

An aerial photograph of an industrial facility, likely a power plant or refinery, featuring large grey buildings, a parking lot with several cars, and a railway track. A large red rectangular overlay is positioned in the upper center of the image, containing white text. The background shows a clear sky with a hint of sunset or sunrise.

Cramo Group

**CORPORATE  
GOVERNANCE  
STATEMENT 2019**

10 February 2020

**C R A M O**

## I INTRODUCTION

The corporate governance at Cramo Plc (hereinafter “Cramo” or “the Company”) is based on Finnish law and the Company’s Articles of Association. Cramo complies with the rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code (2015 and, 1 January 2020 onwards, 2020) published by the Securities Market Association. The Corporate Governance Code is available at the Securities Market Association’s website (<http://cgfinland.fi/en/>). Cramo does not deviate from the Finnish Corporate Governance Code Recommendations.

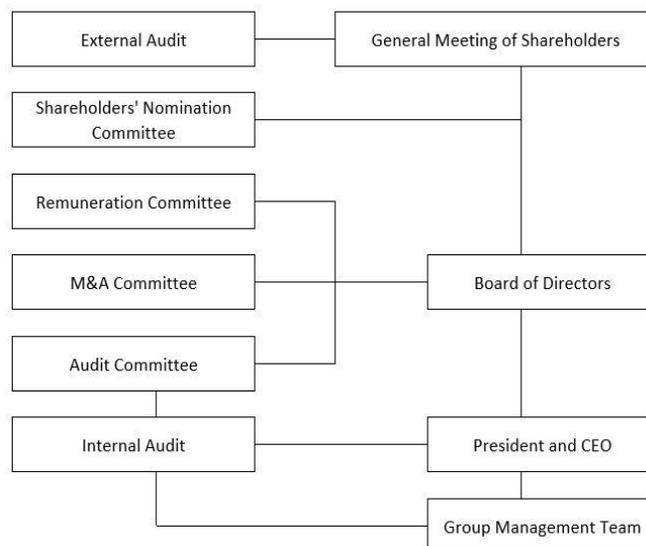
This statement has been approved by Cramo’s Board of Directors and it is issued separately from the Board of Directors’ report. Cramo’s auditors, KPMG Oy Ab, have reviewed the description of the main features of internal control and risk management systems regarding financial reporting, as described in this statement, are in line with Cramo’s financial statements.

Further information regarding the corporate governance matters of Cramo is available at (<https://www.cramogroup.com/en/category/governance/>) as well as in the Board of Directors’ report and in the Corporate Governance section included in the Annual Report.

## II GENERAL PRINCIPLES OF THE CORPORATE GOVERNANCE AT CRAMO

The governance and management responsibilities of Cramo are divided among the General Meeting of Shareholders, the Board of Directors with its three Committees, Shareholders’ Nomination Committee, the President and CEO, the Group Management team and Managing Directors of Subsidiaries.

The Board of Directors supervises the performance of the Company, its management and organisation on behalf of shareholders. The Board of Directors and the Group Management team are separate bodies, and no one serves as a member of both.



### General meeting of Shareholders

The General Meeting of Shareholders of the parent company, Cramo Plc, is the highest decision-making body of Cramo. The shareholders registered in the Company’s shareholder register, maintained by Euroclear Finland Ltd, by a given date, are entitled to attend the meeting. If a shareholder wishes to bring up a matter for consideration by the General Meeting of Shareholders, they must present the matter in writing to the Board of Directors at the latest four weeks before the publication of the notice.

In accordance with the Articles of Association, a notice to convene the General Meeting of Shareholders is issued by the Board of Directors. Notice is given no later than 21 days prior to the meeting by publishing the notice on the website of the Company. The Annual General Meeting (AGM) is held once a year either in Vantaa or in Helsinki by the end of June at the latest.

The Board of Directors may call an Extraordinary General Meeting (EGM) of Shareholders whenever necessary.

The duties of the Annual General Meeting include:

- Approving the parent company and consolidated income statement and balance sheet;
- Agreeing on the amount of dividends;
- Appointing the members of the Board of Directors;
- Deciding on the compensation of the Board of Directors; and
- Electing the auditors.

