

CORPORATE GOVERNANCE STATEMENT 2020

Introduction

SRV Group Plc (hereinafter SRV or the Company) adheres to the Finnish Corporate Governance Code for listed companies that was published by the Securities Market Association on 1 January 2020. The Corporate Governance Code is publicly available on the Securities Market Association's website: www.cgfinland.fi.

SRV's Corporate Governance Statement for the financial year 2020 has been prepared in accordance with the reporting period stipulated in the Corporate Governance Code. The Corporate Governance Statement is published separately from the Report of the Board of Directors and is available on the Company's website at www.srv.fi/en/investors/cg. The Corporate Governance Statement is also included in the Company's 2020 Annual Review as a separate section.

In its corporate governance and decision-making, the Company complies with the Finnish Companies Act, regulations concerning listed companies, SRV's Articles of

Association, the standing orders of SRV's Board of Directors and its committees, and the rules and guidelines of Nasdaq Helsinki Oy.

Descriptions concerning Corporate Governance

Administrative structure

The administration, management and supervision of SRV are divided between the General Meeting of Shareholders, the Board of Directors, and the President & CEO. An internal auditing unit reporting to the Board of Directors is responsible for internal auditing, and external auditing is carried out by auditors. The President & CEO attends to line operations with the assistance of the Corporate Executive Team.

General Meeting

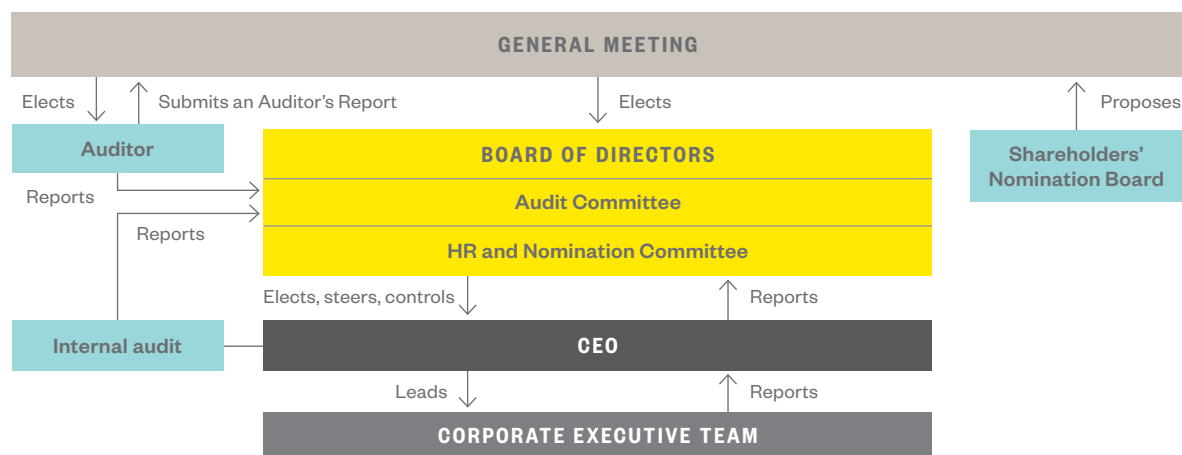
SRV's highest decision-making body is the Company's General Meeting of shareholders. The Annual General Meeting (AGM) is held once a year by the end of June on a date de-

termined by the Board of Directors. The AGM makes decisions on matters such as the election and remuneration of Board members, the Chair of the Board and the auditor; the adoption of the financial statements and consolidated financial statements; the release of Board members and the President & CEO from liability; and the disposal of profits as shown in the balance sheet. The General Meeting also deals with other matters specified in the Companies Act as being the business of General Meetings, as well as any of the Board's other proposals to the General Meeting. As per the Companies Act, the General Meeting will also deal with matters added to the agenda by shareholders. An Extraordinary General Meeting shall be held when the Board of Directors deems it necessary or when required by law.

Each SRV share confers its holder the right to one vote at a General Meeting. The Company's 2020 Annual General Meeting (AGM) was held on 26 March 2020. Due to Covid-19 pandemic, the participation of members of the Board of Directors and the Corporate Executive Team was limited to a minimum. A total of 18 shareholders attended the meeting, representing about 67.98 per cent of the Company's shares and votes. The minutes of the AGM are available on www.srv.fi/en/investors/cg/annual-general-meeting/annual-general-meeting-2020.

