



PUUILO PLC

Corporate Governance Statement

1 February 2023 - 31 January 2024

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I INTRODUCTION

Puילו is committed to good corporate governance by complying with laws and regulations in all of its operations and by implementing corporate governance recommendations. Puילו's Group governance complies with the company's articles of association, Finnish law and other statutes and regulations related to the governance of a public limited liability company. Moreover, Puילו's operations are governed by the values and internal policies confirmed in the company.

Furthermore, Puילו complies with the Finnish Corporate Governance Code for Finnish listed companies published by Securities Market Association in 2020. The company does not deviate from any recommendations included in the Corporate Governance Code. The Corporate Governance Code can be accessed at <https://www.cgfinland.fi/en/>.

This corporate governance statement has been prepared in accordance with the recommendations given in the Corporate Governance Code. The corporate governance statement has been prepared separately from the Board of Directors' report and published on the company's investor website at <https://www.investors.puילו.fi/en/>. The Audit Committee of Puילו's Board of Directors has reviewed this corporate governance statement and the Board has approved it. An external auditor has ensured that the statement has been issued and that the description of the key internal control and risk management systems related to the financial reporting process are consistent with the financial statements.

II CORPORATE GOVERNANCE DESCRIPTIONS

Puילו Plc is a public limited liability company established in Finland and registered in the Trade Register maintained by the Finnish Patent and Registration Office and governed by Finnish law. Puילו is listed on the main list of Nasdaq Helsinki.

The Puילו Group consists of the parent company, Puילו Plc, and its Finnish subsidiary Puילו Tavaratalot Ltd. The parent company is responsible for the governance of both companies. The business operations are centralised in Puילו Tavaratalot Ltd.

Due to the nature of Puילו's operations, the Group has one reportable operating segment. The individual stores and the online store are considered to be the distribution channels of Puילו's products, and all of them operate under the Puילו trademark. The Group primarily operates in Finland but has an online store in Sweden. The share of the Swedish online store in Puילו's net sales is remote. The functions such as financial administration, IT management, marketing as well as purchasing and logistics are centralised at the Group level.

In accordance with the Limited Liability Companies Act, Puילו's articles of association and internal operating procedures, the company's governance and management have been divided between the shareholders, Board of Directors and CEO. The shareholders exercise their decision-making power in matters concerning the company in the general meeting in accordance with the Limited Liability Companies Act. The company's Board is in charge of the governance and proper organisation of the operations of the company. The Board also elects the CEO and the members of the management team. The CEO is in charge of managing and supervising the company's daily operations in accordance with the Limited Liability Companies Act, the company's internal operating procedures as well as the authorisations and guidelines issued by the Board. The company's management team supports and assists the CEO in his duties.

1 General Meeting

In accordance with the Limited Liability Companies Act, the shareholders exercise their decision-making power in matters concerning the company in the general meeting. The general meeting usually convenes by the invitation of the Board of Directors.

In accordance with the Limited Liability Companies Act, the Annual General Meeting must be held annually within six months of the end of the financial period. The general meeting decides on the adoption of the financial statements, the distribution of dividends as well as the election of the Board members and the auditor and their

respective remuneration, among others. The general meeting also decides on discharging the Board of Directors and the CEO from liability.

An extraordinary general meeting must be held for the handling of certain matters when the Board of Directors deems it necessary or when the company's auditor or shareholders holding no less than 10% of the total number of the company's shares so request in writing.

In accordance with the Limited Liability Companies Act, the invitation to the general meeting must be delivered to the shareholders no earlier than three months and no later than three weeks before the meeting, however no later than nine days before the general meeting reconciliation date. The meeting invitation and the other general meeting documents, including the Board's proposals to the general meeting, are made available to the shareholders no later than three weeks before the general meeting on the company's investor website at <https://www.investors.puulo.fi/en/>.

For a shareholder to be entitled to attend the general meeting, they must register with the company no later than on the date provided in the meeting invitation. This date may not be earlier than ten days before the general meeting. The right to attend and to cast a vote in the general meeting requires that the shareholder has registered in the shareholder register maintained by Euroclear Finland no later than eight business days before the general meeting (the general meeting reconciliation date), in accordance with the Act on the Book-Entry System and Settlement Activities.

A holder of nominee-registered shares who wishes to attend the general meeting should apply for a temporary registration in the shareholder register. The notification concerning the temporary registration must be made no later than the date specified in the invitation to the general meeting. In accordance with the Limited Liability Companies Act, this date is after the general meeting reconciliation date. The notification of temporary registration is considered to be a registration to the general meeting. If a shareholder attends the general meeting via several proxies, the shares based on which each proxy represents the shareholder must be announced in connection with the registration.

The presence of a quorum in the general meeting is not contingent on a certain number of shares being represented in the meeting, apart from certain exceptions defined in the Limited Liability Companies Act.

Voting right

A shareholder may exercise their right to attend the general meeting and cast a vote in the meeting in person or via an authorised proxy.

Each share of the company entitles its holder to one vote in the general meeting. If the shareholder's shares have been entered on more than one book-entry account, the shareholder has the right to use a different proxy for the shares of each book-entry account. The shareholder may vote differently with a portion of the shares held by them. In order to attend and vote in the general meeting, the shareholder should be registered in the shareholder register maintained by Euroclear Finland.

