

TOKMANNI



Corporate Governance Statement

2022

Tokmanni's Corporate Governance Statement 2022

Governance at Tokmanni Group (hereinafter also referred to as "Tokmanni" or the "Group") is based on the Articles of Association approved by the General Meeting of Shareholders, the Finnish Limited Liability Companies Act and the rules and regulations issued by Nasdaq Helsinki Ltd. with regard to listed companies. Tokmanni complies with the Finnish Corporate Governance Code 2020 issued by the Finnish Securities Market Association. The Code is publicly available at <http://cgfinland.fi/en>. The Finance and Audit Committee of Tokmanni's Board of Directors has reviewed the Corporate Governance Statement.

Regulatory framework

The duties of Tokmanni's governing bodies are based on Finnish law. In addition to the Finnish Corporate Governance Code for listed companies, Tokmanni complies with the corporate governance principles defined by its Board of Directors. The corporate governance principles are based on the Limited Liability Companies Act and the Securities Markets Act. In addition, Tokmanni observes other laws and decrees, its Articles of Association and the Guidelines for Insiders issued by Nasdaq Helsinki Ltd.

Tokmanni prepares its consolidated financial statements, interim reports and business reviews in accordance with international financial reporting standards adopted in Europe (International Financial Reporting Standards, IFRS), the Securities Markets Act, applicable regulations and guidelines of the Financial Supervisory Authority and the rules of Nasdaq Ltd. The Board of Directors' report, which is included in Tokmanni's financial statements, is prepared in accordance with Limited Liability Companies Act, the Accounting Act and the guidelines and statements of the Accounting Standards Board.

Tokmanni's governance model

In accordance with Tokmanni's single-level governance model, its management falls within the responsibility of the General Meeting of Shareholders, the Board of Directors, the CEO and the Deputy CEO, whose duties are primarily determined in line with the Finnish Limited Liability Companies Act. The Annual General Meeting elects the members of the Board of Directors and appoints the auditors. The Board of Directors is responsible for the company's strategic management, and its work is supported by the Finance and Audit Committee. The Board of Directors appoints the CEO, who is responsible for the company's day-to-day management. The Executive Group supports the CEO in managing the Group.



General meeting of shareholders

In accordance with the Finnish Limited Liability Companies Act and the Articles of Association, the General Meeting of Shareholders is Tokmanni's highest decision-making body, and it meets at least once a year. If necessary, the company may also hold Extraordinary General Meetings. According to the Articles of Association, the Annual General Meeting must be held within six (6) months of the end of the financial period. The Annual General Meeting decides on issues that fall within its responsibility in accordance with the Limited Liability Companies Act and the Articles of Association. These include adopting the financial statements, distributing the profits on the balance sheet, discharging the members of the Board of Directors and the CEO from liability, determining the number of members of the Board of Directors, and electing the Chair of the Board, the members of the Board and the auditor and determining the fees paid to them.

The invitation to the Annual General Meeting must be published on the company's website or in one or more widely circulated daily newspapers no sooner than three months and no later than three weeks before the meeting, but at least nine days before the record date of the meeting. In addition, Tokmanni publishes the invitation to the meeting by means of a stock exchange release immediately after the Board of Directors has decided to convene a General Meeting of Shareholders.

The agenda for the meeting and the proposed decisions concerning the composition of the Board of Directors, the auditors and the fees paid to the members of the Board of Directors, among other aspects, as well as other documents related to the meetings, must be published on the company's website no later than three weeks before the General Meeting of Shareholders. As a rule, the Chair of the Board, the members of the Board, the CEO, the Deputy CEO and the company's auditor must attend each Annual General Meeting, as must the proposed Board members.

To be entitled to attend an Annual General Meeting, a shareholder must respond to the company no later than the date specified in the invitation to the meeting. This date may not be sooner than ten days before the meeting.

A shareholder has the right to have a matter processed by an Annual General Meeting that falls within the responsibility of an Annual General Meeting. With regard to such matters, the demand must be presented to the Board of Directors in writing in a timely manner to allow sufficient time to have the matter included in the invitation to the meeting. Before the end of the financial period immediately preceding the Annual General Meeting, the company publishes on its website a date by which a shareholder must announce their demand, as well as a postal address or email address to which the demand must be sent.

All of the documents related to a General Meeting of Shareholders must be published on the company's website no later than two weeks after the meeting and kept available on the website for at least five years after the meeting.

Annual General Meeting 2022

Tokmanni Group Corporation's Annual General Meeting was held in Helsinki, Finland on 23 March 2022. The meeting was held based on the so-called temporary act so that shareholders participated in the meeting and exercised their shareholder rights only by voting in advance and by submitting counterproposals and asking questions in advance.

The meeting approved the financial statements, considered the Remuneration Report for governing bodies and discharged the responsible parties from liability for the financial period 1 January–31 December 2021.

The General Meeting approved dividends in line with the Board of Director's proposal of EUR 0.96/share. The proposed dividend was paid to shareholders who are registered in the company's shareholders register,

maintained by Euroclear Finland, on the record date of the payment of the dividend. The record date for the payment of the dividend was 25 March 2022 and the date for the payment of the dividend is 8 April 2022.

The number of Members of the Board of Directors was confirmed as six. Re-elected as Members of the Board were Seppo Saastamoinen, Harri Sivula, Thérèse Cedercreutz, Juha Blomster, Erkki Järvinen and Ulla Lettijeff. Seppo Saastamoinen was re-elected as the Chairman of the Board of Directors.

The General Meeting confirmed an annual compensation of EUR 84,000 for the Chairman of the Board and EUR 30,000 for the member of the Board.

The Chairman and the members of the Board of Directors will be paid an attendance fee per each meeting of the Board of Directors as follows:

- EUR 1,000 for those members of the Board of Directors who are domiciled in Finland;
- EUR 2,000 for those members of the Board of Directors who are domiciled elsewhere in Europe; and
- EUR 3,000 for those members of the Board of Directors who are domiciled outside Europe.

In addition, the Chairman of the Finance and Audit Committee will be paid EUR 1,000 as monthly remuneration.

The annual remuneration of the members of the Board of Directors is paid in company shares and in cash so that approximately 40% of the annual fee is paid in the company shares and the rest is paid in cash. The company will pay any costs and transfer tax related to the purchase of the company shares. The shares purchased for the Board member cannot be transferred until 3 years have passed from the date of purchase or before the Board member's membership in the Board has ended, whichever is earlier.