Shareholders' Nomination Board

The 2020 Annual General Meeting resolved to establish a Shareholders' Nomination Board consisting of shareholders or representatives of shareholders whose task is to prepare annual proposals concerning the composition and remuneration of the Board of Directors for the next Annual General Meeting. The Nomination Board consists of four members. The Company's three largest shareholders (as per 31 August of each calendar year) are each entitled to appoint one member. The Chair of the Board of Directors will be the fourth member of the Board.



The members of the Shareholders' Nomination Board will elect a Chair at their first meeting. The Group's General Counsel will act as the Secretary of the Shareholders' Nomination Board. The Shareholders' Nomination Board has standing orders that comply with the Company's Articles of Association. These rules describe the Board's tasks, meeting practices and member election process in more detail. The standing orders for the Shareholders' Nomination Board are publicly available on www.srv.fi/en/investors/cg/nomination-board.

The Shareholders' Nomination Board is quorate when all of its members are present. The Shareholders' Nomination Board must make unanimous decisions.

The members of the Shareholders' Nomination Board in 2020-2021 were: Ilpo Kokkila (Chair of the Board of Directors, Pontos Oy), Mikko Mursula (Chief Investment Officer, Ilmarinen Mutual Pension Insurance Company), Timo Ritakallio (President and Group Executive Chairman, OP Financial Group) and Tomi Yli-Kyyny (Chair of the Board of Directors, SRV Group Plc). Ilpo Kokkila chaired the Shareholders' Nomination Board.

The Shareholders' Nomination Board convened three times in 2020-2021. Members of the Shareholders' Nomination Board attended meetings as follows:

Name	Attendance (%)	Attendance at meetings
Ilpo Kokkila (Chair)	100	3/3
Mikko Mursula	100	3/3
Timo Ritakallio	100	3/3
Tomi Yli-Kyyny	100	3/3

Board of Directors

Composition of the Board

The Annual General Meeting elects the Chair of the Board and the other members of the Board. According to SRV's

The Annual General Meeting of 2020 elected the following six members to the Board of Directors:

Member of the Board	Member since	Born	Education	Main occupation	SRV shares at 31 Dec 2020 ¹
Tomi Yli-Kyyny Chair	2019	1962	MSc. (Tech.)	Caruna Networks Oy, President & CEO	66,000
Olli-Pekka Kallasvuo Vice Chair	2011	1953	LL.D.h.c.	Investor	266,664
Minna Alitalo	2012	1962	MSc. (Econ.)	Nightingale Health Oy, CFO	-
Hannu Leinonen	2020	1962	MSc. (Tech.)		-
Heikki Leppänen	2020	1957	Lic.Sc. (Tech.)	Corporate management coach and business development consultant	-
Timo Kokkila share ownership in a company under his control (Havu Capital Oy)	2010	1979	MSc. (Tech.)	Pontos Group Oy, CEO	15,741,398

¹ Including any shares and share-based rights owned by entities under the control of Board members.

Ilpo Kokkila (Chair until the 2020 AGM) and Juhani Hintikka were also members of the Board in 2020. Their membership ended at the 2020 AGM and the information below was valid as of 26 March 2020:

Name	Membership period	Born	Education	Main occupation
Ilpo Kokkila former Chair	1987-2020	1947	MSc. (Tech.)	Pontos Oy, Chair of the Board
Juhani Hintikka	2017-2020	1966	MSc. (Tech.)	LEE Capital, Chair of the Board

Articles of Association, the Board of Directors may have 5-8 members. The term of office for Board members begins at the General Meeting at which they are elected and ends at the close of the next Annual General Meeting. The Board of Directors shall elect a vice chair from among its members.

The Annual General Meeting of 2020 elected six members to the Board of Directors. Minna Alitalo, Olli-Pekka Kallasvuo, Timo Kokkila and Tomi Yli-Kyyny were re-elect-

ed to the Board. Hannu Leinonen and Heikki Leppänen were elected as new members. The AGM elected Tomi Yli-Kyyny as Chair of the Board of Directors, and the Board elected Olli-Pekka Kallasvuo as Vice Chair from among its members. Board members' personal details, main occupation and SRV shareholdings are presented in the table above.

Independence of Board members

The Board of Directors conducts an annual assessment of the independence of its members. Each Board member submits sufficient information for this purpose and also self-evaluates their independence. The Board of Directors then evaluates the independence of its members and announces which of its members have been deemed to be independent of the Company and of its major shareholders. The Board evaluated its independence in accordance with the recommendation contained in the Corporate Governance Code.

