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**CORPORATE GOVERNANCE  
STATEMENT 2019**

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## CORPORATE GOVERNANCE STATEMENT 2019

Kamux Corporation's ("the company" or "Kamux") corporate governance complies with the Finnish Limited Liability Companies Act, regulations concerning listed companies, the company's Articles of Association, and rules and regulations of Nasdaq Helsinki Ltd. In 2019 the company also adhered to the Finnish Corporate Governance Code 2015 issued by the Finnish Securities Market Association. An unofficial English translation of the Finnish Corporate Governance Code is available on the Security Market Association's website at <https://cgfinland.fi/>.

The Corporate Governance Statement is issued as a separate statement from the Report by the Board of Directors. The statement will not be updated during the financial year, but the relevant information related to the subjects it contains as well as other necessary and up-to-date investor information is available in the investor section of the company's website at [kamux.com](http://kamux.com).

### Governing bodies of Kamux

The governing bodies of Kamux are its General Meeting of shareholders, the Board of Directors and the CEO. The highest decision-making power in Kamux is exercised by the company's shareholders at the General Meeting. The Board of Directors and the CEO are responsible for the management of the company. The Management Team assists the CEO in operative management of the company and the Group.

### General Meeting

The General Meeting of shareholders is the highest decision-making body of Kamux. The Annual General Meeting shall be held once a year by the end of June. It decides on matters in its authority, stipulated in the company's Articles of Association and on proposals made to the Board. The Annual General Meeting normally takes place in March–April.

An Extraordinary General Meeting can be convened if needed. The Board of Directors is required to organize an extraordinary meeting if requested in writing by a company auditor or shareholders holding a minimum of 10 percent of the company's shares in total for the purpose of discussing a specific issue.

### The duties of the General Meeting are defined in Kamux's Articles of Association and include:

- > Decisions on changes to the Articles of Association;
- > Adoption of the financial statements;
- > Use of the profit shown on the balance sheet;
- > Discharging the members of the Board of Directors and the CEO from liability;
- > Decision on the number of members of the Board of Directors;
- > Election of the Board of Directors and the decision on their remuneration;
- > Election of the auditor and the decision on his/her compensation.

The notice convening the General Meeting shall be delivered to the shareholders by publishing the notice on the company's website or by a newspaper announcement which is published in one or several widely circulated daily newspapers chosen by the Board of Directors, no earlier than three months and no later than three weeks before the General Meeting, and in any case at least nine days before the record date. The notice of the General Meeting and the Board's proposals for the meeting are also published as a stock exchange release.

The notice of the meeting, the documents to be presented at the General Meeting and the proposals for the decisions of the Board of Directors or other decision-making bodies will also be available on the company's website no later than 21 days before the General Meeting.

### Board of Directors

The Board of Directors is responsible for the governance of the company and the appropriate organization of its operations. The Board of Directors oversees the appropriate organization of the company's accounting and supervision of financial management. The Board of Directors has an Audit Committee and can also establish other permanent committees.

Under Kamux's Articles of Association, the Board of Directors shall comprise a

minimum of four and a maximum of eight members, who shall be elected at a General Meeting. The term of all Board members expires at the end of the Annual General Meeting following their election.

### Charter of the Board of Directors

The main duties of the Board of Directors are defined in the written Charter drafted by the Board. Under the Charter and the Finnish Limited Liability Companies Act, the duties of the Board of Directors, include among others:

- > Preparing the Board of Directors' reports, financial statements and interim reports;
- > Ensuring the appropriate arrangement and control of accounts and finances;
- > Preparing proposals to be addressed in a General Meeting and convening a General Meeting;
- > Approving and adopting strategic guidelines and risk management principles;
- > Adopting annual budgets and action plans;
- > Appointing the CEO and deciding on the terms of his or her service;
- > Deciding on the company structure;
- > Deciding on major acquisitions and investments;
- > Deciding on other statutory matters that fall within the purview of the Board.

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The Board of Directors conducts an annual self-evaluation of its operations and working methods. The self-evaluation was carried out also for 2019.