Most of the decisions in the general meeting are taken by a simple majority of votes. However, certain decisions, such as changes to the articles of association, deviating from the shareholders' pre-emptive subscription right in a share issue and decisions on company merger, demerger or dissolution, require a minimum majority of 2/3 of the votes cast and the shares represented in the meeting.

Resolutions of Annual General Meeting 2023

Puulo Plc's Annual General Meeting was held on 16 May 2023 in Helsinki, Finland. Due to the COVID-19 pandemic and the uncertainty connected to arranging a physical meeting, the meeting was held under exceptional meeting procedures based on the legislative act concerning temporary deviations from the Finnish Companies Act and shareholders and their proxy representatives could not be present at the meeting venue. Shareholders and their proxy representatives could, however, participate in the meeting and exercise shareholder rights through voting in advance as well as by making counterproposals and presenting questions in advance. A total of 198 shareholders representing 53,838,923 shares and votes were represented at the meeting.

The Annual General Meeting adopted the Company's annual accounts and the consolidated financial statements for the financial year 1 February 2022 – 31 January 2023, discharged the persons who have acted as members of the Company's Board of Directors and as CEO from liability and approved all proposals made to the Annual General Meeting by the Board of Directors. The Annual General Meeting also approved the Remuneration Policy for the Company's Governing Bodies presented to it.

Dividend

The Annual General Meeting resolved that an aggregate dividend of EUR 0.34 per share be paid based on the balance sheet adopted for the financial year ended on 31 January 2023. The dividend will be paid in two instalments. The first dividend instalment, EUR 0.17 per share, will be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the first dividend instalment 23 May 2023. The payment date for the first dividend instalment will be on 30 May 2023. The second dividend instalment, EUR 0.17 per share, will be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the second dividend instalment 19 October 2023. The payment date for the second dividend instalment will be on 26 October 2023.

In addition, the Annual General Meeting authorized the Board of Directors to decide, if necessary, on a new record date and a new payment date for the second dividend instalment if regulations applicable to the Finnish book-entry system change or otherwise so require.

Composition of the Board of Directors

The number of members of the Board of Directors was confirmed to as six (6). Rasmus Molander, Mammu Kaario, Markku Tuomaala and Bent Holm were re-elected and Lasse Aho and Tuomas Piirtola were elected as new members of the Board of Directors for a term ending at the end of the next Annual General Meeting.

The Annual General Meeting elected Lasse Aho as the Chairman of the Board of Directors.

Remuneration of the members of the Board of Directors

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: EUR 60,000 to the Chairman of the Board of Directors and EUR 30,000 to the other members of the Board of Directors. In addition, the Annual General Meeting resolved that the annual remuneration to the members of the Audit Committee will be paid as follows: EUR 5,000 to the Chairman of the Audit Committee and EUR 2,500 to the other members of the Audit Committee.

Auditor

PricewaterhouseCoopers Oy, a firm of authorized public accountants, was re-elected as auditor of the Company for the financial year 1 February 2023 – 31 January 2024. Mikko Nieminen, APA, will continue to act as the auditor with principal responsibility.

The auditor's remuneration is paid against an invoice approved by the Company.

Authorization for the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of an aggregate maximum of 8,477,695 Company's own shares provided, however, that the number of shares held by the Company at any time does not exceed 10 per cent of the total number of shares in the Company. Own shares can be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase and/or on the

acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization cancels the authorization granted on 17 May 2022 to decide on the repurchase of the Company's own shares. The authorization is effective until the beginning of the next Annual General Meeting, however, no longer than until 31 July 2024.

Authorization for the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The Annual General Meeting decided to authorize the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 8,477,695 shares, which corresponds to approximately 10 per cent of all of the shares in the Company. The Board of Directors decides on all other conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization cancels the authorization granted on 17 May 2022 to decide on the repurchase of the Company's own shares. The authorization is effective until the beginning of the next Annual General Meeting, however, no longer than until 31 July 2024.

Authorizing the Board of Directors to resolve on donations for charitable purposes

The Annual General Meeting decided to authorize the Board of Directors to resolve on donations in a total maximum of EUR 50,000 for charitable or corresponding purposes. The Board of Directors decides on the donation recipients, purposes of use and other terms of the donations. The authorization remains effective until the end of the Annual General Meeting 2024, however, no longer than for a period of 18 months from the date of the resolution of the General Meeting.

Amendment of the Articles of Association

The Annual General Meeting decided that an amendment is made to the Articles of Association to allow the Board of Directors to decide, at their discretion, to arrange a General Meeting as a virtual meeting without a meeting venue.

In accordance with the decision of the Annual General Meeting, Section 9 of the Articles of Association will read as follows:

9 § General Meeting

The General Meeting of Shareholders shall be held at a location decided by the Board of Directors, which may be in Vantaa or Helsinki.

The Annual General Meeting of shareholders shall be held annually within six (6) months of the expiration of the financial year on a date designated by the Board of Directors. An Extraordinary General Meeting of shareholders shall be held when the Board of Directors considers it necessary or when the law so requires.

At the Annual General Meeting the following shall be presented:

- the financial statements, including the consolidated financial statements,
- the annual report, and
- the auditor's report.

After which, the following shall be decided:

- the adoption of the financial statements and consolidated financial statements,
- the use of the profit shown on the balance sheet,
- the discharge from liability for the members of the Board of Directors and the Chief Executive Officer,

- the remuneration of the members of the Board of Directors and of the auditor, and
- the number of members of the Board of Directors.