The Board of Directors has evaluated that, of its members, Minna Alitalo, Hannu Leinonen, Heikki Leppänen, Olli-Pekka Kallasvuo and Tomi Yli-Kyyny are independent of both the Company and its major shareholders. Timo Kokkila is not independent of the company based on overall evaluation, especially considering his consecutive membership of the Board of Directors for more than 10 years. He is not independent of the company's significant shareholder AS Pontos Baltic, as he is the CEO of AS Pontos Baltic.

Activities of the Board of Directors

The Board's task is to lead and supervise the Company's operations in accordance with the Companies Act, SRV's Articles of Association, and any other applicable legislation and regulations.

The Board of Directors has prepared written standing orders for its activities, specifying the key tasks and operating principles of the Board and its Chair. It is the Chair's task to manage Board work in such a manner that the Board's duties are carried out as efficiently and appropriately as possible. The Board of Directors decides on matters of principle and far-reaching significance to the Group, including:

- approving and overseeing the Group's strategy;
- approving and overseeing the annual budget and action plan;

- reviewing and approving the Report of the Board of Directors, the consolidated Financial Statements, interim reports and any associated stock exchange releases;
- general supervision of the Company's business, including approving and overseeing the principles for risk management and internal control;
- deciding on highly significant business matters in accordance with the decision-making authorisations approved by the Board (such as acquisitions or significant contracts; investments, divestments, loans or other financial obligations; the use of financial instruments and the provision of collateral when this does not fall within the scope of the financial management team);
- specifying and approving management authorisations;
- appointing the President & CEO and other members of the Corporate Executive Team, and approving the terms and conditions of their service contracts and remuneration schemes;
- approving remuneration schemes for other personnel; and
- deciding on proposals for General Meetings.

The standing orders of the Board of Directors are available in their entirety on www.srv.fi/en/investors/cg/board-of-directors/.

The Board of Directors meets regularly according to a preset schedule, and also when necessary. The CEO and General Counsel, who serves as the secretary of the Board, attend Board meetings. Other members of the Corporate Executive Team may attend Board meetings at the invitation of the Board. The Board of Directors conducts an annual assessment of its activities and working procedures, and develops its activities based on the results. This assessment is usually carried out as a selfassessment.

Attendance at meetings

The Board of Directors convened 35 times in 2020. Members had an average attendance rate of 98 per cent at Board meetings. The attendance record of Board members is as follows:

Member of the Board	Attendance/no. of meetings	Attendance, %
Tomi Yli-Kyyny (Chair)	35/35	100%
Olli-Pekka Kallasvuo (Vice Chair)	35/35	100%
Minna Alitalo	35/35	100%
Hannu Leinonen*	15/17	88%
Heikki Leppänen*	17/17	100%
Timo Kokkila	34/35	97%
Ilpo Kokkila**	18/18	100%
Juhani Hintikka**	17/18	94%

* Member of the Board as of 26 March 2020

** Member of the Board until 26 March 2020

Diversity of the Board of Directors

The Board of Directors has drafted diversity principles for the Board. The Shareholders' Nomination Board² prepares a proposal to the General Meeting on the number of Board members to be elected, the candidates, and their remuneration. When preparing its proposal to the General Meeting, the Shareholders' Nomination Board pays attention to the diversity principles for the Board.

Diversity issues and objectives

Diversity among the Board of Directors seeks to promote the Company's business and its development, strengthen Board work and decision-making, and increase open discussion. Diversity assessments take into account the eligibility of Board members with respect to the requirements of the Company's current position. Sufficient diversity will be assessed on the basis of factors such as Board members' experience, edu-

cation and knowledge of the Company's various businesses, and the Board's age and gender distribution.

Diversity targets require Board members to have a range of different areas of expertise that support the achievement of the Company's current strategic objectives. In addition to expertise in the field of industry, these areas of expertise include finance and funding, digitality, business management, strategy development and management, and international business operations. Board members must have sufficient education that supports the company's operations and achievement of objectives. In future, the Company will seek to ensure a more gender-balanced Board, not only through the competences required from Board members, but also in the preparation of the Board candidate proposal.