#### *General Meetings of Shareholders in 2019*

The Annual General Meeting of Shareholders of Cramo was held in Helsinki on Thursday, 28 March 2019.

The Extraordinary General Meeting of Shareholders was held in Helsinki on Monday, 17 June 2019.

#### **Shareholders' Nomination Committee**

In 2015 the General Meeting of Shareholders of Cramo Plc resolved to establish a permanent Shareholders' Nomination Committee, in accordance with the proposal of the Company's Board of Directors. The purpose of the Nomination Committee is to prepare annually proposals for the decision of the Annual General Meeting regarding the election and remuneration of the members of the Board of Directors.

The Nomination Committee consists of maximum of four members, of which maximum three represent the Company's largest shareholders who, on the last business day of August preceding the next Annual General Meeting, hold the largest

number of votes calculated of all shares in the Company.

The largest shareholders of the Company on the last business day of August are determined on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd. Pursuant to this shareholding, the Chairman of the Board of Directors shall request the three largest shareholders of the Company each to nominate one member to the Nomination Committee. Should a shareholder not wish to use its nomination right, the right may be transferred by the Chairman of the Board of Directors to the next largest shareholder who would otherwise not have a nomination right. The Chairman of the Board of Directors shall be a member of the Nomination Committee. The term of office of the members of the Nomination Committee expires annually when the new Nomination Committee has been appointed.

The duties of the Nomination Committee include:

- To prepare and present to the Annual General Meeting a proposal on the number of the members of the Board of Directors;
- To prepare and present to the Annual General Meeting a proposal on the remuneration of the members of the Board of Directors for their work both at the Board of Directors and at the Board committees;
- To prepare and present to the Annual General Meeting a proposal on the members of the Board of Directors; and
- To present the proposed changes to the charter of the Nomination Committee to the Annual General Meeting for approval.

### *Shareholders' Nomination Committee prior to Annual General Meeting 2020*

The shareholders that wished to participate in the work of the Nomination Committee have nominated following members in 2019:

- Fredrik Åtting, EQT Fund Management S.à r.l
- Ari Autio, Member of the Board of Directors of foundation, Rakennusmestarien Säätiö
- Annika Ekman, Ilmarinen Mutual Pension Insurance Company
- Veli-Matti Reinikkala, Chairman of the Board, Cramo Plc

Fredrik Åtting was elected as the Chairman of the Nomination Committee.

### **Board of Directors**

The Board of Directors is responsible for the Company's strategic steering and for supervising the business. The Board of Directors comprises of 5–8 members, who are elected at the Annual General Meeting. The term of the members lasts one year and will end upon closing of the next Annual General Meeting following the election.

The majority of directors shall be independent of the Company and at least two of the directors representing this majority shall be independent of significant shareholders of the Company. The composition of Cramo's Board must facilitate the discharge of its duties in an efficient manner as well as take into account the needs of the Company's operations and the development stage of the Company.

The proposal of the Nomination Committee for the composition of the Board and the biographical details of the candidates shall be included in the notice of the General Meeting. There is no specific order for the appointment of the directors in the Articles of Association. Information about the

remuneration of the Board and its committee members is disclosed in the Remuneration Statement, which can be found on the company website.

The roles and responsibilities of Cramo's Board of Directors have been defined in the Charter of the Board of Directors and in the Group's Operating Principles. The latter also acts as the Corporate Governance Manual for the operative management. If necessary, the Board's Charter is revised and amended annually in conjunction with the first meeting of the Board after the election of its members at the Annual General Meeting. The Board's Charter is available at the company website ([www.cramogroup.com/en/board-of-directors-governance](http://www.cramogroup.com/en/board-of-directors-governance)).