Board members' meeting fees and the Chairman of the Finance and Audit Committee's remuneration will be paid in cash.

The authorised public accountants PricewaterhouseCoopers Oy was nominated as the auditor for the term 2022. The principal auditor is APA Ylva Eriksson. The auditor is paid remuneration in accordance with a reasonable invoice.

The Annual General Meeting decided to authorise the Board of Directors to decide on the repurchase or acceptance as pledge, using the Company's unrestricted equity, of a maximum of 2,943,000 own shares, which corresponds to approximately 5% of the Company's total shares at the time of convening the Annual General Meeting. The repurchase may take place in one or more tranches. The authorisation includes the right of the Board of Directors to decide on all other matters related to the repurchase and/or the acceptance as pledge of shares. The authorisation is effective until the Annual General Meeting to be held in 2023, yet no further than until 30 June 2023. The authorisation had not been used by 31 December 2022.

The Annual General Meeting decided to authorise the Board of Directors to decide on the issuance of at most 2,943,000 new shares or shares held by the company in one or more tranches through a share issue and/or by issuing options or other special rights entitling to shares as referred to in Chapter 10 Section 1 of the Limited Liability Companies Act. 2,943,000 shares currently represent approximately 5% of Tokmanni's total number of registered shares. The authorisation includes the right of the Board of Directors to decide on any terms and conditions of the share issue and the issue of special rights referred to in Chapter 10 Section 1 of the Limited Liability Companies Act. The authorisation is effective until the Annual General Meeting to be held in 2023, yet no further than until 30 June 2023. The share issue authorization has been used and shares owned by the Group were conveyed to the key employees in connection with the remuneration.

All resolutions were taken without voting. The minutes of the meeting and other related documents can be found on Tokmanni's website ir.tokmanni.fi/en.

Board of Directors

Composition

According to Tokmanni's Articles of Association, the company's Board of Directors consists of three to eight members. Their term of office runs until the end of the Annual General Meeting immediately following the meeting in which they were elected. The Annual General Meeting elects the Chair and other members of the Board.

The Nomination Board prepares proposals for the nomination and remuneration of Board members for the Annual General Meeting. In addition to the candidates' competence and personal qualities, the Board assesses their cooperation abilities and ability to proactively support and challenge the executive management in a constructive manner.

The invitation to the Annual General Meeting includes a suggestion for the composition of the Board. In addition, a proposal for the composition of the Board submitted by shareholders who represent at least 10% of the votes provided by the shares in the company is included in the invitation, provided that the suggested candidates have given their consent and the proposal is submitted to the company in a timely manner in order to be included in the invitation.

After the invitation to the meeting has been published, the candidates are announced separately in a similar manner. Tokmanni publishes the candidates' personal information, key work experience and positions of trust on its website in connection with the invitation to the general meeting.

Independency

According to Recommendation 10 of the Finnish Corporate Governance Code, the majority of the members of the Board must be independent of the company and at least two of the members who are independent of the company must also be independent of its major shareholders.

The Board of Directors assesses the independence of its members annually and updates its assessments when necessary. The members of the Board of Directors are obliged to provide the necessary information to the Board of Directors for the assessment of independence.

The Board of Directors conducted the assessment of independence. Based on the assessment of independence, the Board of Directors considers the majority of the members of the Board to be independent of the company. The Board members, with the exception of Seppo Saastamoinen, are deemed to be independent of the company and the company's major shareholders.

The member of Tokmanni's Board of Directors, Seppo Saastamoinen served as the Deputy CEO of Tokmanni from 2003 to 2006, among other things. He also founded discount retailers Maxi-Makasiini and Maxi-Kodintukku, which were later incorporated into Tokmanni and has served as member of the Board of Directors of Tarjousmaxi, which was part of the Group. Saastamoinen has shareholdings in Takoa Invest Oy, which owned 17.91% of Tokmanni's shares at the end of 2022. In addition, Jukka Saastamoinen Oy owned 214,000 Tokmanni shares and Seppo Saastamoinen owns 30% of Jukka Saastamoinen Oy.

The compositions of the Board of Directors and its committees comply with the independence requirements of the Finnish Corporate Governance Code. The independence of Board members is presented in the table below.

Member of the Board	Independent of the company	Independent of major shareholders
Seppo Saastamoinen	No	No
Juha Blomster	Yes	Yes
Thérèse Cedercreutz	Yes	Yes
Erkki Järvinen	Yes	Yes
Ulla Lettijeffer	Yes	Yes
Harri Sivula	Yes	Yes

Principles concerning diversity

The composition of the Board of Directors should reflect the company's operations and the markets in which it operates. In order for the Board to work as effectively as possible, its members must have excellent qualifications and sufficiently diverse backgrounds. Tokmanni's principles concerning the diversity of the Board consider experience, broad-based education and competence, as well as gender balance. To achieve the determined targets, the Nomination Board carefully considers the diversity principles when preparing a proposal for the composition of the Board.

The targets determined in the diversity principles are estimated to have been achieved to a sufficient degree in 2022. The experience, educational background and professional expertise of the members elected to the Board of Directors at the 2022 Annual General Meeting are diverse and multidisciplinary. The Board members have experience in such areas as supply chain management, marketing, the food business and the retail sector. At the end of 2022, two of the six members of Tokmanni's Board of Directors were women. The Board members were aged 53–65.

More information on the members of the Board of Directors is available on Tokmanni's website at <https://ir.tokmanni.fi/en/investors/corporate-governance/board-of-directors>.

Board of Directors in 2022

The AGM held on 2022 decided that the Board of Directors consists of six members. The AGM elected Juha Blomster, Thérèse Cedercreutz, Erkki Järvinen, Ulla Lettijeffer, Seppo Saastamoinen and Harri Sivula as members of the Board. Seppo Saastamoinen was elected as Chairman of the Board of Directors. The Secretary of the Board was lawyer Jari Sonninen.