Implementation and results

Diversity targets have been well met. All members of the Board of Directors have a university degree and experience in business management, strategic management and strategic development. All Board members are serving or have served in corporate managerial or Board positions in different fields of business. The Board has professional expertise in construction, property investment and international business. The Board members are of different ages. Both genders are represented on the Board, with five men and one woman. No progress has yet been made in balancing gender representation on the Board.

Board Committees

General

The Board of Directors has established two committees: an

Audit Committee and an HR and Nomination Committee. The committees operate in accordance with the standing orders approved by the Board of Directors, and report to the Board. The committees do not have independent power of decision. Their task is to enhance the effectiveness of the Board of Directors by preparing matters for decision by the Board and the General Meeting.

Audit Committee

The Audit Committee assists the Board of Directors in its role in the preparation of financial reporting and supervision tasks as well as audit-related matters. The Audit Committee monitors the company's financial reporting and prepares matters concerning the Group's financial situation and financial reporting, evaluating and risk management for the Board. In order to discharge its tasks, the Audit Committee follows trends in SRV's financial position, asks questions of the auditors, reviews drafts of the financial statements and interim reports, and monitors and assesses the effectiveness of internal control, internal auditing, risk management systems, and related-party principles and processes. In addition, the Audit Committee prepares a proposal on the choice of auditor for presentation to the General Meeting, and also monitors and evaluates both the independence of the auditor and the non-audit services provided by the auditor. The standing orders of the Audit Committee are available on www.srv.fi/en/investors/cg/board-of-directors/committees/.

The Audit Committee is comprised of three members whom the Board of Directors elects from amongst its number. Until the Annual General Meeting of 26 March 2020, the

members of the Audit Committee were Minna Alitalo (Chair), Timo Kokkila and Tomi Yli-Kyyny. After the Annual General Meeting of 26 March 2020, the members were Minna Alitalo (Chair), Hannu Leinonen and Timo Kokkila.

The Audit Committee convened nine times in 2020 with an attendance rate of 96 per cent. The attendance rate at Committee meetings is shown below:

Committee member	Attendance/no. of meetings	Attendance, %
Minna Alitalo (Chair)	9/9	100%
Timo Kokkila	9/9	100%
Hannu Leinonen*	4/5	80%
Tomi Yli-Kyyny**	4/4	100%

* Member of the Audit Committee as of 26 March 2020

** Member of the Audit Committee until 26 March 2020

HR and Nomination Committee

The HR & Nomination Committee prepares the Board's proposal to the General Meeting on remuneration policy; matters related to the appointment and remuneration of the President & CEO, the Deputy CEO and other management; and matters related to remuneration and incentive schemes for personnel. The Committee assesses the activities of senior management, oversees successor planning, plans competence development for management and personnel, and monitors personnel satisfaction and working capacity.³The standing orders of the HR and Nomination Committee are available on at www.srv.fi/en/investors/cg/board-of-directors/committees/.

² The 2020 Annual General Meeting decided to establish the Shareholders' Nomination Board. The Board of Directors' HR & Nomination Committee prepared the proposal to the 2020 Annual General Meeting on the number of Board members to be elected, the candidates, and their remuneration.

³ Until the 2020 Annual General Meeting, it was also the HR and Nomination Committee's task to prepare a proposal concerning the election and remuneration of members of the Board of Directors for presentation to the Annual General Meeting. The 2020 Annual General Meeting resolved to establish a Shareholders' Nomination Board to prepare proposals concerning the composition and remuneration of the Board of Directors to the Annual General Meeting.

The HR and Nomination Committee comprises three members whom the Board of Directors elects from amongst its number. Until the Annual General Meeting of 26 March 2020, the HR and Nomination Committee consisted of Ilpo Kokkila (Chair), Juhani Hintikka and Olli-Pekka Kallasvuo. After the Annual General Meeting of 26 March 2020, it consisted of Tomi Yli-Kyyny (Chair), Olli-Pekka Kallasvuo and Heikki Leppänen.