The main responsibilities of the Board of Directors include:

- Governance and proper management of Cramo Group;
- Ensuring that the business complies with relevant rules and regulations, Cramo's Articles of Association and the instructions given by the General Meeting of Shareholders;
- Company's strategic development and supervising of the business;
- Deciding the Group's key policies and practices, approving the business strategy and budget as well as the financial statements and interim reports;
- Appointing and dismissing the President and CEO and determination of his/her compensation; and
- Deciding the Group's structure, acquisitions and disposals as well as Company financing and investments.

The Board of Directors convenes according to a predefined schedule as well as when considered necessary. The agendas of the meetings are based on the financial reporting cycle. The following matters are considered quarterly:

- Review of Group’s and Operating Companies’ performance, review of financial forecasts;
- Assessment of business development issues;
- Approval of investments releases, acquisitions and disposals as well as structural issues; and
- Approval of possible financing issues.

The following figure illustrates the additional matters that the Board has on its agenda during the year.



### *Diversity of Board*

Cramo’s Board of Directors and its Committees are composed taken into account diversity matters, such as gender, age, educational background and experience. Cramo pursues adequate diversity in order to promote open discussion and independent decision-making. Furthermore, adequate diversity promotes good corporate governance. Having both genders represented in the Board of Directors is one key principle in respect of diversity.

The Shareholders’ Nomination Committee takes into account diversity matters when preparing its proposal for Board members.

### *Composition of Board of Directors in 2019*

Until the Annual General Meeting, held on 28 March 2019, the Board of Directors consisted of seven members, including the Chairman. The composition of the Board was: Mr Veli-Matti Reinikkala (Chairman), Mr Perttu Louhiluoto (Deputy Chairman), Ms AnnaCarin Grandin, Mr Peter Nilsson, Mr Joakim Rubin, Mr Raimo Seppänen and Ms Caroline Sundewall.

The Annual General Meeting in 2019 confirmed the number of the Board members to seven, re-electing five members of the Board and appointing two new members. The composition of the Board from 28 March 2019 onwards has been: Mr Veli-Matti Reinikkala (Chairman), Mr Peter Nilsson (Deputy Chairman), Ms AnnaCarin Grandin, Mr Joakim Rubin, Mr Raimo Seppänen and, as new members, Mr Christian Bubenheim and Mr Andrew P. Studdert.

Ms Grandin, Mr Bubenheim, Mr Nilsson, Mr Reinikkala and Mr Studdert are deemed independent of the Company and its major shareholders. Mr Rubin and Mr Seppänen are deemed independent of the Company, but not independent of its major shareholders. One of the seven Board members is female and six members are male.

### *Work of Board of Directors in 2019*

In 2019, the Board convened twenty-four times.

Cramo continued shaping of the Group’s structure. During the first half of the year, the Board focused on preparing and executing the partial demerger of Cramo Plc and the listing of Adapteo Plc in Nasdaq Stockholm. The latter part of the year was

characterised by the approach of Boels Topholding B.V. leading to a recommended cash tender offer announced in November 2019. Before unanimously resolving to recommend the acceptance of the tender offer to the shareholders, the Board analysed various strategic alternatives and concluded that the offer made by Boels Topholding B.V. represented the best available alternative for the company and its shareholders. In 2019, the Board also actively worked on developing, and approved, the new strategy of post-demerger Cramo.

The table on the page 7 represents the members of the Board of Directors and the related information of the members in the Board meetings and Board's Committees meetings in 2019.

### **Board Committees**

Three permanent committees, the Audit Committee, the Remuneration Committee and the M&A Committee assist the Board of Directors. The Board elects the committee members and appoints the committee chairmen. Members are appointed for a one-year term of office, which expires at the end of the first Annual General Meeting following the election. The Board confirms the main duties and operating principles of the committees in a written charter.

### **Audit Committee**

The Audit Committee assists the Board of Directors in its supervisory responsibilities. The responsibilities of the Audit Committee are designed in line with the Finnish Corporate Governance Code.

The Audit Committee has the following duties:

- Monitoring the reporting process of financial statements and half year financial reports;
- Supervising the financial reporting process;
- Monitoring the efficiency of the Company's internal control, internal audit, and risk management systems;
- Reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the Company's corporate governance statement;
- Monitoring the statutory audit of the financial statements and consolidated financial statements;
- Evaluating the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company to be audited;
- Preparing the proposal for resolution on the election of the auditor; and
- Assessing the effects of any exceptional or significant business transactions.