Composition of the Board of Directors 31 December 2022

Member	Member since	Born	Education	Main occupation	Shareholding 31.12.2022
Seppo Saastamoinen*	Chairman since 2018 Member since 2013	1960	Diploma in Business Administration	Board Professional and CEO of Takoa Invest Oy	111,987
Juha Blomster	2018	1957	M.Sc. (Econ)	Board Professional and entrepreneur	8,840
Thérèse Cedercreutz	2016	1969	M.Sc. (Econ)	Chief Commercial Officer, Scandic Hotels	6,380
Erkki Järvinen	2018	1960	M.Sc. (Econ)	Oy Snellman Ab, President and CEO	4,279
Ulla Lettijeffer	2020	1967	Master of Science (MSc)	SVP, Helsinki-Vantaa Airport	2,325
Harri Sivula	2012	1962	M.Sc. (Admin)	Board Professional	214,574

* One of the founders, Chairman of the Board and CEO of Takoa Invest Oy, which owned 10,544,688 shares, representing 17.91% of Tokmanni shares on 31 December 2022. In addition, Jukka Saastamoinen Oy owned 214,000 Tokmanni shares, and Seppo Saastamoinen owned 30% of Jukka Saastamoinen Oy.

Operations

The general objective of the Board of Directors is to direct the company's business operations and strategy in a manner that ensures a continuous and significant increase in shareholder value. The Board of Directors processes all matters that fall within its responsibility in accordance with the law, other regulations and the company's Articles of Association. In addition, the Board of Directors is responsible for the organisation of the company's management and operations, and it is obligated to act always in the best interests of the company. The Board of Directors prepares matters for the Annual General Meeting, decides on convening the Annual General Meeting and ensures that the decisions of the Annual General Meeting are executed. In addition, the Board appoints the CEO and the Deputy CEO, participates in decision-making concerning the appointment and dismissal of the other members of the Executive Group, approves the principles of the remuneration systems and makes decisions concerning the remuneration of the management. The Board is also responsible for ensuring that the company has sufficient resources for planning and for information and control systems with regard to operational risk management and performance control.

The Board of Directors is also responsible for matters that cannot be considered to be part of the Group's day-to-day administration. These include approving the Group's strategic plan and long-term targets; approving the Group's annual business plan and budget; making decisions concerning investments, acquisitions and divestments that are significant or deviate from the Group's strategy; approving strategic development projects; and making decisions concerning significant financial arrangements.

In its rules of procedure, the Board has defined in more detail its duties as a whole, the duties of its Chair and other members and its practical ways of working. The Board prepares an annual self-assessment of its operations and ways of working. The purpose of the assessment is to determine how the Board has succeeded in performing its duties over the year and to provide a foundation for evaluating the Board's operations.

In 2022, the assessment of the Board's operations and ways of working was conducted as a self-assessment. Every member of the Board responded to a survey asking them to assess, among other things,

the composition and competences of the Board of Directors, the Board's ability to perform its duties and the Board's atmosphere as well as matters relating to subjects discussed by the Board. A summary of the survey's results was discussed by the Board of Directors.

The Board convened 11 times in 2022, with an average attendance rate of 100%.

Attendance in Board meetings 2022

Member	Attendances/ number of meetings	Attendance rate
Juha Blomster	11/11	100%
Thérèse Cedercreutz	11/11	100%
Erkki Järvinen	11/11	100%
Ulla Lettijeffer	11/11	100%
Seppo Saastamoinen	11/11	100%
Harri Sivula	11/11	100%

Committees of the Board

Tokmanni's Board of Directors has one permanent committee: the Finance and Audit Committee. The Board appoints the members and the chair of the Finance and Audit Committee. The committee members' term of office is the same as that of the members of the Board. The committee's practical ways of working are defined in more detail in its rules of procedure, which are approved by the Board. The committee prepares matters for the Board and have no decision-making power of its own.

Finance and Audit Committee

Tokmanni's Finance and Audit Committee monitors the company's financial reporting and prepares matters for the Board that concern Tokmanni's financial standing, financial reporting, auditing and risk management. The Finance and Audit Committee consists of three members of the Board. The majority of the members of the Finance and Audit Committee must be independent of the company, and at least one of its members must be independent of the company's major shareholders. The members of the committee appoint the Chair of the committee from among themselves. The members of the committee must have the qualifications required for their duties, and at least one of the members must be independent of the company and the company's major shareholders and have expertise related to accounting or auditing in particular.

The Board determines the duties of the Finance and Audit Committee in the rules of procedure that it confirms. The Finance and Audit Committee has the following key duties:

- Monitoring the statutory auditing of financial statements and consolidated financial statements;
- Preparing a proposal for the selection of the auditor;
- Monitoring the company's reporting process and principles and accounting principles for financial statements;
- Monitoring the effectiveness and compliance of the company's internal control, internal auditing and risk management systems;
- Preparing and executing the Board's special assignments.

Composition of the Finance and Audit Committee 2022

At its constitutive meeting following the Annual General Meeting 2022, the Board resolved to elect as members of the Finance and Audit Committee: Juha Blomster, Erkki Järvinen and Harri Sivula. Erkki Järvinen was elected as Chairman of the Finance and Audit Committee. All members of the Finance and Audit Committee are independent of the company and the company's major shareholders.

The Finance and Audit Committee convened six times in 2022, with an attendance rate of 100%.

Attendance in Finance and Audit Committee meetings 2022

Member	Attendances/ number of meetings	Attendance rate
Juha Blomster	6/6	100%
Erkki Järvinen	6/6	100%
Harri Sivula	6/6	100%

Shareholders' Nomination Board

The Shareholders' Nomination Board prepares future proposals concerning the election and remuneration of the members of the Board of Directors to the general meetings.

The Nomination Board comprises of representatives nominated by the four largest shareholders of the company and the Chairman of the Board of Directors as an expert member. The right to nominate representatives shall be vested with the four shareholders of the company having the largest share of the votes represented by all the shares in the company annually on the first workday of September based on the company's shareholders' register held by Euroclear Finland Ltd. However, if a shareholder who has distributed his/her holdings e.g. into several funds and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in share of ownership, makes a written request to such effect to the Chairman of the Board of Directors no later than on 31 August, such shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines the nomination right. 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 Chairman of the Board of Directors shall convene the first meeting of the Nomination Board and the Nomination Board shall elect a Chairman from among its members. The Nomination Board shall give its proposal to the Board of Directors annually no later than on 31 January preceding the next annual general meeting. The term of office of the members of the Nomination Board expires annually after the new Nomination Board has been nominated. The members of the Shareholders' Nomination Board are not paid any meeting fees.