The HR and Nomination Committee convened six times during 2020 with an attendance rate of 100 per cent. The attendance rate at Committee meetings is shown below:

Committee member	Attendance/no. of meetings	Attendance, %
Tomi Yli-Kyyny (Chair)*	5/5	100%
Olli-Pekka Kallasvuo	6/6	100%
Heikki Leppänen*	5/5	100%
Ilpo Kokkila**	1/1	100%
Juhani Hintikka**	1/1	100%

* Member of the HR and Nomination Committee as of 26 March 2020

** Member of the HR and Nomination Committee until 26 March 2020

CEO

The CEO's task is to manage and develop SRV's business and handle the routine management of the company. The CEO is responsible for preparing matters to be dealt with and decided by the Board of Directors, implementing the Board's decisions, and ensuring that any goals set by the Board are attained. The CEO ensures that the Company's bookkeeping complies with applicable legislation, and that funds are managed in a reliable manner. The CEO also serves as the Chair of the Corporate Executive Team. The Board of Directors appoints the CEO and Deputy CEO, and relieves them of their duties.

The 2020 Corporate Executive Team⁴:

Name	Born	Education	Area of responsibility	SRV shares 31 Dec 2020
Saku Sipola	1968	MSc. (Tech.)	CEO	4,000
Timo Nieminen	1958	MSc. (Tech.)	Deputy CEO and Executive Vice President, Strategic Project Development	776,310
Juha Toimela	1963	MSc. (Tech.), MBA	Executive Vice President, Business Premises, Helsinki Metropolitan Area	41,316
Kim Jolkkonen	1971	Lic.Sc. (Tech.)	Senior Vice President, Housing, Helsinki Metropolitan Area	-
Maija Karhusaari	1972	MSc. (Econ.)	Vice President, Communications and Marketing	700
Kimmo Kurki	1960	BSc. (CE)	Senior Vice President, Internal Services and Infrastructure	32,238
Johanna Metsä-Tokila	1977	LL.M. trained on the bench	Senior Vice President, General Counsel.	50,016
Antti Nummi	1971	M.Soc.Sc.	Senior Vice President, Business Development	-
Ilkka Pitkänen	1966	MSc. (Econ.)	CFO	40,000
Jarkko Rantala	1986	MSc. (Econ.)	Senior Vice President, Investments	8,000
Henri Sulankivi	1967	MSc. (Tech.)	Senior Vice President, Regional Units	3,000
Jussi Tuisku	1967	BA(Hons), eMBA	Senior Vice President, Russia and Estonia	5,000

⁴ The table above shows the composition of the Group's Corporate Executive Team and its members' areas of responsibility at 31 December 2020. Changes occurred in both the Team's composition and areas of responsibility on 3 December 2020, when Henri Sulankivi was appointed to the Team with responsibility for Regional Units. At the same time, Juha Toimela's area of responsibility changed to Business Premises, Helsinki Metropolitan Area (formerly Business Premises, Regional Units and Infrastructure) and Kimmo Kurki took responsibility for Internal Services and Infrastructure (formerly Internal Services). The Group's Corporate Executive Team saw further changes on 1 January 2021, when Jarkko Rantala was appointed CFO in addition to his previous area of responsibility. Miia Eloranta was appointed Senior Vice President, Communications and Marketing as of 4 January 2021, Kristiina Sotka Senior Vice President, Human Resources as of 1 February 2021 and Jouni Forsman Senior Vice President, Business Premises, Helsinki Metropolitan Area as of 16 February 2021 (Juha Toimela until 1.3.2021).

Shareholdings include the shares owned by the Corporate Executive Team member and any shares owned by a company under their control. Corporate Executive Team members do not own shares in any other company that is part of the same group as SRV.

Saku Sipola (b. 1968) has been serving as President & CEO of SRV Group Plc since 1 September 2019. The holdings of the President & CEO are disclosed below, along with the holdings of Corporate Executive Team members.

SRV's Deputy CEO is Timo Nieminen (b. 1958), MSc. (Tech.).

Corporate Executive Team

The Corporate Executive Team assists the President & CEO in operational planning, line management, and decision-making. It also prepares matters to be dealt with by the Company's Board of Directors. The Corporate Executive Team handles matters concerning business operations and operational control and development. The duties of the Group's Corporate Executive Team are based on the Company's management system, and the Group's Corporate Executive Team has no authority grounded in law or the Company's Articles of Association.

The Corporate Executive Team consists of the President & CEO as the Chair plus other members appointed by the Board of Directors. Each member of the Corporate Executive Team has his or her own area of responsibility. The Vice President, Development Affairs acts as the secretary of the Corporate Executive Team.

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

Risk management system

SRV engages in systematic risk management, both to protect itself against factors that might hinder its business operations and to recognise new opportunities. The Company improves the profitability and stability of its operations by identifying and reacting to strategic and operational risks in time. Risk management is part of SRV's management system. It supports the Company's values, vision, strategy and the attainment of its earnings objectives.