After which, the following shall be elected:

- the Chairman and the members of the Board of Directors, and
- the auditor.

After which, any other matters possibly contained in the notice of the Meeting shall be handled.

The Board of Directors may decide that an annual or an extraordinary General Meeting is arranged without a meeting venue in a manner whereby shareholders exercise their full decision-making powers in real time during the General Meeting by using telecommunications and technical means (virtual meeting).

Antti Ihamuotila, attorney-at-law, chaired the meeting.

The minutes of the Annual General Meeting will be available on the website of Puuilo Plc at <https://www.investors.puuilo.fi/en/corporate-governance/general-meeting>.

2 Shareholders' Nomination Board

Puuilo's Annual General Meeting 2022 resolved to establish a Shareholders' Nomination Board and confirmed rules of procedure for the Board. According to the decision of the General Meeting, the Shareholders' Nomination Board will be composed of representatives appointed by the three largest shareholders of the Company. The Chair of the Board of Directors acts as a person with expertise in the Shareholders' Nomination Board. The Chair does not participate in the decision-making of the Shareholders' Nomination Board.

The three shareholders with the largest number of votes for all shares of the Company on the 1st business day of October of the calendar year preceding the Annual General Meeting, have the right to nominate the members representing the shareholders. The nomination right is determined in accordance with the shareholder register maintained by Euroclear Finland Ltd. If a shareholder presents a written request to the Chairman of the Board of Directors by last business day of September of the year preceding the Annual General Meeting, into the holdings of the shareholder shall be calculated also holdings of a person equivalent to the shareholder that need to be taken into account when evaluating the requirement to flag changes in the holdings under the Finnish Securities Markets Act.

The Chair of the Board of Directors shall request the three largest shareholders to appoint one member each to the Shareholders' Nomination Board in accordance with the above described right of appointment. If a shareholder does not wish to exercise the right of appointment, the right is transferred to the next largest shareholder who would not otherwise have the right of appointment. The Shareholders' Nomination Board is established until further notice until the General Meeting decides otherwise. The term of office of the members of the Shareholders' Nomination Board expires each year when a new Shareholders' Nomination Board is appointed. The members of the Shareholders' Nomination Board shall not be entitled to any remuneration on the basis of their membership in the Nomination Board. The members' travel expenses shall be reimbursed in accordance with the Company's travel policy. When necessary, the Shareholders' Nomination Board may in order to carry out its duties use external experts at a cost approved by the Company.

Representatives of the three largest shareholders registered in Puuilo Plc's shareholder register as of 2 October 2023 were elected to the Puuilo's Shareholders' Nomination Board along with the Chair of the Board of Directors, Lasse Aho, as an expert member. The three largest shareholders have nominated following members to Puuilo's Shareholders Nomination Board:

- Puuilo Invest Holding AB (Adelis Equity Partners), represented by John-Matias Uttana
- Markku Tuomaala, represented by Toni Kemppinen
- Keskinäinen Eläkevakuutusyhtiö Ilmarinen, represented by Esko Torsti

In its organisational meeting on 1 December 2023, the Board elected John-Matias Uttana as its Chair.

The Shareholders' Nomination Board convened four times during the term of office, and all members attended all meetings.

The Shareholders' Nomination Board of Puuilo Plc proposes to the Annual General Meeting that the number of the members of the Board of Directors remain the same and be six.

The Nomination Board proposes that current members of the Board of Directors Lasse Aho, Bent Holm, Mammu Kaario and Tuomas Piirtola be re-elected. The Nomination Board also proposes that Jens Joller and Anne-Mari Paapio be elected as new members to the Board of Directors. Current members of the Board of Directors Rasmus Molander and Markku Tuomaala have notified that they are no longer available to be elected as members of the Board of Directors. All proposed persons have granted their consent to the position. Jens Joller's and Anne-Mari Paapio's CVs are attached to stock exchange release on 11 April 2024. All proposed persons are independent of the company and its major shareholders except Jens Joller who is independent of the company, but dependent of the major shareholder. The Nomination Board proposes to the Annual General Meeting that Lasse Aho be elected as a Chair of the Board of Directors.

The Nomination Board proposes that the remunerations of the members of the Board of Directors are as follows:

- EUR 60.000 to the Chair of the Board of Directors as yearly remuneration
- EUR 30.000 to the other members of the Board of Directors as yearly remuneration
- In addition, the Chair of the Audit Committee will be paid EUR 5.000 as yearly remuneration and other members of the Audit Committee EUR 2.500 as yearly remuneration

All proposed remuneration fees are same than the current remuneration fees. All remuneration fees will be paid in cash.

The Nomination Board proposals were published as stock exchange releases on 11 April 2024.

3 Board of Directors

In accordance with the Limited Liability Companies Act, the Board of Directors supervises the operations of Puuilo and decides on significant matters concerning the company's strategy, investments, organisation and financing. The Board has general competence in all matters that have not, pursuant to law or the company's articles of association, been assigned to other bodies to decide on or carry out.

In addition, the Board of Directors' duties include the following:

- Approving the financial statements, consolidated financial statements as well as half-year reports and business reviews
- Approving Puuilo's strategy plan, annual budget and investment plans
- Deciding on large-scale and financially significant matters related to the business operations
- Taking out loans for the Puuilo Group, granting loans and deciding on the guarantees to be issued
- Confirming the Puuilo Group's policies, such as treasury, tax and risk management policies
- Being responsible for appropriately organising Puuilo Group's risk management and internal control

In addition, the Board of Directors appoints Puuilo's CEO and the members of the management team and decides on their employment terms and conditions. The Board has prepared a written charter for its operations that defines the Board's key tasks and operating principles.