Composition of the Shareholder's Nomination Board

The Nomination Board is responsible for preparing proposals covering the composition of the Board of Directors and remuneration of the Board members to the Annual General Meeting 2023. Representatives of the four largest shareholders registered in Tokmanni Group's shareholder register as of 1 September 2022 were elected to the Shareholders' Nomination Board along with the Chairman of the Board of Directors, Seppo Saastamoinen, as an expert member. The Shareholders' Nomination Board convened one time before the decision on proposals in January 2022.

The four largest shareholders nominated following members to Nomination Board (stock exchange release published on 9 September 2022):

- Takoa Invest, Jari Sonninen
- Varma Mutual Pension Insurance Company, Hanna Kaskela
- Ilmarinen Mutual Pension Insurance Company, Esko Torsti
- Elo Mutual Pension Insurance Company, Jukka Vähäpesola

The Shareholders' Nomination Committee convened three times.

Until 31 August 2022, the Nomination Board consisted of Hanna Kaskela, a representative nominated by Varma Mutual Pension Insurance Company, Jukka Takala, a representative nominated by OP Fund Management Company, Jukka Vähäpesola, a representative nominated by Elo Mutual Pension Insurance Company and Jari Sonninen, a representative nominated by Takoa Invest Oy as well as Seppo Saastamoinen as an expert member. Tokmanni's Nomination Board was chaired by Jari Sonninen.

CEO and Deputy CEO

The company's CEO and Deputy CEO are selected by the Board of Directors. The CEO's terms of employment are presented in writing in his employment contract. The CEO is responsible for managing the company's business operations and administration in accordance with the Articles of Association, the Limited Liability Companies Act and the instructions provided by the Board. The Executive Group assists the CEO with his work.

The CEO is responsible for the day-to-day management and governance of the company's business operations, with the aim of ensuring a significant and continuous increase in shareholder value. The CEO prepares matters for the Board to decide on, develops the company in line with the targets agreed upon with the Board and ensures that the Board's decisions are executed appropriately. The CEO is obligated to ensure that the company's operations comply with the applicable laws and regulations as they stand at any given time. The CEO cannot be elected as Chairman of the Board.

The Deputy CEO takes care of the CEO's duties if the CEO is prevented from attending to their duties.

Mika Rautiainen has been Tokmanni's President and CEO since 2018. Markku Pirskanen acted as Tokmanni's CFO and Deputy CEO until 12 August 2022 and Tapio Arimo as CFO and CIO since 15 November and Deputy CEO since 23 November 2022.

Executive Group

The Chairman of the Executive Group is the CEO. The Executive Group is responsible for the management of the Group's business operations as a whole. The members of the Executive Group have specific authorisations in their respective areas of responsibility, and they are obligated to develop the Group's operations in line with the targets set by the Board and the CEO. The Board participates in electing the members of the Executive Group and in determining their terms of employment.

The Executive Group typically convenes 20–25 times a year. In 2022, the Executive Group convened 23 times.

Members of the Executive Group 31 December 2022

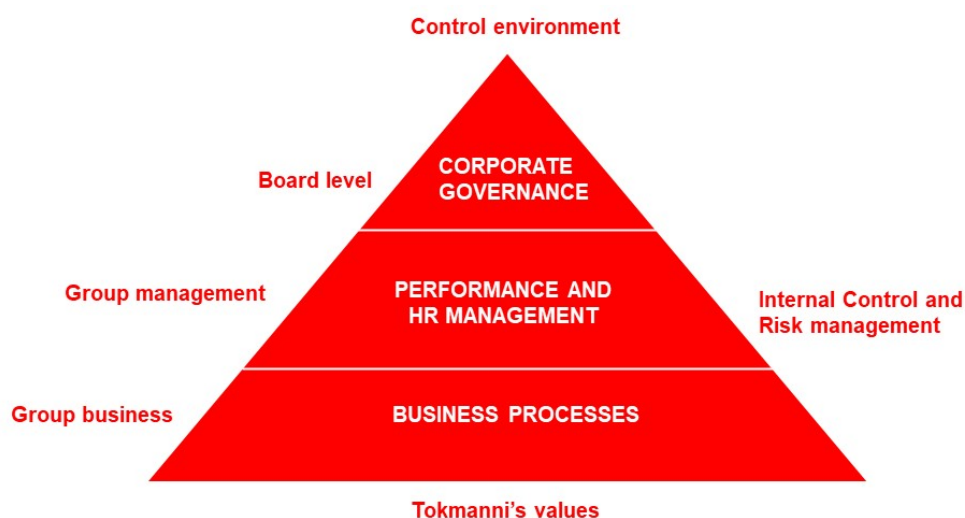
Member	Position at Tokmanni	Member since	Born	Education	Shareholding 31.12.2022
Mika Rautiainen	President and CEO	1.6.2018	1962	M.Sc. (Econ)	174,915
Tapio Arimo	CFO, CIO and Deputy CEO	15.11.2022	1972	M.Sc. (Econ), MBA	2,000
Timo Heimo	Vice President, Sales and Supply Chain	1.12.2018	1967	M.Sc. (Food Science)	48,247
Sirpa Huuskonen	Vice President, People, Culture and Sustainability	1.5.2016	1961	LL.M (trained on the bench)	21,474
Harri Koponen	Vice President, Store Network and Concept	1.2.2018	1964	M.Sc. (Econ.), eMBA	39,287
Matti Korolainen	Commercial Director	1.8.2019	1958	Diploma in Business Administration	101,321
Janne Pihkala	Vice President, Strategy, Business Development and eCommerce	1.4.2018	1983	M.Sc. (Econ)	6,732
Juha Valtonen	Vice President, Sourcing	1.8.2020	1980	IT technician	31,926
Veli-Pekka Ääri	Vice President, Marketing and Communications	1.10.2021	1968	MSocSci	11,112

Control system

The general governance principles lay the foundation for Tokmanni's business operations. To guarantee the appropriate operation of the governance model, Tokmanni's Board of Directors has defined a set of principles for internal control. The company's internal control system is based on these principles. The purpose of the internal control system is to ensure that the company's operations are appropriate and efficient, that its financial and operational reporting is reliable and that regulations and the Code of Conduct are followed.