The Board of Directors convenes regularly ten times a year and arranges additional meetings if needed. The Board of Directors convenes for a strategy meeting at least once a year to approve the company's long-term strategic goals, amongst other things. The members of the Management Team who regularly attend Board meetings include the CEO and the CFO, who are not Board members. The Board of Directors constitutes a quorum when more than one-half of its members are present. The decisions of the Board require a simple majority. In case of a tie vote, the decision will be based on the opinion with which the Chairperson of the meeting concurs.

### Diversity of the Board

Kamux's Board of Directors has adopted a diversity policy. Kamux's diversity policy promotes balanced gender diversity when electing Board members and includes Board members having skills and experience in different business areas that complement each other and support the company's core functions. The diversity of the Board of Directors is supported by the diverse professional and educational background of its members as well as consideration for the age distribution.

A person elected as a member of the Kamux Corporation's Board of Directors must have qualifications required for the task and skills fitting the competence profile of Kamux's Board of Directors, as well as adequate availability for carrying out the duties

of a Board member. When electing Board members, the goal is to ensure that the Board of Directors as a whole supports the development of Kamux Corporation's current and future business.

### The Board of Directors in 2019

During 2019, members of the Board of Directors were Matti Virtanen, Reija Laaksonen, David Nuutinen, Jokke Paananen, Vesa Uotila and Harri Sivula, who were re-elected at the Annual General Meeting on 12 April 2019. The Annual General Meeting elected Matti Virtanen as Chairperson of the Board and Harri Sivula as Vice Chairperson of the Board.

In 2019, the Board of Directors focused particularly on Kamux's internationalization and growth. In 2019, the Board of Directors convened 16 times in total, with an average attendance rate of 94 percent. The members attended the meetings as follows: Matti Virtanen (16/16), Reija Laaksonen (14/16), David Nuutinen (16/16), Jokke Paananen (16/16), Harri Sivula (14/16) and Vesa Uotila (14/16).

The diversity goals defined in Kamux's diversity policy are evaluated to be adequately realized in 2019.

\* Kamux announced on 26 November 2019 that Vesa Uotila has been appointed Director of Business Development and Member of the Management Team of Kamux as of 7 January 2020. Following the appointment, Uotila resigned from his position at Kamux's Board of Directors on 31 December 2019. From the beginning of 2020, the Board of Directors of Kamux will continue as a five-member Board until the end of its current term to the next Annual General Meeting. Following the effective date of the resignation of Vesa Uotila, the Board appointed David Nuutinen to replace Mr. Uotila on the company's Audit Committee as of 1 January 2020.

The resumés of the members of the Board of Directors can be read on the website on [kamux.com/en](http://kamux.com/en).

## BOARD OF DIRECTORS ON 31 DECEMBER 2019



**MATTI VIRTANEN**  
b. 1958, M.Sc. (Tech.)

Finnish national

Chairperson of the Board of Directors 2016–, member of the Board of Directors 2016–

Independent of the company's significant shareholders

Holdings on 31 December 2019: 135,610 shares (direct holdings and shares owned by an investment company under the control of Matti Virtanen)



**REIJA LAAKSONEN**  
b. 1973, M.Sc. (Econ.)

Finnish national

Member of the Board of Directors 2017–

Independent of the company and the company's significant shareholders

Holdings on 31 December 2019: 4,348 shares



**DAVID NUUTINEN**  
b. 1959, M.Sc. (Econ.)

Finnish national

Member of the Board of Directors 2012–, Chairperson of the Board of Directors 2012–2016

Independent of the company and the company's significant shareholders

Holdings on 31 December 2019: 25,400 shares



**JOKKE PAANANEN**  
b. 1972, M.Sc. (Econ.)

Finnish national

Member of the Board of Directors 2011–

Independent of the company

Holdings on 31 December 2019: 0 shares



**HARRI SIVULA**  
b. 1962, M.Sc. (Admin.)

Finnish national

Member of the Board of Directors 2017–

Independent of the company and the company's significant shareholders

Holdings on 31 December 2019: 35,000 shares



**VESA UOTILA\***  
b. 1982, M.Sc. (Econ.)

Finnish national

Member of the Board of Directors 2016–2019, Deputy member of the Board of Directors 2011–2016

Independent of the company

Holdings on 31 December 2019: 0 shares

### **Independence of the Board of Directors**

According to the Corporate Governance Code, a majority of the Board members shall be independent of the company, with at least two of these members also being independent of the major shareholders of the company.