The term of the Board members ends at the end of the Annual General Meeting following their election.

Members of the Board

In accordance with Puuilo's articles of association, the Board of Directors has a minimum of four and a maximum of seven members. In the 1 February 2023 – 31 January 2024 financial period, the Board of Directors convened 10 times.

The Annual General Meeting 2022 decided to establish a Shareholders' Nomination Board. The Nomination Board has prepared proposals for the election and remuneration of the members of the Board of Directors and the remuneration of the members of the Board Committees to the General Meeting 2023.

The composition and holdings of the Board of Directors on 31 January 2024 are shown in the table below:

Name	Year of birth	Position	Education	Principal occupation	Board member since	Attendance at meetings	Shares held at the end of the reporting period
Lasse Aho*	1958	Chair	MSSc	Board professional	2023	100%	3,500
Bent Holm	1974	Member	M.Sc (Econ.)	CEO	2022	100%	-
Mammu Kaario	1963	Member	MBA, M.Sc (Law)	Board professional	2021	100%	2,941
Rasmus Molander	1981	Member	MBA, M.Sc (Tech.)	Co-Managing Partner at Adelis Equity Partners	2015	100%	-
Tuomas Piirtola*	1980	Member	M.Sc (Econ.)		2023	100%	2,000
Markku Tuomaala	1967	Member	Elementary school	Entrepreneur	2016	100%	4,884,238

*Appointed to the Board of Directors on 16 May 2023. Attended all meetings thereafter.

Board of Director's diversity principles

During the 1 February 2023–31 January 2024 financial period, there were representatives of both genders in the Board of Directors.

Puילו acknowledges that diversity in the Board supports the company's business operations and development and that the diversity of the members' expertise, experience and opinions promotes the preparedness to adopt an unbiased approach and generate innovative ideas.

The objective is to ensure that the Board as a whole has sufficient competence and experience in Puילו's business environment. The Board members should have adequate qualifications and expertise to carry out their tasks, and they should spend a reasonable amount of time to carry out the duties presented in the Corporate Governance Code.

It is estimated that in the 2023 financial period, the diversity principles were fulfilled to a sufficient extent.

Independence

The Board of Directors regularly assesses the independence of its members in accordance with Recommendation 10 of the Corporate Governance Code. A Board member is obligated to submit to the Board of Directors the information required for the assessment of their independence. All Puילו Board members are external to the company (non-executive directors).

Based on the independence assessment, the following Puילו Board members are considered to be independent of the company and its significant shareholders: Lasse Aho (chair from 16 May 2023), Bent Holm, Mammu Kaario. Markku Tuomaala and Tuomas Piirtola (Board member from 16 May 2023). Rasmus Molander is independent of the company but not independent of the company's significant shareholders.

Self-evaluation of the Board of Directors

The performance of the Board of Directors and its individual members is evaluated annually. The results of the evaluation are taken into consideration when preparing a proposal on the new composition of the Board. The

self-evaluation is based on a questionnaire survey followed by a discussion in the Board of Directors of the self-evaluation results and further measures.

4 Board committees

Puילו has one committee appointed by the Board of Directors, the Audit Committee. The Committee has no independent decision-making authority but its purpose is to present issues it is responsible for to the Board of Directors and the general meeting for a decision. The Committee reports regularly to the Board of Directors.

The Board of Directors has confirmed the Audit Committee's key duties and operating principles in the Charter of the Audit Committee. The Audit Committee consists of a minimum of three (3) members and a maximum of four (4) members, including the chair. The Board of Directors elects the members of the Audit Committee from among its members after the Annual General Meeting. The term of the members is one year.

The majority of the members of the Audit Committee must be independent of the company, and at least one of the members must be independent of the significant shareholders of the company. The members of the Audit Committee must have the relevant expertise and experience required for the performance of the duties and responsibilities of the Audit Committee and the mandatory tasks relating to auditing. At least one of the members should have expertise in accounting, bookkeeping or auditing, and overall, the Committee members must possess relevant competence on the company's business operations.

A person participating in the operational management of Puילו Plc or its Group company, such as a managing director, cannot be appointed to the Audit Committee as a member.

Duties of the Audit Committee

The duties of the Audit Committee include:

Oversight of financial reporting

- Monitoring and assessing the financial reporting processes and reviewing the annual financial statements, half-year reports and business reviews with the external auditor before submission to the Board for approval.
- Reviewing and assessing the results of the audit with the external auditor.
- Reviewing internal controls and monitoring the effectiveness of the company's internal control processes over financial reporting.
- Reviewing the company's key auditing policies and principles.
- Monitoring the business operations with related parties and reporting any conflicts of interest.
- Reviewing the company's statement of non-financial information.
- Monitoring the company's financial position.
- Assessing the use and presentation of alternative key indicators.

Risk management

- Monitoring and reviewing the effectiveness of the company's risk management, including the risk profile of Puילו Group, and making such recommendations as the Committee considers necessary as well as reviewing the risk management-related statements to be included in the financial reports.
- Assessing the effectiveness of internal control and the internal control system.
- Assessing the principles related to the company's internal control and risk management of the company's financial reporting.
- Receiving and reviewing management reports on any material financial risks and litigations or claims raised by any Puילו Group companies or against Puילו Group companies.