Internal control covers all organisational levels and is an essential part of all of Tokmanni's business operations. Tokmanni's values, Code of Conduct, Group-level policies, accounting principles, operating guidelines, processes, practices and organisational structures help the management and ultimately the Board of Directors ensure that Tokmanni achieves its targets, that its business operations are managed ethically and in compliance with all applicable laws and regulations, that its assets are managed responsibly and that its financial reporting is appropriate.

Internal control structure and risk management



Internal control

Internal control is an essential part of Tokmanni's governance and management system, in which Tokmanni's Board of Directors, management and personnel participate. The purpose of internal control is to ensure the achievement of Tokmanni's goals. Tokmanni's internal audit unit is responsible for internal auditing within the Group. Administratively, the unit reports to the CFO. However, in matters related to internal auditing, the unit reports to the Finance and Audit Committee. The purpose of internal auditing is to monitor and ensure that the company's business operations are efficiently managed and profitable, that its risk management is at a sufficient level and that its internal and external reporting is accurate and appropriate.

Internal control helps Tokmanni comply with good governance practices, provides the company's management with an independent perspective on examining its operations and helps the company achieve its targets by providing a systematic and disciplined approach to assessing and enhancing the efficiency of risk management, monitoring and governance processes.

The operating principles and key procedures for internal controlling are defined in the operating guidelines confirmed by the Finance and Audit Committee (internal control policy). The internal control unit prepares a three-year plan that is implemented in line with a separately approved annual plan. In accordance with the plan, the internal control unit also independently carries out audits on different parts of the company. In addition, it may conduct special audits and stipulated audits in cooperation with auditors and external experts.

Principles for related party transactions

Tokmanni has deemed the following people to be executives obligated to disclose their business transactions that involve Tokmanni's financial instruments: members of the Board of Directors, CEO, Deputy CEO and CFO of Tokmanni Group. The people listed above must also determine their related parties (individuals and companies).

Tokmanni reports related party transactions in note to the financial statements. In addition, the Group evaluates and monitors transactions between the Group and its related parties in order to ensure that possible conflicts of interest are taken into account in decision making. The disqualification provisions of the Finnish Limited Liability Companies Act are observed in decision making. In 2022, Tokmanni had no related

party transactions which would be material and in addition, in conflict with ordinary business or ordinary market terms.

Tokmanni Group Corporation's insider register is maintained by the company's financial department. Tokmanni's Investor Relations is responsible for the timely disclosure of business transactions carried out by executives and their related parties in compliance with regulations.

Auditing

The company has one auditor. The auditor must be an auditing firm authorised by the Finland Chamber of Commerce. The Annual General Meeting appoints the auditor for the financial year in progress at the time. The auditor's term of office runs until the end of the Annual General Meeting immediately following the meeting during which they were appointed. The auditor is responsible for auditing the consolidated financial statements and the parent company's financial statements, accounting and governance. The auditor submits a statutory auditor's report on the financial statements to the company's shareholders. In addition, the auditor regularly reports to the Board of Directors.

The Board of Directors presents a proposal on the company's auditor to the Annual General Meeting. Tokmanni's Finance and Audit Committee monitors the company's financial reporting and prepares matters for the Board that concern, among other things, Tokmanni's financial reporting and auditing.

In addition to general qualification requirements, the auditor must meet specific statutory requirements concerning independence in order to ensure reliable and independent auditing.

The auditor submits a statutory auditor's report on the financial statements to the company's shareholders and reports regularly on its observations to the Audit Committee of Tokmanni's Board of Directors.

The 2022 Annual General Meeting elected firm of authorised public accountants PricewaterhouseCoopers Oy as Tokmanni's auditor. The company's principal auditor is Ylva Eriksson, APA. The auditor is compensated in accordance with a reasonable invoice.

Internal control related to financial reporting

With regard to financial reporting, the purpose of internal control is to ensure that the reporting is reliable and complies with widely accepted accounting principles, as well as the applicable laws and regulations and internal reporting principles. Tokmanni's financial reporting framework is based on Group-level guidelines and financial processes and on a common reporting platform. This framework is supported by Tokmanni's values, integrity and high ethical principles, as well as regular training and the exchange of information at meetings concerning financial processes.

The overall responsibility for the internal control of financial reporting rests with the Board of Directors. The Board evaluates business performance. The Board has appointed a Finance and Audit Committee, which regularly monitors compliance with the principles of financial reporting, as well as the accuracy of the financial reporting, as part of its duties. On a monthly basis, the CEO and the members of the Executive Group report on financial development and outlook for the period in progress.

The internal audit unit has a systematic plan for auditing financial reporting. The financial function maintains common guidelines for financial reporting, serves as the owner of financial processes and monitors reporting platforms in a centralised manner. The financial department is responsible for the application and interpretation of the accounting principles concerning financial statements. These principles are recorded in Tokmanni's accounting manual.

In addition to financial information, the reporting covers key financial indicators in terms of the Group's business operations. The Group's financial result and future outlook are evaluated on a monthly basis.

Internal control related to financial reporting



Communications

To ensure an efficient and well-functioning internal control environment, Tokmanni seeks to ensure the adequacy, openness, transparency, accuracy and timeliness of its internal and external communications. Information about internal tools for financial reporting – such as the accounting principles and the guidelines and disclosure policy concerning financial reporting – is available on Tokmanni's intranet. Tokmanni provides its employees with the necessary training on matters related to internal control and the use of internal control tools. In so doing, Tokmanni clearly communicates to its employees that the responsibilities related to internal control are taken seriously.

Employees can communicate suspected misconduct via a whistle blower channel that secures anonymous reporting or directly to the Compliance function.

Tokmanni's CFO and the person in charge of internal auditing regularly report to the Finance and Audit Committee on the results of the work related to internal control. Possible observations, recommendations and proposed decisions and measures arising from the work of the Finance and Audit Committee are reported to the Board of Directors after each committee meeting.

Monitoring

The functionality of internal control, risk management and reporting systems is monitored continuously as part of the company's day-to-day management. The Group's financial department monitors the functionality and reliability of the reporting processes across the Group. The financial reporting processes also fall within the internal audit unit's sphere of monitoring.