To this end, SRV ensures that it has a systematic and

comprehensive approach for identifying and assessing risks, and also for reporting on operations and implementing any required risk management measures. The annual Group-level risk management process comprises the identification of material risks related to the Company's operations, assessment of the status of risks, and the planning of measures to eliminate risks or mitigate their impacts. Risks identified during this process are rated in terms of their severity. Continuous risk management is planned and implemented on a function- and site-specific basis for SRV's various functions, development projects, construction projects and investments. Any key risk management measures that must be complied with during construction projects are included in the process diagrams and other aids contained in SRV's operating system. The Company also uses certified ISO-standard systems for quality assurance, environmental management, occupational healthcare and safety.

Overall responsibility for risk management lies with the company's Board of Directors and the CEO. The Board ensures that risk management is taken into account at both strategic and operational level. The Audit Committee reviews a quarterly report on operational risks and reports on them to the Board of Directors. Line management is in charge of implementing, leading and supervising day-to-day risk management for both business in general and individual projects. The Group's risk management function supports the application of risk management policies and develops Group-wide ways of working.

General description of internal control

SRV continuously monitors its functions to ensure the reliability of its result. Internal control seeks to ensure that the Company's operations are efficient and productive, reporting is reliable, and laws and regulations are complied with. However, the internal control system cannot provide full certainty that risks will not be realised.

SRV's business operations are guided by consistent Group-wide business principles, decision-making authorisations and the Company's values. Internal control is founded on a healthy corporate and management culture, and on specified reporting and its fundamental principles. In particular, internal control is based on financial reports, management reports, risk reports and internal audit reports. The Company's main operations are controlled by means of written internal instructions, operating policies and procedures.

Financial control

The internal control system is the responsibility of SRV's Board of Directors and Audit Committee, the Corporate Executive Team, the executive teams of SRV's business areas, and financial administration. Management's monthly financial reporting is a key control process in ensuring the accuracy of the Group's financial reporting. It includes analyses of deviations between actual results, budgets and continuously updated forecasts. An external auditor audits financial reporting on a regular basis and reports directly to the Audit Committee.

The internal control system applied to business operations is the responsibility of the executive teams of SRV's business areas and the Group's controller function, in accordance with SRV's Group policies and instructions. Monthly financial reporting is a key control process in ensuring the effectiveness and efficiency of operations. It also includes analyses of deviations between actual results, budgets, and continuously updated forecasts for overall financial performance and individual construction projects.

Financial management and operational control are supported and coordinated by the Group's financial administration and the SRV's controller function. SRV has drafted Group-level reporting models for standardising the financial reporting of its business functions. Their reports seek

to ensure that control covers all the major aspects of SRV's business operations. This ensures that any deviations from financial objectives are identified, communicated and reacted to efficiently, in a harmonised and timely manner. An important part of the forecasting process for construction projects is the project-specific identification, assessment and reporting of risks and opportunities, along with action plans to address any issues. These activities are coordinated by the controller organisation.

Financial control measures also include management's continual business control procedures. Financial reports define key control indicators that aim to measure and support business efficiency and consistency, and to monitor progress towards the attainment of SRV's objectives.

Reliability of financial reporting

The monitoring of financial reporting reliability is based on the principles and guidelines SRV has defined for the financial reporting process. The interpretation and application of financial statement standards, including compliance with these standards, are centralised in the Group's financial administration, which is supervised by the Company's Audit Committee. Budgeting and reporting processes are based on SRV's internal instructions. The Group's financial administration is responsible for drafting and maintaining these instructions centrally. These principles are applied consistently throughout the Group.

Other information

Internal audit

The internal audit is part of SRV's internal control framework. It is an independent, objective and consulting function that is designed to create added value and improve the functions of the Company. The internal audit is intended to support the Board of Directors and management in the monitoring of good administration, internal management control, and the

efficiency of risk management. This function carries out independent audits of business functions, Group companies, processes and especially of selected targets to ensure the functionality of internal control. The internal audit seeks to ensure compliance with internal policies, guidelines and regulations.

It operates under the supervision of the Audit Committee and reports on its observations to the Audit Committee, which in turn reports to the Board of Directors. An annual plan for internal audits is drawn up for the Audit Committee to verify and approve. The focus areas of the internal audit are identified risks in business operations.