Auditors and external auditing

- Preparing for the Annual General Meeting, and otherwise as needed, a proposal to the shareholders regarding the election and fees of the external auditor(s) and their remuneration principles.
- Initiating the process regarding the rotation of the auditor.

- Evaluating the audit plan as well as the scope and quality of the external audit and reviewing the audit fees.
- Evaluating the independence of the auditors.
- Approving and monitoring the non-audit services provided by the auditors.
- When needed, meeting separately with the external auditors to discuss any matters other than the duties required by law, which might be relevant in terms of internal control.
- Reviewing and confirming the independence of the external auditors, also in connection with the non-audit services.
- Reviewing and evaluating the process of selecting external auditors and following any regulatory changes regarding the auditor selection as well as the rotation of the auditor and the auditing firm.

Internal audit

- Approving the internal audit guidelines, the audit activities and the resourcing of the internal audit function.
- Assessing the scope and quality of the internal audit as well as approving the internal audit plan and monitoring its implementation.
- Reviewing the summary reports of the internal audit and the management's response.

Legal matters, compliance and governance

- Reviewing major legal disputes and other legal matters together with the company's General Counsel and/or external legal advisor.
- Reviewing the company's Corporate Governance Statement including the description of the main features of the internal control and risk management in relation to the financial reporting process, which are included in the company's Corporate Governance Statement.
- Reviewing the company's non-financial report.
- Establishing the principles concerning the monitoring and assessment of related party transactions.

Other

- Tending to other duties assigned by the Board of Directors.

When carrying out its auditing duty, the Audit Committee has access to the company's bookkeeping, documents, facilities and personnel. In matters falling within its area of responsibility, the Audit Committee can request advice from legal advisors, auditors or other advisors at the company's expense.

The Audit Committee convenes a minimum of four (4) times per year at the invitation of the Chair. The Audit Committee sets up an annual schedule for the Committee's meetings. The schedule includes the matters to be discussed in each meeting so as to cover all the obligations of the Committee. In addition, the Committee may define other matters included in its sphere of duties on a meeting-specific basis.

The Audit Committee Chair presents the Committee's proposals to the Board of Directors. The Audit Committee Chair introduces to the Board of Directors a summary report of each Audit Committee meeting. In addition, the memoranda and materials of the Audit Committee meetings are made available to the Board members. The Audit Committee evaluates its own activities on an annual basis and reports on the evaluation to the Board of Directors. The Committee reports on its work to the Board of Directors on a regular basis.

During the 1 February 2023 – 31 January 2024 financial period, the Audit Committee convened 4 times and comprised the following members:

Name	Meeting attendance	Independence
Mammu Kaario (Chair)	100%	Independent of the company and its significant shareholders
Rasmus Molander	100%	Independent of the company, not independent of its significant shareholders
Markku Tuomaala	100%	Independent of the company and its significant shareholders

5 CEO AND THE MANAGEMENT TEAM

CEO

The CEO is in charge of managing and supervising the company's daily operations in accordance with the Limited Liability Companies Act as well as the authorisations and guidelines issued by the Board of Directors.

Management team

Unlike the Board of Directors and the CEO, the management team is not a statutory body. Nevertheless, the management team, including the CEO, is the highest operative decision-making body in the Group. The management team participates actively in the key strategic and operative decision-making and is responsible for resource allocation and assessing profitability.

Management team composition

Name	Year of birth	Position	Education	Management team member since	Shares held at the end of the reporting period
Juha Saarela	1974	CEO	Bachelor of Applied Sciences	2017	200,247
Ville Ranta	1977	CFO	Master of Science (Economics and Business Administration)	2016	370,594
Perttu Partanen	1985	Chief Marketing Officer	Master of Science (Economics and Business Administration)	2020	34,010
Markku Lampela	1971	Chief Purchasing Officer	Master of Science (Economics and Business Administration)	2020	19,474
Sirkkaliisa Kulmala	1967	Chief Human Resources	Master of Science (Agricultural Economics)	2020	54,234
Markus Kaatranen	1977	Chief Sales Officer	Bachelor's degree in Business Administration	2022	11,064
Juha Parviainen	1968	Chief Information Officer	BBA in Information Technology	2020	13,810

III DESCRIPTION OF THE MAIN FEATURES OF THE CONTROL PROCEDURES AND THE RISK MANAGEMENT SYSTEMS

1 Internal control

The company's internal control targets functions and processes that are essential in terms of the company's business operations and financial reporting and is risk-based.

The company's Board of Directors has approved operating principles for internal control. They define the objectives of internal control on the basis of internationally known principles. Internal control aims to sufficiently ascertain that the internal control procedures are adequate to either prevent or detect deviations, errors or misconduct in the company's business operations, financial reporting or compliance with applicable laws and regulations and, when such are observed, to take corrective measures.

The company's internal control includes the key policies, processes, operating methods, control measures and monitoring of controls, in which the company's Board of Directors, CEO, other members of the management team and all employees participate in accordance with their respective roles. Currently, the company has no separate internal audit function. Monitoring in accordance with the annual planning cycle of internal control and in the form of self-evaluation of the controls and including the reporting of the results to the Board of Directors, as well as the responsibility to implement measures that are similar to internal audit, have been organised in the company's financial administration. The Board of Directors annually evaluates the need to establish an independent internal audit function. Should a need arise for internal audit measures, the Board of Directors may use internal or external resources to carry out separate internal audits.