Risks and risk management

Risk management is part of Tokmanni's management system and internal control. The purpose of Tokmanni's risk management is to support the company's values and strategy and the continuity of its business operations by anticipating and managing any risks associated with its operations. The goal is to assess risks systematically to promote thorough planning and decision-making.

Risk management at Tokmanni has the following targets:

- Stressing the importance of risk awareness and proactive risk management;
- Maintaining the company's competitiveness and gaining a competitive edge;
- Ensuring sufficient risk management at Group level in line with Tokmanni's risk tolerance and risk appetite;
- Managing risks as part of business operations, planning and decision-making in line with predetermined duties and responsibilities.

Risk management includes all parts of the organisation and all risk types, from strategic to operational. Risk management supports the management and the Board in order to ensure that the company can implement its strategy efficiently. Tokmanni operates in line with the risk management profile approved by the Board of Directors.

Risks are assessed regularly and reported to the CEO, the Executive Group, the Financial and Audit Committee and the Board of Directors in accordance with Tokmanni's risk management policy. Risks that may affect Tokmanni are divided into strategic, operational, financial and hazard risks.

Strategic risks threaten the Group's achievement of its strategic targets. These risks are typically related to e.g. changes in the operating environment, competitors' actions and the planning and organisation of the Group's business operations.

Operational risks are related to losses arising from the deficiency or failure of internal processes, personnel resources or systems. These risks typically concern operational decision-making, the allocation of resources, the quality of operational processes or products, the functionality of information systems, agreements and compliance with laws and regulations, as well as employees' knowledge and skills.

Financial risks include liquidity and credit risks and market risks, which include currency and interest rate risks, for example.

Hazard risks cause damage to people, property or the environment. They arise from external or internal events, such as accidents, safety failures or natural phenomena.

Risks and uncertainty factors that were considered to be significant in 2022 are described in detail in the 2022 Financial Statement on the company's [website](#).

Key practices of the Compliance function

Compliance is tasked with assisting senior management, executive management and other business operations in the management of risks associated with regulatory non-compliance, supervising regulatory compliance and, for its part, developing internal control further.

Compliance risk is the risk of legal or administrative penalties, financial losses or loss of reputation as a result of a failure of the company to comply with laws, regulations or other administrative provisions applicable to its activities. Tokmanni's compliance risk management ensures that operations comply with legislation and the company's own requirements. Tokmanni expects all its staff to comply with the company's Code of Conduct and its principles and unit-specific guidelines. The Code of Conduct and guidelines cover a wide range of compliance issues, including the prohibition of corruption and bribery, issues regarding labour, occupational health and safety, and human rights issues.

The CFO is responsible for the company's compliance operations and reports directly to the CEO and also regularly informs the Board of Directors. The CFO is supported by Tokmanni's Compliance team, which is composed of the Head of Sustainability, the Manager of Security and Real Estate, the Vice President, Sales and Supply Chain and the HR Manager.

The Compliance team convenes every two months, but urgent matters are dealt with without delay. The team handles notifications concerning financial misconduct received via the whistleblowing channel or otherwise and actions that violate the Tokmanni Code of Conduct, and imposes potential sanctions. All notifications of violations are processed confidentially as required by data protection legislation. Tokmanni will take appropriate action based on the notifications.

The Compliance team aims to prevent the materialisation of compliance risks. For this purpose, the Compliance team shall, for example:

- prepare and maintain guidelines on key matters related to practices (Tokmanni Code of Conduct and principles),
- advise and train the staff in matters related to practices,
- support business units in planning development measures that promote internal control and compliance risk management,
- keep senior management and executive management informed of upcoming regulatory changes and monitor the business's preparation for regulatory changes,
- report to the company's CEO on issued recommendations and the results of control and other observations related to compliance risks.

Key procedures related to insider management

Tokmanni manages inside information and insiders in accordance with all applicable laws and regulations regarding insiders and insider trading. Examples of these are e.g. the Market Abuse Regulation (EU) 596/2014 ("MAR") and the Insider Guidelines of Nasdaq Helsinki Ltd.

Tokmanni has deemed the following to be executives obligated to disclose their business transactions that involve Tokmanni's financial instruments: members of the Board of Directors, CEO, Deputy CEO and CFO of Tokmanni Group Corporation. The people listed above must also determine their related parties (individuals and companies) who are subject to a similar disclosure obligation. The executives and their related parties are obliged to report their business transactions involving Tokmanni's financial instruments, including shares, to Tokmanni and the Finnish Financial Supervisory Authority.

The executives listed above may not trade in Tokmanni's securities during the closed window, which begins 30 days before the publication of each business or interim report or financial statements release, or preliminary information related to these, and ends on the day immediately following the disclosure of this information. If a business or interim report or financial statements release is published more than 30 days after the end of the review period or financial year, the closed window begins at the end of the review period or financial year.

In addition, Tokmanni's Insider Policy recommends that insiders may trade in Tokmanni's securities and perform other measures related to these securities during the "21-day period" (open window) that begins on the day immediately following the disclosure of the result for the period or the disclosure of a business or interim report by means of a financial statements release, provided that the insider does not have other undisclosed insider information and that the insider is not included in a project-specific insider register during that time. Trading may also be possible outside the open window with permission from Tokmanni's CFO (the person in charge of insider issues). Trading is permitted outside the open window only if the person in charge of insider issues provides the insider in question with a written estimate stating that there are no obstacles to trading. The estimate will be valid for seven days, and the transaction must be completed during that time.

The company draws up insider lists for projects containing inside information. They will also be provided with instructions concerning insider obligations. Tokmanni also maintains an insider list of persons who have access to group-level numbers (revenue and EBIT as a whole).

Tokmanni Group's insider register is maintained by the company's financial department. Investor Relations at Tokmanni is responsible for the timely disclosure of business transactions carried out by executives and their related parties.

Tokmanni publishes notifications on transactions conducted by persons discharging managerial responsibilities, and persons closely associated with them in accordance with the EU's provisions of the MAR. These notifications are available on Tokmanni's webpages.