The Board of Directors shall assess annually the independence of its members in relation to the company and its major shareholders. In 2019, members of Kamux's Board of Directors were assessed to be independent of the company in accordance with the Finnish Corporate Governance Code for listed companies, except for Matti Virtanen, who holds a consultancy agreement with Kamux through his company Virtanen Consulting GmbH, and independent of shareholders, except for Jokke Paananen and Vesa Uotila. Jokke Paananen is a founding partner and CEO of Intera Partners Oy. Vesa Uotila, a partner of Intera Partners Oy, worked for Intera Partners Oy until 31 December 2019.

### **Audit Committee**

The Board of Directors appoints an Audit Committee to assist it in the performance of its supervisory duties. The Board appoints from its members at least three members to the Committee. Members of the Audit Committee must have qualifications required for the task and shall be independent of the company, with at least one member being also independent of the major shareholders of the company.

The Board has defined the duties of the Audit Committee in its adopted Charter. In accordance with the Charter, the duties of the Audit Committee include assisting the Board in ensuring appropriate supervision of the company's accounting and financial management, as well as ensuring that the company has an adequate internal control system in place covering all of its operations. Furthermore, the Audit Committee is responsible for monitoring that the company's operations and internal control are organized in compliance with laws, regulations and principles of good management and administration, and for supervising the implementation of internal audits.

The Audit Committee is responsible for:

- > Monitoring the reporting process of financial statements and interim reports;
- > Supervising the financial reporting process;
- > Monitoring and evaluating the efficiency of internal control, internal auditing and risk management systems;
- > Handling the descriptions of the main features of the internal control and risk management systems pertaining to the financial reporting process;
- > Monitoring the statutory audit of the financial statements and consolidated financial statements, evaluating the resources and independence of the statutory auditor, and preparing a proposal for resolution on the election of the auditor;

- > Reviewing the company's financial position and procurement processes;
- > Evaluating compliance with laws, regulations and ethical principles;
- > Monitoring the company's credit position and taxation;
- > Reviewing the company's Corporate Governance Statement and addressing and resolving any special issues raised by the Board of Directors that fall within the purview of the Audit Committee.

The Chairperson of the Audit Committee shall convene the Committee at least four times a year. The Audit Committee reports the decisions made in its meetings regularly to the Board.

### **Audit Committee in 2019**

In the organizing meeting following the Annual General Meeting on 12 April 2019, the Board of Directors reappointed from its members Harri Sivula (Chairperson), Reija Laaksonen and Vesa Uotila to the Audit Committee. All members are independent of the company, with Harri Sivula and Reija Laaksonen being also independent of the company's major shareholders. In 2019, the Audit Committee focused on interim reports, internal controls and risk management. In 2019, the Audit Committee convened six times. All members attended each meeting.

Kamux announced on 26 November 2019 that Vesa Uotila has been appointed

Director of Business Development and Member of the Management Team of Kamux as of 7 January 2020. Following the appointment, Uotila resigned from his position at Kamux's Board of Directors on 31 December 2019. The Board appointed David Nuutinen to replace Mr. Uotila on the company's Audit Committee as of 1 January 2020.

### **CEO**

The CEO's task is to manage Kamux's operations in accordance with the instructions and rules given by the Board of Directors, as well as to report to the Board of Directors on the development of Kamux's business and financial situation. The CEO's duties include preparing matters to be decided by the Board of Directors, developing Kamux's operations together with the Board of Directors in accordance with the mutually set objectives, and ensuring the appropriate implementation of the decisions made by the Board of Directors. The CEO is also responsible for organizing Kamux's day-to-day governance and overseeing that the company's financial management is organized in a reliable manner. In addition, the CEO ensures that Kamux complies with applicable laws and regulations. The CEO chairs the meetings of Kamux's Management Team. The CEO cannot be elected as Chairperson of the Board of Directors.

The Board of Directors appoints, and dismisses if needed, the CEO, and decides on

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the remuneration and other terms and conditions of the position of CEO. The CEO is appointed for the post until further notice. The financial benefits of the CEO are reported in the separate Remuneration Report of Kamux Corporation for 2019.

Juha Kalliokoski serves as the CEO of Kamux Corporation, appointed by Kamux's Board of Directors.