The company has in place whistleblowing channel for employees to report suspected misconduct.

2 Risk management

The purpose of Puuilo's risk management policy is to define the framework, processes, governance and responsibilities of risk management in Puuilo.

The primary objective of risk management in Puuilo is to support the company's strategy execution, continuity of operations and realisation of the business objectives by identifying risks involved in the company's operations and managing them in a proactive manner. Comprehensive risk management emphasises the importance of the corporate culture and is an integrated part of the business operations, planning and decision-making in Puuilo.

Risk management objectives and principles

Puuilo's risk management objectives are to:

- Emphasise risk awareness and proactive management of risks within the company.
- Increase opportunities and reduce threats with the aim to gain competitive advantage.
- Ensure sufficient treatment of risks throughout the organisation.
- Manage risks as an integrated part of the operations, planning and decision-making through defined roles and responsibilities.

Puילו's risk universe and risk categories

Risk universe

Puילו's risks are divided into the following main categories: strategic risks, operational risks, financial risks and compliance risks.

Strategic risks

Strategic risks are primarily uncertainties related to the operating environment and Puילו's ability to leverage changes in the operating environment or to prepare for them. These may include changes related to the general economic situation, competitors, legislation, or technological development. Strategic risks may relate to both financial and non-financial objectives. Appropriate risk treatment is implemented so that the chosen strategy is within the company's risk tolerance.

Operational risks

Operational risks are circumstances or events which may prevent or hinder the attainment of objectives or cause damage to people, property, business, information or any other operations of the company.

Financial risks

Financial risks are related to Puילו's financial position. They include risks concerning the availability and cost of financing, changes in foreign exchange rates, and investments.

Compliance risks

Compliance risks are risks related to exposure to legal penalties, financial forfeiture and material losses, which an organisation faces when it fails to act in accordance with industry laws and regulations or internal policies.

Risk management governance, roles and responsibilities

An overview of the roles and responsibilities of the most relevant bodies with regards to risk management is provided in the following sub-sections.

Board of Directors

The Board of Directors is responsible for monitoring and ensuring that the functions of Puילו's risk management process are comprehensive. The Board defines the risk appetite and tolerance in accordance with the current conditions. The Board of Directors is also responsible for approving the company policies related to risk management.

Operative management

The company's operative management is responsible for achieving the set objectives and controlling, managing and mitigating risks that threaten them. The operative management is also responsible for the risk management work and for ensuring the performance of the risk management process and the availability of sufficient resources.

Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for the risk management guidelines and advice to be given to the business operations and functions as well as for monitoring the practical implementation of the process. The CFO coordinates the risk management assessment process, which supports the management, operative business operations and other support functions in the risk management work. The CFO reports the key risks to the Board of Directors on a yearly basis.

IV OTHER INFORMATION

1 Related party transactions

In accordance with the Corporate Governance Code, Puuilo's Board of Directors has defined principles for the monitoring and assessment of related party transactions. The company maintains a list of its related parties. The related party transactions are market-based, and their terms and conditions correspond to transactions carried out with independent parties. The company's financial administration is responsible for the monitoring of related party transactions and reporting them to the Audit Committee. The identified related party transactions are reported to the Audit Committee annually. The Board of Directors makes the decisions on agreements or other legal acts that are not within the scope of Puuilo's customary business operations and not executed under customary commercial terms and conditions. The matter at hand and the related decision-making are prepared carefully with the help of external assessments, for example. The disqualification provisions of the Limited Liability Companies Act are complied with in decision-making. Related party transactions that are not part of the company's customary operations or that are carried out in deviation of customary commercial terms and conditions require a decision by the Board of Directors. Related party transactions are regularly reported as part of financial reporting and published separately if so required by law or the rules of Nasdaq Helsinki.

2 Insider administration

Puuilo Plc's insider guidelines are based on Finnish and the EU's laws and regulations*. The purpose of the insider guidelines is to summarise the most important rules and procedures applied to the use and management of inside information in the company.

The insider guidelines include rules and regulations concerning the prohibited use of inside information, the company's insider lists, the disclosure and delayed disclosure of inside information, and reporting the transactions of the company's management and their related parties.

The insider guidelines apply to all persons who have an employment relationship with the company and its Group companies, as well as the members of their respective boards of directors (each referred to as an "employee").

The insider guidelines are also applicable to parties who, by virtue of some other agreement or otherwise, perform duties through which they have access to inside information relating to the company and who have, therefore, been entered into the company's insider list. Such parties include advisors, accountants, auditors or credit rating agencies (each referred to as a "service provider"). In addition, the insider guidelines describe reporting obligations applied to trading by the related parties of the members of the company's Board of Directors and Group management team.

*The most important provisions concerning insider information are the EU's Regulation 596/2014/EU on market abuse (MAR), the European Commission's Level 2 delegated regulations adopted under the MAR and the guidelines relating to MAR issued by ESMA, the Finnish Securities Markets Act (746/2012, as amended), the Finnish Penal Code (39/1889, as amended) as well as Nasdaq Helsinki Ltd.'s ("Nasdaq Helsinki") Guidelines for Insiders of Listed Companies.