### *Audit Committee in 2019*

Until 28 March 2019, the Audit Committee was chaired by Mr Joakim Rubin with Mr Perttu Louhiluoto, Ms AnnaCarin Grandin and Ms Caroline Sundewall as committee members.

At the Board's constitutive meeting on 28 March 2019, Mr Joakim Rubin was appointed Chairman of the Audit Committee, and Ms AnnaCarin Grandin and Mr Christian Bubenheim were elected as members.

The Audit Committee met six times in 2019.

## Remuneration Committee

The Remuneration Committee supports the Board in the remuneration matters. Information about Cramo's remuneration can be found on the company website:

(<https://www.cramogroup.com/en/remuneration/>).

The main tasks of the Remuneration Committee include the following:

- Prepare matters to the Board relating to the appointment of the President and CEO and his/her deputy as well as other senior management;
- Evaluate the President and CEO's performance;
- Evaluate and propose to the Board the remuneration and other benefits for the President and CEO, his/her deputy and other senior management;
- Propose Group Remuneration Policy to the Board for approval;
- Evaluate and make recommendations to the Board relating to equity-based plans, incentive compensation plans, policies and programs of the Company;
- Oversee and follow the compensation development for Group Management internationally within the industries that are relevant for Cramo Plc; and
- The committee replies to any questions related to the Remuneration Statement at the Annual General Meeting.

## Remuneration Committee in 2019

Until 28 March 2019, the Remuneration Committee was chaired by Mr Veli-Matti Reinikkala, with Mr Peter Nilsson and Mr Raimo Seppänen as members.

At the Board's constitutive meeting on 28 March 2019, Mr Veli-Matti Reinikkala was appointed Chairman of the Remuneration Committee and Mr Peter Nilsson and Mr Raimo Seppänen were elected as members.

The Remuneration Committee met four times in 2019.

## M&A Committee

The M&A Committee supports the management in M&A activities and the strategy work of the company.

The main tasks of the M&A Committee include supporting the management on:

- potential M&A activities
- development and implementation of the strategy work of the company

## M&A Committee in 2019

At its constitutive meeting on 28 March 2019, Mr Veli-Matti Reinikkala was appointed Chairman of the M&A Committee and Mr Joakim Rubin and Mr Andrew P. Studdert were elected as members.

The M&A Committee met twelve times in 2019.

Board members	Born	Nationality	Education	Occupation	Member since	Attendance at Board meetings	Attendance at Board Committee Meetings	Share ownership on 31 December 2019
<b>Mr Veli-Matti Reinikkala (Chairman)</b>	1957	Finland	Executive Master of Business Administration		2017	24/24	Remuneration Committee (Chair) 4/4 M&A Committee (Chair) 12/12	13,000 shares
<b>Mr Peter Nilsson (Deputy Chairman)</b>	1962	Sweden	M.Sc (Econ)		2015	23/24	Remuneration Committee 4/4	17,516 shares 116,480 call options
<b>Ms AnnaCarin Grandin</b>	1967	Sweden	B.Sc. (Business Administration)	CEO, Coor Service Management, Sweden	2018	21/24	Audit Committee 6/6	1,000 shares
<b>Mr Joakim Rubin</b>	1960	Sweden	M.Sc (Ind. Engineering and Management)	Partner, EQT Partners AB	2015	23/24	Audit Committee (Chair) 6/6 M&A Committee 12/12	1,916 shares
<b>Mr Raimo Seppänen</b>	1956	Finland	Civil Engineer	Head of Housing Repairs, YIT	2014	24/24	Remuneration Committee 4/4	1,916 shares
<b>Members of the Board from 28 March 2019</b>								
<b>Mr Christian Bubenheim</b>	1965	US, Germany	Diploma in Economics and Engineering	CEO, Internetstores GmbH	2019	18/18	Audit Committee 4/4	0 shares
<b>Mr Andrew P. Studdert</b>	1956	US	BA		2019	18/18	M&A Committee 10/10	6,500 shares
<b>Members of the Board until 28 March 2019</b>								
<b>Mr Perttu Louhiluoto (Deputy Chairman)</b>	1964	Finland	M.Sc (Econ), Master of Laws	CEO, Rettig ICC	2016	6/6	Audit Committee 2/2 M&A Committee 2/2	-
<b>Ms Caroline Sundewall</b>	1958	Sweden	MBA	Independent Business Consultant, Caroline Sundewall AB	2014	6/6	Audit Committee 2/2	-