### Management Team

The Management Team supports the CEO in implementing the company's strategy and manages Kamux's business operations as a whole. The members of Kamux's Management Team have specific authority in their individual areas of responsibility, and their duty is to develop Kamux's operations in line with the targets set by the company's Board of Directors and CEO. The Management Team convenes regularly each month or when necessary.

In 2019, the Management Team focused particularly on building the competence of Kamux's personnel, sales management, growth and internationalization and the customer experience.

Tapio Arimo served as Kamux's CFO until 12 April 2019. Jennie Stenbom served as Kamux's Chief People Officer until 19 September 2019. Vesa Uotila was appointed Kamux's Director of Business Development and Member of the Management Team of Kamux as of 7 January 2020. On 25 February 2020 Kamux announced that Olli Kilpi will take up new responsibilities outside Kamux.

The resumés of the members of the Management Team can be read on the website at [kamux.com/en](http://kamux.com/en).

## MANAGEMENT TEAM 31 DECEMBER 2019



### JUHA KALLIOKOSKI

**CEO**  
and Member of the Management Team 2001–  
b. 1970, police officer, degree in salesmanship training  
Finnish national

Holdings on 31 December 2019: 6,086,283 shares (direct holdings and shares owned by an investment company under the control of Juha Kalliokoski)



### TOMMI IISKONMÄKI

**Country Director Finland**  
2018–, Member of the Management Team 2015–, HR Director 2015–2018, Country Director Sweden 2016–2017  
b. 1977, Officer from the Finnish National Defence University  
Finnish national

Holdings on 31 December 2019: 40,392 shares



### MARKO LEHTONEN

**CFO**  
and Member of the Management Team 2019–  
b. 1972, M.Sc. (Econ.), CEFA  
Finnish national

Holdings on 31 December 2019: 2,900 shares



### SATU OTALA

**Director of Communications**  
and Member of the Management Team 2015–  
b. 1967, M.A.  
Finnish national

Holdings on 31 December 2019: 38,724 shares



### OLLI KILPI

**Chief People Officer**  
and Member of the Management Team 2017–, 7 October 2019–, Kamux's Director of International Business until 7 October 2019  
b. 1966, M.Sc. (Econ.)  
Finnish national

Holdings on 31 December 2019: 34,004 shares



### MIKKO-HEIKKI INKEROINEN

**Chief Digital Officer**  
and Member of the Management Team 2018–  
b. 1987, Master of Social Sciences  
Finnish national

Holdings on 31 December 2019: 2,387 shares



### TERO TÖRMÄNEN

**Purchasing Director**  
and Member of the Management Team 2017–  
b. 1974, M.Sc. (Econ.), vocational Qualification in Business and Administration, Executive Development Program for Automotive industry  
Finnish national

Holdings on 31 December 2019: 53,641 shares



### ILKKA VIRTANEN

**Director of International Business**  
7 October 2019–, Member of the Management Team 2018–, Director of Business Development until 7 October 2019  
b. 1980, M.Sc. (Econ.)  
Finnish national

Holdings on 31 December 2019: 5,416 shares

### **Main principles of risk management**

The aim of risk management is to ensure the keeping of customer promises, profit development, the ability to pay dividends, shareholder value, responsible operating practices and the continuity of business. Kamux has harmonized and efficient methods to identify, assess and manage risks and their consequences.

Kamux complies with the internal control and risk management principles approved by the company's Board of Directors. Risk management is a systematic activity, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management and monitoring of risks. It is an essential part of Kamux's planning and management process, decision-making, day-to-day management, operations, and supervision and reporting procedures. Risks are assessed and managed comprehensively from the perspective of potential business impacts.

The Group CEO and other members of the Management Team are each responsible for their own areas. The Management Team regularly reports to the Board of Directors on risks and risk management measures. The Board of Directors addresses the most significant risks and measures to manage them and assesses the efficiency and effectiveness of risk management. The CFO is responsible for coordinating risk management.

Kamux has documented its common operating principles in the company's Code of

Conduct. The Code of Conduct is part of risk management. Kamux also has a separate guideline for its partners.