The 2020 internal audit was performed by an external service provider chosen by SRV, namely Ernst & Young Oy. SRV's own controller organisation assisted Ernst & Young Oy in commissions relating to the auditing of construction projects. Internal audits were carried out in 2020 in accordance with the annual plan for internal audits.

Related-party transactions

SRV's Board of Directors has defined principles for monitoring and assessing related-party transactions within the Group, and these have been included in SRV's related-party guidelines. The guidelines define SRV's related parties and stipulate principles and processes for identifying and making decisions on related-party transactions. SRV maintains a register of related parties and has identified ordinary business situations in which related-party transactions may occur.

Related-party transactions must always be carefully and transparently prepared to ensure that market conditions are met and the transaction is in the best interests of the company. The assessment of whether a transaction meets market conditions and falls within the scope of ordinary business will take into account generally accepted contractual and market practices and the commercial terms and conditions of any comparable agreements with the Company's customers and other partners.

Related-party transactions that meet market conditions

and form part of ordinary business must be implemented and approved in accordance with the company's internal guidelines. If a transaction does not meet market conditions or form part of ordinary business, the transaction must either be submitted to SRV's Board of Directors for approval or not be executed. Decision-making must comply with the disqualification provisions laid down in the Limited Liability Companies Act.

Related-party transactions and their assessment criteria are reported to the Board of Directors' Audit Committee. The Audit Committee monitors and assesses compliance with principles and procedures for related-party transactions within the Group. SRV regularly reports related-party transactions as part of its financial reporting and publishes related-party transactions as required by the regulations.

Insider administration

The company complies with the insider guidelines approved by the Board of Directors. This insider policy describes essential rules, instructions and procedures concerning market abuse and, in particular, the prohibition on market manipulation and using of insider information.

According to the Market Abuse Regulation (MAR), the company's management includes the members of SRV's Board of Directors, the President & CEO and as of February 2021 the CFO. Management and their close circle must report all business transactions involving the company's securities to both SRV and the Financial Supervisory Authority. The company will issue a stock exchange release on all such transactions.

SRV's management may not trade in the company's securities (either in person or through a third party) during a 30-day "closed window" before the publication of each of the company's financial statement bulletins or interim reports, and not on the date of publication of the company's interim reports or financial statement bulletins. This prohibition remains in force whether or not the

person in question is in possession of any insider information at the time.

The company maintains and updates a register of those who regularly receive unpublished financial information via their position or authorisations (“those who participate in the preparation of financial reviews”). The closed window and non-disclosure obligations also apply to these individuals, and they are also forbidden from providing information or advice to others for the purpose of trading in the company’s securities.

SRV draws up a list of individuals who have access to insider information and who have signed an employment contract with the company, or who otherwise perform duties which grant them access to insider information. SRV does not maintain a permanent insider register. Instead, all individuals participating in insider projects are included in project-specific insider lists. Anyone whose name appears on one of these lists may not trade in the company’s securities until they have been notified that any trading restrictions have been lifted.

SRV recommends that trading be restricted to situations in which the market is in possession of the most comprehensive information about factors affecting the company’s securities, that is, after the publication of an interim report or financial statement bulletin. SRV recommends that those who are in a management position or prepare financial reviews should make long-term investments rather than trading in securities belonging to or related to the company. Insider policy forbids the aforementioned individuals from engaging in short-term trading and speculative activities with securities belonging to or related to the company.

SRV’s insider administration organisation consists of the General Counsel, the person responsible for insiders, and the insider register custodian. Insider administration is responsible for the daily management and supervision of compliance with the MAR and SRV’s insider policy, which includes tasks such as maintaining insider registers, su-

perising insider issues, arranging training, giving advice, and sending notifications to management, insiders and other relevant organisations. SRV’s insider administration function cooperates with the company’s communications, which handles the publication of management’s business activities.

Audit

The auditor is elected at the Annual General Meeting to a term of office that ends at the close of the next Annual General Meeting following the auditor’s election. The Company’s auditor must be a firm of Authorised Public Accountants approved by the Finnish Patent and Registration Office, and the chief auditor must be an Authorised Public Accountant.

The Annual General Meeting of 26 March 2020 elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the Company’s auditor with Samuli Perälä, Authorised Public Accountant, as the chief auditor.

The auditor was paid auditing fees of EUR 434,000 in 2020. The auditor was paid an additional EUR 271,000 for other services (including all the companies belonging to the same group or chain).