Public disclosure of inside information

As an issuer, the company is required to publicly disclose as soon as possible the inside information which directly concerns it or its financial instruments. The company must ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public.

The information to be disclosed will be disclosed via a stock exchange release submitted to the central media, the Financial Supervisory Authority and Nasdaq Helsinki. In addition, the information is published on the company's investor website and retained there for a period of at least five (5) years.

Notification requirement of persons discharging managerial responsibilities

Pursuant to MAR, the company has defined as persons discharging managerial responsibilities in the company the members of the Board of Directors, the CEO and the Chief Financial Officer (hereinafter the "managers").

The managers and the persons closely associated with them (hereinafter the "related parties") have an individual obligation to notify the company and the Financial Supervisory Authority of transactions conducted on their own account that concern the shares or debt instruments of the company or other financial instruments or derivatives linked thereto.

The published transaction notifications of managers and their related parties are available on the company's investor website at <https://www.investors.puulo.fi/en/>.

Closed period

The managers may not conduct any transactions on their own account or for the account of a third party, directly or indirectly, with the company's shares or other financial instruments during a closed period of thirty (30) days before the publication of the financial statements release, half-year report or business review, including the day of publication of the said report. The company notifies the managers of the closed period in advance.

Moreover, the company has also extended the trading restriction to all such employees and other persons who have an opportunity to access information about the company's business review, half-year report or financial statements release through their position or duties before the said documents are published ("closed period employees"). These persons should restrict trading on the company's shares to a period that begins on the day following the publication of the company's business review, half-year report or financial statement release and ends two weeks thereafter ("the permitted period").

The company monitors trading by its insiders, managers and their related parties as well as the closed period employees.

3 External auditor

The Annual General Meeting decides on the election of the auditor and on their fee. In accordance with Puulo's articles of association, the company should have one (1) auditor, who must be an accounting firm authorised by the Finnish Patent and Registration Office. The auditor's term begins from the Annual General Meeting in which they were elected and ends at the end of the next Annual General Meeting.

The auditor is responsible for the auditing of the financial statements and accounting as well as the administration of the Group companies. The auditor submits a statutory Auditors' Report on the financial statements to the company's shareholders. Moreover, the auditor regularly reports to the Audit Committee of the Board.

External auditor on 1 February 2023–31 January 2024

The company's statutory auditor is PricewaterhouseCoopers Oy, Authorised Public Accountants. Mikko Nieminen, APA, acted as the auditor with principal responsibility. Nieminen is registered in the register of auditors referred to in chapter 6, section 9 of the Auditing Act (1141/2015, as amended).

Auditors' fees have been paid as follows:

	1 Feb. 2023 – 31 Jan. 2024	2 Feb. 2022 – 31 Jan. 2023
Statutory audit	148,818	108,000
Other services	24,950	12,057
Total	173,768	112,057

BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

Board of Directors



Chair of the Board

(b. 1958, Finnish citizen)

Member of the Board since 2023

In addition, Mr. Aho acts as the Chair of the Board at Apetit Oyj, Member of the Board at Genelec Oy, Member of the Board at Jääkiekon SM-liiga Oy, Chair of the Board at Olvi-säätiö, Member of the Board at Robit Oyj, Chairman of the Board at The Brewers of Europe. Mr. Aho has previously acted as the CEO at Olvi Oyj between 2004–2022. In addition, Mr. Aho has acted as CEO at Metro-Auto Tampere Oy and Linkosuon Leipomo Oy, sales director at Fazer Leipomot Oy, marketing director at Fazer Keksit Oy and product manager at Atoy-Yhtiöt. Mr. Aho has the honorary title of Vuorineuvos. Mr. Aho holds a Master's degree in Social Sciences from the Tampere university.

Shares in Puuilo on January 31, 2024: 3,500



Member of the Board

(b. 1980, Finnish citizen)

Member of the Board since 2023

Mr. Piirtola acts also as the Director of the Fast Food business at NoHo Partners Fast Food, Member of the Board at Finago S.A. and Member of the Board at Virinsa Oy. Previously, Mr. Piirtola has worked as Country manager at Jysk Oy, General Manager and Country manager at Reckitt Benckiser Healthcare CEE, COO at Tamro Baltics, Project manager at Apotek1 Sweden, Business development manager at Tamro Oyj, Business controller at Suomen Posti Oyj and Management consultant at McKinsey & Company. Mr. Piirtola holds a Master's degree in Economics from the Jyväskylä university.

Shares in Puuilo on January 31, 2024: 2,000



Member of the Board

(b.1974, Danish citizen)

Member of the Board since 2022

Mr. Holm Mr. Bard acts also as CEO at Hi Five A/S and Member of the Board Copenhote. Previously Mr. Holm has acted as CEO at Socki Socki, CEO at Dollarstore AB, CEO at Netto Marknad A/B, COO at Netto International, Commercial Director at Poundstretcher Ltd, Buying Director at Netto UK and CFO and COO at Netto DK. Mr. Holm holds a Master's degree in Economics and Business from the Copenhagen University.