## **President and CEO**

Cramo's Managing Director, who also acts as the President and CEO, is in charge of the Company's day-to-day management in accordance with the Finnish Companies Act and related legislation, instructions and orders given by the Board of Directors. The current President and CEO Leif Gustafsson started in his position on 1<sup>st</sup> January 2016. Further information regarding the President and CEO is available in the Annual Report and on the company website.

## **Group Management team**

The Management team of the Group consists of the President and CEO, CFO, three Executive Vice Presidents responsible for the Cramo's business segments, and three corporate support heads. The Group management team meets on a monthly basis.

The Group Management team implements the strategic decisions made by the Board, including implementing and monitoring the Corporate Governance Guidelines and Operating Principles, and monitors and steers the performance and operations of subsidiaries on an ongoing basis. The Group management team is responsible for the operative management of Cramo.

Information regarding Cramo's Remuneration Policy and financial benefits of the Group Management team is presented in the Remuneration Statement. Information on Cramo's Group Management team members and their individual responsibilities can be found on the next page.

## **General Managers of Subsidiaries**

The General Manager residing in a subsidiary's country of domicile serves as the Managing Director of the operating subsidiary. When that person is responsible for the business operations of an entire country, he/she also acts as Country Manager.

The General Managers are in charge of the day-to-day management in accordance with Cramo's strategy and Corporate Governance Guidelines and Operating Principles along with other guidelines defined by Cramo Plc and the Board of Directors of the subsidiary. At regular intervals, they report on the financial position and business operations of their company and its subsidiaries to their superior and to the operating company's Board of Directors.

Management	Born	Nationality	Education	Position and area of responsibility	Member of GMT since	Share ownership on 31 December 2019
<b>Mr Leif Gustafsson</b>	1967	Sweden	Construction Engineer	President and CEO	2016	36,392 shares
<b>Mr Aku Rumpunen</b>	1974	Finland	M.Sc. (Econ), M.Sc. (Geography)	CFO	2013	11,996 shares
<b>Mr Hartwig Finger</b>	1973	Germany	MBA	Executive Vice President, Central Europe, Managing Director Cramo AG	2018	251 shares
<b>Mr Tatu Hauhio</b>	1970	Finland	M.Sc (Econ)	Executive Vice President, Finland and Eastern Europe	2006	30,617 shares
<b>Mr Henrik Norrbom</b>	1977	Sweden	Diploma in Business Finance	Executive Vice President, Scandinavia, Managing Director Cramo AB	2019	0 shares
<b>Mr Martin Holmgren</b>	1967	Sweden	B.Sc. (Business Administration)	Senior Vice President, Fleet Management	2009	8,804 shares
<b>Ms Sohana Josefsson</b>	1973	Sweden	M. Sc. (Management), MPP (Public policy)	Senior Vice President, Marketing and Communications	2019	0 shares
<b>Mr Mika Kouhi</b>	1978	Finland	M. Sc. (Economics and Business Administration)	Senior Vice President, M&A and Corporate Development	2018	3,196 shares

### III DESCRIPTIONS OF INTERNAL CONTROL PROCEDURES AND THE MAIN FEATURES OF RISK MANAGEMENT SYSTEMS

#### Introduction of the risk management and internal control at Cramo

Internal control over financial reporting is part of the overall internal control system at Cramo, which is described in the Annual Report and on the company website. The Enterprise Risk Management (ERM) framework, tailored to Cramo's business needs, provides the overall framework for the internal control and risk management within the Company. The ERM framework is an integral part of Cramo's internal control environment and monitoring and control structure.

