financial year 1 January–31 December 2022 was KPMG Oy Ab. The auditor with principal responsibility for the auditing firm was Esa Kailiala, KHT (APA).

In 2022, the auditing firm was paid in accordance with the table below. The fees include fees paid to the auditing firm by companies belonging to Kojamo.

Auditing fees, EUR	Other services, EUR	Total, EUR
296,144	233,866	530,010

Related party transactions

The Company's Board of Directors has defined the principles for the monitoring and evaluation of related party transactions. The Company has defined its related parties and maintains a list of related parties. Part of Kojamo's related parties (IAS 24) pursuant to the Limited Liability Companies Act can be unequivocally identified based on their position in the organisation. In addition, the Company regularly sends a questionnaire to its related parties to identify other related parties.

Decisions on business transactions with related parties shall be made by the Management Team. However, if the transaction is not conducted in the ordinary course of Kojamo's business or is not implemented under arm's-length terms, the decision on the transaction with a related party shall be made by Kojamo's Board of Directors. The Company ensures that potential conflicts of interest are appropriately taken into consideration in the Company's decision-making.

The Company evaluates and monitors transactions with related parties and the terms thereof and reports on them annually to the Audit Committee.