Shares in Puuilo on January 31, 2024: -



MAMMU KAARIO

Member of the Board, Chair of the Audit Committee
(b. 1963, Finnish citizen)

Member of the Board since 2021

Previously, Ms. Kaario has acted as Managing Director at Partnera Oy, Investment Director at Korona Invest Oy and as a Partner at Unicus Oy and Conventum Corporate Finance Oy. In addition, Ms. Kaario acts as Vice Chairman at CapMan Oyj and Ponsse Oyj, a member of the Board of Directors at Epec Oy, Gofore Oyj, Ilmastorahasto Oy, Lapti Group Oy, Sten & Kimet Oy, Suomen Urheilun tukisäätiö ry and Taideyliopiston sijoitusneuvosto. Ms. Kaario acts also as the Chair of the Board of Directors at Sibelius-Akatemian tukisäätiö and Saka Finland Group Oyj. Ms. Kaario holds a Master of Laws degree from the University of Helsinki and she also holds a MBA degree from Georgia Tech Scheller College of Business.

Shares in Puulo on January 31, 2024: 2,941



RASMUS MOLANDER

Member of the Board, Member of the Audit Committee
(b. 1981, Finnish citizen)

Member of the Board since 2015

In addition, Mr. Molander acts as the Chairman of the Board at Dayton Group Oy and as a member of the Board at , Adelis Advisory III AB, Adelis Holding III AB, Annia Capital AB, Nordic Biosite Group AB, Re:mount Oy and Ropo Holding 1 Oy and SSI Diagnostica Holding AS. Mr. Molander also acts as a Managing Partner at Adelis Holding I AB and Adelis Holding II AB. Molander holds MBA from Harvard Business School and MSc (Tech.) from Helsinki University of Technology. He has previously worked at Boston Consulting Group as project leader and as Investment Executive at Permira.

Shares in Puulo on January 31, 2024: -



MARKKU TUOMAALA

Member of the Board, Member of the Audit Committee
(b. 1967, Finnish citizen)

Member of the Board of Directors since 2016

Previously, Mr. Tuomaala has acted as the CEO of Puulo. In addition he acts as Board Member at Aitokaluste Oy, Autocredit Oy, Autollecom Oy, Comille Oy, Fast Food Builders Oy, Ice Boys Oy, Kiantama Oy, Tiikeri Partners Oy and Warma Steel Oy.

Shares in Puulo on January 31, 2024: 4,884.238

Management Team



Chief Executive Officer (CEO)

(b. 1974, Finnish citizen)

CEO since 2017

Has been the company's CEO since 2017. Previously, Mr. Saarela has acted as a Deputy CEO, Purchasing Manager and member of the Board at J. Kärkkäinen Web Oy, Store Manager at Kesko Oyj and Area Manager at Maskun Kalustetalo Oy. Mr. Saarela has a Bachelor of Applied Science degree from the Centria University of Applied Sciences.

Shares in Puuilo on January 31, 2024: 200,247



Chief Financial Officer (CFO)

(b. 1977, Finnish citizen)

Member of the Management Team since 2016

Previously, Mr. Ranta has acted as a Corporate Business Controller at Kesko Oyj, Business Controller at Oy Sinebrychoff Ab, Controller at Kemira Oyj and has held various financial management roles at TeliaSonera Finland Oyj. Mr. Ranta holds a Master's degree in Economics and Business Administration from the University of Vaasa.

Shares in Puuilo on January 31, 2024: 370,594



Chief Marketing Officer (CMO)

(b. 1985, Finnish citizen)

Member of the Management Team since 2020

Previously, Mr. Partanen has been a Marketing Manager at Power Finland Oy. Mr. Partanen holds a Master's degree in Economics and Business Administration from the Jyväskylä University School of Business and Economics.

Shares in Puuilo on January 31, 2024: 34,010



MARKKU LAMPELA

Chief Purchasing Officer (CPO)

(b. 1971, Finnish citizen)

Member of the Management Team since 2020

In addition, Mr. Lampela is a member of the Board of Fodelia Oyj. Previously, Mr. Lampela has acted as the CEO of Erätukku Oy, Kotivara Oy and SwanLine Oy. Mr. Lampela holds a Master's degree in Economics and Business Administration from the University of Vaasa.

Shares in Puuilo on January 31, 2024: 19,474



SIRKKALIISA KULMALA

Chief Human Resources (CHR)

(b. 1967, Finnish citizen)

Member of the Management Team since 2020

Previously, Ms. Kulmala has acted as the HR Director at SOK, Suomen Lähikauppa Oy, Kesko Oyj, Valio and Silmäasema Oyj. Kulmala holds a Master's degree in Agricultural Economics from the University of Helsinki.

Shares in Puuilo on January 31, 2024: 54,234



MARKUS KAATRANEN

Chief Sales Officer (CSO)

(b. 1977, Finnish citizen)

Member of the Management Team since 2022

Kaatranen joined Puuilo from Kotipizza Oyj, where he served as Sales Director from 2016 to 2022. Kaatranen has previously, for example, worked for LIDL Finland for about eight years. He holds expertise in chain operations and experience from retail sales management roles. Kaatranen holds a Bachelor's degree in Business Administration.

Shares in Puuilo on January 31, 2024: 11,064



JUHA PARVIAINEN

Chief Information Officer (CIO)

(b. 1968, Finnish citizen)

Member of the Management Team since 2020

He has previously acted as an IT Director at EAB Group Oyj, IT Director at the building and technical trade division of Kesko Oyj, Chief Information Officer at Anttila Oy and K-Citymarket Oy, and as IT Manager at Altia Oyj. Parviainen holds a BBA degree in Information Technology from the Helia University of Applied Sciences.

Shares in Puuilo on January 31, 2024: 13,810