As a model for defining internal control, Cramo has utilised the COSO framework, which has been modified for Cramo's purposes, for instance by adding items that support strategic and business objectives.

Internal control over financial reporting strives to provide reasonable assurance that the Company's financial reporting is reliable and that external financial reporting is prepared in accordance with legislation, International Financial Reporting Standards (IFRS) and other requirements set for listed companies.

Cramo's internal control framework consists of:

- The internal control, risk management and corporate governance policies and principles set by the Board of Directors;
- Management overseeing the implementation and application of these policies and principles;

- The Group Finance and Development function monitoring the efficiency and effectiveness of the operations and the reliability of financial and management reporting;
- The enterprise risk management process identifying, assessing and mitigating risks threatening the realisation of Cramo's objectives;
- Compliance procedures making sure that all applicable laws, regulations, internal policies and ethical values are adhered to;
- An effective control environment at every organisational level, including control activities, which is tailored to each process;
- Shared ethical values and a strong internal control culture among all employees; and
- The Board's Audit Committee and the Internal Audit function monitoring the effectiveness of the internal controls.

#### Financial reporting process at Cramo

All relevant information for the financial reporting is identified, assessed, processed and distributed in accordance with Cramo's processes and procedures. At Cramo, the internal guidelines and IFRS and FAS accounting principles (as adopted by the European Union) set the standards for financial reporting as well as accounting policies and reporting procedures at Cramo. These policies and procedures are updated regularly and communicated throughout the Group.

The financial reporting process and its procedures have been harmonised through the Group and its subsidiaries. The Group's financial guidelines are developed on a continuous basis.

#### *Roles and responsibilities*

The Board has the ultimate responsibility for the appropriate arrangement of internal control over

financial reporting. The Board supervises and approves annual financial statements, half year financial reports and business reviews.

The Audit Committee assists the Board of Directors in overseeing the effectiveness of established internal control and risk management principles. These duties are accomplished by supervising the accounting and reporting processes as well as by an audit of the financial statements to ensure the quality and integrity of the financial statements and related disclosures.

In practice, the President and CEO and General Managers are in charge of performing internal control activities for financial reporting. They are supported in this task by the CFO, the Group Finance and Development function and subsidiary level financial management.

The President and CEO of Cramo is responsible for maintaining an effective control environment by ensuring implementation of internal control and risk management processes and their operational effectiveness. In addition, the President and CEO ensures that the Company's accounting practices comply with legislation and that financial matters are handled in a reliable manner. Senior managers assign responsibility for establishing more specific internal control policies and procedures to personnel responsible for the functions of the unit. Group Management and employees are assigned at appropriate levels of authority and responsibility to facilitate effective internal control in financial reporting.

#### *Risk assessment*

Cramo has established objectives for reliable financial reporting in order to identify financial reporting risks. Within the risk assessment process, Cramo identifies and analyses risks in achieving financial reporting objectives as a basis for determining how those risks should be managed

and mitigated. The risk assessment process has been extended to also take into consideration the potential for material misstatement due to fraud.

#### *Control activities*

Risk assessment is linked to control activities, and specific actions are taken to address risks to achieving financial reporting objectives. The risks identified related to financial reporting are managed through control activities which are set throughout the organisation, at all levels and in all functions. Financial officers and their staff, whose control activities cut across, as well as up and down, the operating and other units, are particularly important. Cramo's company-wide controls include a variety of activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance, safeguarding of assets and segregation of duties.

#### *Monitoring*

In order to ensure the effectiveness of internal control regarding financial reporting, monitoring is conducted by the Board, Audit Committee, the President and CEO, the CFO and the Group Finance and Development function, Internal Audit, the Group Management team and General Managers, managers and controllers. Follow-up is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two.

Ongoing monitoring activities include follow-ups of monthly financial reports relating to the budget, forecasts and other targets, follow-up of business plans, monitoring of new plans and follow-up of internal and external projects. The scope and frequency of separate evaluations depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures and control activities.