### **Internal control and auditing**

The objective of internal control at Kamux is to ensure the efficiency and profitability of business operations, the reliability of financial reporting, compliance with laws and regulations applicable to the company's business, and compliance with the company's internal instructions. The specific objective of the internal control of financial reporting is to ensure that interim reports, half-year reports, financial statement bulletins and other financial reporting as well as financial statements and annual reports are reliable and are prepared in accordance with the accounting and reporting principles adopted by the company.

The company's Board of Directors is responsible, in accordance with its Charter, for monitoring the process of financial reporting and the effectiveness of the company's internal control and risk management system. The CEO is responsible for the practical organization of internal controls. This includes ensuring that the company has implemented adequate internal control mechanisms as stipulated in the guidelines defined by the Board of Directors.

The CEO, supported by the Management Team, is responsible for ensuring that the Group's day-to-day operations comply with the agreed principles and applicable

laws and regulations, and that identified non-compliance incidents and deficiencies are addressed and that adequate corrective measures are taken.

In 2019, the development of internal control focused on the most recently opened showrooms in all operating countries to ensure that the showrooms operate in accordance with Kamux's guidelines and operating models.

Kamux's Board of Directors has assessed that due to the nature of the company's operations, the number of employees and geographical scope, it is not necessary to organize internal auditing as a separate function. The Board of Directors shall evaluate on a yearly basis whether such function should be established. In 2019, internal audit was carried out by an external service provider.

### **Related party transactions**

Kamux's Board of Directors has defined the principles for monitoring and evaluating related party transactions. Kamux Group maintains a list of related parties intended to help identify transactions involving a related party of the company.

Transactions with related parties are handled by Kamux's Management Team, excluding transactions that take place in accordance with Kamux's purchasing policy for the personnel's own cars currently in effect. Significant transactions with the management of Kamux and its related parties are decided by Kamux's Board of Directors. The Board of Di-

rectors also decides on related party transactions that are not part of the company's normal business operations or that are not carried out on normal commercial terms.

The company and its related parties did not carry out any transactions that are material to the company and not in the ordinary course of business or not based on market terms in 2019.

### **Insider management**

Kamux Corporation observes the guidelines for insiders approved by the Board of Directors, which is based on the Market Abuse Regulation, the Guidelines for Insiders of Nasdaq Helsinki Ltd, and other applicable rules and regulations.

The CFO is responsible for insider matters at Kamux Corporation. The company compiles a list of permanent insiders and also maintains a list of project- or event-specific insiders as needed. In 2019, the insider lists were maintained in the SIRE service of Euroclear Finland Ltd.

People in management positions at Kamux and their immediate circle are required to declare their business transactions in shares of Kamux Corporation or other financial instruments based on them. People in management positions at Kamux and possible permanent insiders defined by Kamux may not, on their own account or on the account of a third party, carry out business transactions in the shares of Kamux Corporation or other financial instruments

based on them during the silent period. The silent period begins 30 days before the publication day of the Kamux financial statement bulletin, half-year report or interim report.

Kamux has an internet-based reporting channel that enables anonymous reporting of suspected infringement of rules and regulations concerning financial markets.

#### **Audit**

The statutory audit covers the company's accounting, financial statements and administration for the financial year. The auditor of the parent company shall also audit the consolidated financial statements. The auditor provides the company's shareholders with a statutory auditor's report in connection with the company's annual financial statements and regularly reports their auditing observations to the Board of Directors. Kamux's financial year is the calendar year.

According to the company's Articles of Association, the company's auditor shall be an auditing organization approved by the Central Chamber of Commerce. The auditor is elected at the Annual General Meeting of shareholders for a term that ends at the conclusion of the Annual General Meeting following the election.

#### **Audit in 2019**

The Annual General Meeting re-elected PricewaterhouseCoopers Oy as the auditor, with

CPA Janne Rajalahti as the principal auditor announced by PricewaterhouseCoopers Oy. PricewaterhouseCoopers Oy has acted as the auditor of Kamux since 2015.

The auditor is paid a fee according to an invoice approved by the company. In 2019, the auditors were paid a total of EUR 235,000 for auditing services and a total of EUR 24,000 for other advisory services unrelated to auditing. Other services are primarily related to financial advisory services in different situations, including tax advisory and financial analysis related to strategic projects.



**KAMUX CORPORATION**

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