Board of Directors



Seppo Saastamoinen

Chairman of the Board, Tokmanni Group Corporation

Chairman of the Board since 2018

Member of the Board since 2013

Not independent of the company and its major shareholders

b. 1960

Finnish citizen

Diploma in Business Administration

Primary work experience:

- Board Professional, 2007–
- CEO and one of the Founders, Takoa Invest Oy, 1987–
- Deputy CEO, Tokmanni, 2006–2007
- Founder and Member of the Board, Tarjousmaxi, 2003–2006
- Founder and CEO, Maxi-Makasiini and Maxi-Kodintukku, 1978–2003

Other key positions of trust:

- Member of the Board, Wello2 Oy, 2018–
- Chairman of the Board, Jukka Saastamoinen Oy, 1988–
- Chairman of the Board, Takoa Invest Oy, 1987–



Juha Blomster

Member of the Board, Tokmanni Group Corporation

Member of the Board since 2018

Independent of the company and its major shareholders

b. 1957

Finnish citizen

M.Sc. (Econ)

Primary work experience:

- Senior Advisor, Rohjeta Advisors, 2020–
- Board Professional and entrepreneur, 2019–
- Executive in Residence, Aalto University, 2017–2019
- CEO, A-lehdet Oy, 2011–2017
- CEO, Talentum Oyj, 2006–2011
- CEO, Kauppalehti Group, 2000–2006
- CEO and Marketing Director, Kustannus Oy Aamulehti, 1996–2000

Other key positions of trust:

- Chairman of the Board, Media Tailor Oy, 2022–
- Chairman of the Board, Neomore Consulting Oy, 2021–
- Member of the Board, TV Tools Oy, 2020–



Erkki Järvinen

Member of the Board, Tokmanni Group Corporation

Member of the Board since 2018

Independent of the company and its major shareholders

b. 1960

Finnish citizen

M.Sc. (Econ.)

Primary work experience:

- President and CEO, Oy Snellman Ab, 2018–
- CEO, Tikkurila Oyj, 2009–2018
- CEO, Rautakirja Oy, 2001–2008
- Senior Vice President, Kiosk Trade, Rautakirja Oy, 1997–2001
- Marketing Manager, Oy Karl Fazer Ab/Fazer Bakery, 1984–1990
- Marketing Director, Cultor Oyj/Vaasanmylly Oy, 1990–1997
- CEO, Siljans Knäcke Ab, Rättvik, Sweden, 1995–1997

Other key positions of trust:

- Member, Varma Consultative Committee of Employers, 2020–
- Member of the Board, Finnish Food and Drink Industries' Federation, 2018–
- Vice Chairman of the Board and Member of the Board, Oy Snellman Ab, 2011–



Ulla Lettijeffer

Member of the Board, Tokmanni Group Corporation

Member of the Board since 2020

Independent of the company and its major shareholders

s. 1967

Finnish citizen

Master of Science (MSc)

Primary work experience:

- SVP, Helsinki-Vantaa Airport, 2020–
- President, Living Business Area, Fiskars Group, 2018–2019
- SVP, Supply Chain, Living Business Area, Fiskars Group, 2017–2018
- VP, Supply Chain, Business Region Europe, Fiskars Group, 2014–2016
- VP, Supply Chain, Home Business Area, Fiskars Group, 2014
- Co-founder and CEO, Lettijeffer Advisory, various Interim Management positions at Fiskars Group, 2011–2014
- Head of Espoo Factory, Nokia Networks/Nokia Siemens Networks, 2007–2008
- Director, Espoo Plant, Nokia Networks/Nokia Siemens Networks, 2003–2007
- Plant Manager, Espoo, Nokia Networks/Nokia Siemens Networks, 2002
- Plant Manager, Microwave Radios, Espoo, Nokia Networks/Nokia Siemens Networks, 1999–2001
- Global Sourcing Manager, Nokia Networks/Nokia Siemens Networks, 1997–1999



Harri Sivula

Member of the Board, Tokmanni Group Corporation

Member of the Board since 2012

Independent of the company and its major shareholders

b. 1962

Finnish citizen

M.Sc. (Admin)

Primary work experience:

- Board Professional, 2018–
- Interim CEO, Tokmanni, 2017–2018
- CEO, GS1 Finland Oy, 2015–2017
- CEO, Restel Oy, 2011–2014
- CEO, Onninen Oy, 2006–2010
- Deputy Managing Director and Division Director, Kesko Foods, 1987–2006

Other key positions of trust:

- Member of the Board, Pyroll Pakkaukset Group Oy, 2022–
- Member of the Board, Sievi Capital Plc, 2022–
- Chairman of the Board, Indoor Group Oy, 2020–
- Chairman of the Board, Kamux Corporation, 2020– (member of the Board 2017–2020)
- Member of the Board, Dieta Oy, 2016–
- Member of the Board, Leipurin Oy, 2014–



Thérèse Cedercreutz

Member of the Board, Tokmanni Group Corporation

Member of the Board since 2016

Independent of the company and its major shareholders

b. 1969

Finnish citizen

M.Sc. (Econ.)

Primary work experience:

- Chief Commercial Officer, Scandic Hotels, 2023–
- CEO, Miltton Inc, 2016–2022
- Managing Director, 358 Creative Agency, 2015–2016
- COO, 358 Creative Agency, 2013–2014
- VP, Business Development, Spoiled Milk Creative Agency, 2011–2013
- Director, Global Consumer Business and Marketing, F-Secure Corporation, 2010–2011
- VP, Sales and Business Development, THQ Wireless EMEA, 2003–2009

Other key positions of trust:

- Member of the Board, Fennia Mutual Insurance Company, 2023–
- Member of the Board, Unicef Finland, 2022–
- Member of the Board, Vieser Oy, 2021–

Executive Group



Mika Rautiainen
President and CEO

Member of the Executive Group
Employed by the Tokmanni Group since 2018

Born 1962
Finnish citizen
M.Sc. (Econ)

Primary work experience:

- Vice President, Store operations, Kesko Grocery Trade, 2013–2017
- Vice President, K-Supermarket, Kesko Grocery Trade, 2012–2013
- Vice President, K-Citymarket Food, Kesko Grocery Trade, 2007–2012
- Vice President, K-Market, Kesko Grocery Trade, 2005–2007
- Managing Director, Cassa Oy, Kesko Grocery Trade, 2003–2005
- European Trade Director, AMS Marketing AG, Switzerland and the Netherlands, 1998–2003
- Various management positions, K-Group, 1988–1998