Furthermore, the Group Finance and Development function monitors the adequacy and effectiveness of Cramo's control activities and ensures that external reporting is correct, timely and in compliance with regulations. General Managers and controllers ensure compliance with the Company's financial reporting guidelines along with local, state and national budgetary reporting requirements and that local external reporting is correct and timely.

#### *Communication*

Internal control deficiencies are identified and communicated in a timely manner to the parties responsible for taking corrective action, as well as to management, the Audit Committee and the Board of Directors as appropriate.

Implementation and control of financial and other business targets are communicated through company-wide financial reporting and through regular operating company Board meetings as well as management and controller meetings.

## **IV OTHER INFORMATION TO BE PROVIDED IN THE CORPORATE GOVERNANCE STATEMENT**

### **Description of the organisation of the company's internal audit and the main principles observed in the internal audit**

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the governance, risk management process, system of internal control structures and quality of performance of the audited organisation in carrying out assigned responsibilities to achieve the stated goals and objectives of Cramo.

The Head of Internal Audit reports the findings and recommendations to the Audit Committee and the

President and CEO and the Group Management team. Administratively, the Head of Internal Audit reports to the CFO. The Audit Committee approves the charter and annual audit plan of the Internal Audit unit, and assesses its operations.

### **Related party transactions**

Cramo's related parties include the Board of Directors, Group management team, his/her close family members, entities under control or significant influence of the persons belonging to related parties, subsidiaries and joint ventures.

The transactions concluded between the Company and its related parties are evaluated and monitored and it is ensured that any conflicts of interest are taken into account appropriately in the decision-making process of the Company.

Transactions between the Company and related parties are allowed, provided that they promote the purpose of the Company and are conducted on acceptable terms and in the interests of the Company from the company's business perspective, as well as in compliance with effective regulations.

### **Insider trading and administration**

Cramo manages inside information and insiders in accordance with the requirements of the Market Abuse Regulation (MAR), the Insider Guidelines of Nasdaq Helsinki Ltd. and Cramo's Insider Guidelines approved by the Board of Directors. The Insider Guidelines of Cramo include instructions and definitions regarding inside information, trading by insiders, managers' transactions and list of managerial persons. The coordination and control of insider affairs are included in the responsibilities of the General Counsel.

### *List of Managers*

Company maintains a list of persons discharging managerial responsibilities (Managers) and their closely associated persons. In compliance with the Market Abuse Regulation, the person discharging managerial responsibilities in Cramo Group include the members and deputy members of the Board of Directors, the President and CEO and the Chief Financial Officer (CFO). The Company also maintains project-specific insider lists when necessary.

### *Trading restrictions and permission*

The period, when the Managers may not trade in the Company's financial instruments, is 30 days prior to the publication of an (quarterly) interim report and financial statement bulletin of the Company and the date of publication of such report.

Project-specific insiders are prohibited from trading with financial instruments of Cramo until the termination of the project.

### **Auditing**

The Company has a minimum of one and a maximum of two authorised public accountants (APA) or firms of authorised public accountants, chartered by the Central Chamber of Commerce of Finland. Their term of office expires at the end of the Annual General Meeting following their election. If the AGM elects only one auditor, which is not a firm of authorised public accountants chartered by the Central Chamber of Commerce, it must elect one deputy auditor. At the Annual General Meeting on 28 March 2019 the audit firm KPMG Oy Ab was appointed as Cramo Plc's auditor for the term ending at the next Annual General Meeting in 2020, with APA Mr Toni Aaltonen as the responsible auditor. The audit firm KPMG Oy Ab

has served as auditor, with APA Mr Toni Aaltonen as the responsible auditor since 2014.

### **Total compensation for external auditing**

EUR 1,000	2019	2018	Change, %
Audit fees	-943	-686	37,4 %
Certificates and statements	-146	-26	461,5 %
Tax consultation	-10	-24	-58,3 %
Other services	-86	-281	-69,4 %
<b>Total</b>	<b>-1,185</b>	<b>1,018</b>	<b>16,4 %</b>