

## **RULES OF PROCEDURE OF KOTIPIZZA GROUP OYJ'S AUDIT COMMITTEE**

### **1. Purpose of the Audit Committee**

The Audit Committee serves to assist the Board of Kotipizza Group Oyj in its control tasks related to the financial reporting, internal control system and risk management of the Kotipizza Group as well as its internal auditing and auditing function as required by the Finnish Corporate Governance Code. In addition, the Audit Committee assists the Board in other duties related to the Committee's work as specified by the Board. The Audit Committee reports its actions and observations to the Board of Directors of Kotipizza Group Oyj.

### **2. Members and selection of the Audit Committee**

Kotipizza Group Oyj's Board shall appoint an Audit Committee comprising of three Members of the Board each year in the first Board meeting following the Annual General Meeting of the Company. The Board shall appoint one of the Audit Committee members as its Chairman. The Members of the Board elected as members of the Audit Committee shall have sufficient expertise in accounting and bookkeeping as well as practices related to financial statements. The members of the Audit Committee shall be independent of the Company as required by the Finnish Corporate Governance Code, and at least one of the members shall be independent of significant shareholders as required by the Finnish Corporate Governance Code. The Group's CFO shall act as the secretary of the Audit Committee.

### **3. Duties of the Audit Committee**

The Audit Committee shall have the duties as specified in the Finnish Corporate Governance Code. The Audit Committee shall have the special duty of assisting the Board in matters pertaining to the monitoring and supervision of Kotipizza Group's reporting and accounting processes. The reporting and accounting processes refer to the set of duties resulting in the Group's financial statements, interim reports and monthly result reports. The Committee shall monitor compliance with laws and regulations as well as operating instructions approved in the Kotipizza Group. In this duty, the Audit Committee is assisted by Kotipizza Group Oyj's internal audit function which reports directly to the Audit Committee. In addition, the Audit Committee shall have the following duties:

- to monitor the efficiency, adequacy and appropriate supervision of Kotipizza Group's internal control systems, internal audit and risk management systems and to monitor the internal audits;
- to discuss the description of the main characteristics of the internal control and risk management systems related to the financial reporting process to be included in the report on Kotipizza Group Oyj's management and guidance system;
- to supervise the financial statement and consolidated financial statement process;
- to evaluate the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company and to evaluate the advisory services offered by the auditor;
- to prepare the proposal for resolution on the election of the auditor in Kotipizza Group Oyj's Annual General Meeting and presenting the case in the meeting;
- to discuss the contents of Kotipizza Group's financial statements, interim reports and the related reports; and
- to keep contact with the auditor and to revise the reports of the auditor.

The Audit Committee shall be presented with the documents and reports necessary for its duties, including the following internal audit plan; monitoring and reporting of the implementation of the plan.

The Audit Committee may also discuss other matters and duties appointed to it by the Board.

### **4. Meetings of the Audit Committee**

The Audit Committee shall follow a meeting practice and schedule agreed in advance on an annual basis, but additional meetings may also be called by the Chairman when necessary.

The minutes of the Audit Committee meetings are signed by the Chairman and the secretary. The minutes shall be distributed to the members of the Board. In addition, the Chairman of the Audit Committee shall in the meeting of the Board give an account of the matters discussed in the Audit Committee.

If necessary, the Audit Committee shall invite the auditor and members of the management to its meetings, and it may also use other experts.

The Audit Committee shall give the Board an annual summary of its actions during the financial year, including any observations made or recommendations given.

The work of the Audit Committee is evaluated annually as a part of the evaluation of the Board's operations.

## **5. Validity of the rules of procedure of the Audit Committee**

Kotipizza Group Oyj's Board of Directors has approved this charter in its meeting of 8 February 2017, at which time the charter also became applicable.

## **RULES OF PROCEDURE OF KOTIPIZZA GROUP OYJ'S REMUNERATION COMMITTEE**

### **1. Remuneration Committee**

Kotipizza Group Oyj has a Remuneration Committee as mentioned in the Finnish Corporate Governance Code. The Remuneration Committee reports its actions and observations to the Board of Directors of Kotipizza Group Oyj.

### **2. Members and selection of the Remuneration Committee**

Kotipizza Group Oyj's Board shall appoint the Remuneration Committee each year in the first Board meeting following the Annual General Meeting of the Company. The Committee shall have 3 to 5 members. The Board shall appoint one of the Remuneration Committee members as its Chairman.

The Members of Board elected as members of the Remuneration Committee shall have sufficient expertise in the business operations of the Kotipizza Group and its fields of business as well as in matters related to remunerations.

The majority of the members of the Remuneration Committee shall be independent of the Company as required by the Finnish Corporate Governance Code for members of the Remuneration Committee.

The Remuneration Committee shall invite a secretary for the Remuneration Committee, if deemed necessary.

### **3. Duties of the Remuneration Committee**

The Remuneration Committee shall assist the Board in matters related to the nomination and remuneration of key personnel. In addition, the Remuneration Committee shall evaluate, monitor and guide the situation and development of staff issues which are important in terms of corporate culture and strategy.

In particular, the Remuneration Committee shall

- evaluation, monitoring and guidance of the situation and development of staff issues in the Kotipizza Group which are important in terms of corporate culture and strategy;
- assisting the Board of Kotipizza Group Oyj in the nomination and remuneration of key personnel;
- preparing the nomination of the CEO and other executives and mapping prospective successors;
- preparing the proposals concerning the salary and other remuneration of the CEO and other executives;
- preparing matters concerning the reward systems used in the company;
- evaluating the rewards of the CEO and other executives and ensuring that the rewards systems are appropriate; and

- preparing salary and rewards surveys and answering to questions related to it in the general meeting.

In addition, the Remuneration Committee shall assist the Board in matters related to:

- the development of the Group's corporate culture and personnel policy;
- competitiveness, principles, structure and allocation of the salary and incentives system;
- performance incentive rules and performance incentives to the management;
- identification and development of the talents of key personnel; and
- successor planning of the management.

#### **4. Meetings of the Remuneration Committee**

The Remuneration Committee shall follow a meeting practice and schedule agreed in advance on an annual basis, but additional meetings may also be called by the Chairman when necessary. The minutes of the Remuneration Committee meetings are signed by the Chairman and the secretary. The minutes shall be distributed to the members of the Board. In addition, the Chairman of the Remuneration Committee shall in the meeting of the Board give an account of the matters discussed in the committee.

If necessary, the Remuneration Committee shall invite members of the management to its meetings, and it may also use other independent experts.

The Remuneration Committee shall give the Board an annual summary of its actions during the financial year, including any observations made or recommendations given. The work of the Remuneration Committee is evaluated annually as a part of the evaluation of the Board's operations.

#### **5. Validity of the charter of the Remuneration Committee**

Kotipizza Group Oyj's Board of Directors has approved this charter in its meeting of 8 February 2017, at which time the charter also became applicable.