Key positions of trust:

- Member of the Board, Finnish Commerce Federation, 2022–
- Member of the Board, Tokmanni–Europris (Shanghai) Trading Co. LTD, 2018–
- Member of Supervisory Board, Varma Mutual Pension Insurance Company, 2021–
- Member of the Committee, Finland Chamber of Commerce, 2020–
- Member of the Committee, Helsinki Regional Chamber of Commerce, 2020–
- Member of the Board, Finnish Grocery Trade Association (PTY), 2018–



Tapio Arimo
CFO and CIO, and Deputy CEO

Member of the Executive Group
Employed by the Tokmanni Group since 2022

Born 1972
Finnish citizen
M.Sc. (Econ), MBA

Primary work experience:

- CFO, Haltian, 2021–2022
- CFO, Purmo Group, 2019–2020
- CFO, Kamux, 2015–2019
- Various management and expert positions in finance, Nokia, 2000–2015
- Analyst, Goldman Sachs, 1997–2000

Key positions of trust:

- Chairman of the Board, Blueberry Capital, 2015–
- Member of the Board, Saarni Cloud, 2021–



Timo Heimo

Vice President, Sales and Supply Chain

Member of the Executive Group
Employed by the Tokmanni Group since 2018

Born 1967
Finnish citizen
M.Sc. (Food Science)

Primary work experience:

- Information Management and Supply Chain Director, Tokmanni, 2018–2021
- Senior Vice President, eCommerce, Digital Services, ICT, Kesko, 2017–2018
- Vice President, Supply Chain Management, ICT, PMO, eCommerce, Store roll-outs, Kesko, 2013–2017
- Director, Logistics and IT, Kesko Food, 2011–2013
- CIO, Kesko Food, 2007–2011

Key positions of trust:

- Member, Finnish Grocery Trade Association (PTY) Retail Group, 2021–



Sirpa Huuskonen

Vice President, People, Culture and Sustainability

Member of the Executive Group
Employed by the Tokmanni Group since 2016

Born 1961
Finnish citizen
LL.M (trained on the bench)

Primary work experience:

- HR Director, Tokmanni, 2016–2021
- HR Director, Member of Management Team, ISS Palvelut Oy, 2004–2016
- HR Manager, Engel Palvelut Oy, 2002–2004
- Administrative Manager, Helsinki Metropolitan Area Council, 1997–2002
- Legal Counsel, UL Oikeuspalvelu Oy, Finnish Foreign Trade Law Office Ltd., 1995–1997

Key positions of trust:

- Vice Chairman of the Board, Work, Education and Know-how Committee, Central Chamber of Commerce, 2023–
- Member of the Education and Labour Committee, Helsinki Regional Chamber of Commerce, 2023–
- Member of the Board, The Ministry of Economic Affairs and Employment, the state-owned special assignment company Työkanava Ltd, 2022–
- Member of the Committee, Helsinki Regional Chamber of Commerce, 2019–
- Member of the Board, Mäntsälän Yrityskehitys Oy (Invest in Mäntsälä), 2017–
- Member of the Employment Affairs Committee, Finnish Commerce Federation, 2016–
- Member of the Awards Board, Helsinki Regional Chamber of Commerce, 2015–



Harri Koponen

Vice President, Store Network and Concept

Member of the Executive Group
Employed by the Tokmanni Group since 2016

Born 1964
Finnish citizen
M.Sc. (Econ.), eMBA

Primary work experience:

- Store Network Development Manager, Tokmanni, 2016–2018
- CEO, Turun Osuuskauppa (Co-op Turku), 2003–2014
- Executive Director, Osuuskauppa Hämeenmaa (Co-op Hämeenmaa), 1997–2003
- Prisma Director, Osuuskauppa Hämeenmaa (Co-op Hämeenmaa), 1995–1996
- Market Group Manager and Product Group Manager, Ässä-Partners Oy, 1993–1995

Key positions of trust:

- Member, Community planning and transport committee, Finnish Commerce Federation, 2023–



Matti Korolainen

Commercial Director

Member of the Executive Group
Employed by the Tokmanni Group since 1998

Born 1958
Finnish citizen
Diploma in Business Administration

Primary work experience:

- Project Manager, Tokmanni, 2019
- Sales Manager, Tokmanni, 2018–2019
- Purchasing Manager, groceries, Tokmanni, 2008–2017
- Commercial Director, Tokmanni, 2007–2008
- Field Director, Tokmanni, 2006
- Deputy Managing Director, Tarjousmaxi, 2003–2005
- Deputy Managing Director, Maxi-Makasiini, 1998–2003
- Various expert positions, Maxi-Makasiini, 1994–1998



Janne Pihkala

Vice President, Strategy, Business Development and eCommerce

Member of the Executive Group
Employed by the Tokmanni Group since 2018

Born 1983
Finnish citizen
M.Sc. (Econ)

Primary work experience:

- Business Development Director, Tokmanni, 2018–2020
- Investment Manager, Takoa Invest Oy, 2016–2018
- Manager, Deloitte Oy, 2016
- Manager, BearingPoint Finland Oy, 2011–2015



Juha Valtonen

Vice President, Sourcing

Member of the Executive Group
Employed by the Tokmanni Group since 2020

Born 1980
Finnish citizen
IT technician

Primary work experience:

- Vice President, Sourcing, SOK grocery business, 2019–2020
- Division Manager, Sourcing, SOK grocery business, 2016–2019
- Sourcing Manager, Sourcing, SOK grocery business, 2014–2015
- Division Manager, Sourcing, SOK non-grocery business, 2009–2014
- Manager, SOK, 2006–2009
- Department Manager, Gigantti, 2004–2006



Veli-Pekka Ääri

Vice President, Marketing and Communications

Member of the Executive Group

Employed by the Tokmanni Group since 2021

Born 1968

Finnish citizen

MSocSci

Primary work experience:

- Vice President, Communications and Digital Services, SOK, 2015–2021
- Vice President, Marketing, SOK, 2011–2014
- Strategy Director, TBWA Helsinki, 2007–2011
- Planning Director, Taivas Group Kuulas RA, 2005–2007
- Director (CRM), Elisa Oyj, 2003–2005

Key positions of trust:

- Mäntsälä Municipal Business Advisory Board, Tokmanni representative, 2022–