



MULTITUDE

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CORPORATE  
GOVERNANCE  
STATEMENT  
2023



# Multitude SE – Corporate Governance Statement 2023

## Corporate Governance Statement 2023

This Corporate Governance Statement has been prepared in accordance with the recommendations of the Finnish Corporate Governance Code (2020). The Corporate Governance Statement has been prepared separately from the Report of the Board of Directors of Multitude SE (“Multitude” or “Company”), and it is available on Multitude’s website <https://www.multitude.com/>.

Multitude’s Board of Directors has approved this Corporate Governance Statement. Multitude’s external auditor, PricewaterhouseCoopers Oy, has verified that this statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with Multitude’s financial statements.

### **General governance principles**

Multitude is a European company (SE) domiciled in Helsinki, Finland that in its decision-making and governance complies with the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE), the Finnish European Companies Act, the Finnish Companies Act and other relevant legislation concerning European companies listed on a regulated market and the Articles of Association of Multitude.

Multitude is listed in the Prime Standard Segment of the Frankfurt Stock Exchange. The Company complies with the rules and regulations of Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

Multitude complies with the Finnish Corporate Governance Code 2020 published by the Securities Market Association. The Finnish Corporate Governance Code is available on the Securities Market Association’s website at <https://cgfinland.fi/> and English version at <https://cgfinland.fi/en/>.

Supervision and management of the Company is divided among the General Meeting of Shareholders, the Board of Directors and the CEO.



## General Meeting

The shareholders exercise their power of decision at the General Meeting. The Company must hold the Annual General Meeting of Shareholders by the end of June each year. If necessary, an Extraordinary General Meeting of Shareholders shall be held. Shareholders may exercise their right to speak, ask questions and vote at the General Meeting. The matters to be considered at the Annual General Meeting (AGM) are specified in Multitude's Articles of Association and in Chapter 5, Section 3 of the Finnish Companies Act.

Resolutions by the General Meeting are published without delay after the meeting by a stock exchange release and on the Company's website <https://www.multitude.com/>.

### **Information on General Meetings to Shareholders**

The Board of Directors shall convene the Annual General Meeting or an Extraordinary General Meeting with a notice to be published on the Company's website <https://www.multitude.com/>. The notice must list the agenda for the meeting. The notice to a meeting and the Board of Directors' proposals for the meeting are also published as a stock exchange release.

The notice to the General Meeting, documents to be submitted to the General Meeting and draft resolutions to the General Meeting will be available on the Company's website at least three weeks before the General Meeting.

The Company will disclose on its website the date by which a shareholder shall notify the Board of Directors of the Company of an issue that he or she demands to be included in the agenda of the Annual General Meeting.

The minutes of the General Meeting shall be posted on the Company's website within two weeks of the General Meeting. The documents related to the General Meeting shall be available on the Company's website at least for three months after the General Meeting.

## **Organisation of the General Meeting**

According to the Company's Articles of Association, the General Meeting shall be held in the Company's domicile in Helsinki, Finland or in Frankfurt am Main, State of Hessen, Germany, as resolved by the Board of Directors of the Company. In the Annual General Meeting of 2023 it was resolved to amend the Company's Articles of Association so that the Board of Directors may also resolve that the General Meeting shall be held without a meeting venue so that the shareholders shall exercise their power of decision in full and in real time during the meeting by means of telecommunication and other technical means (remote meeting).

To be able to participate in the General Meeting, a shareholder must be registered on the record date of the General Meeting in Multitude's shareholder register maintained by Euroclear Finland Oy. Shareholders must register for a General Meeting in advance within the time prescribed in the notice. A shareholder may participate in a General Meeting personally or through a duly authorised proxy. The proxy must present a power-of-attorney form for such authorisation. Upon registration for a General Meeting, the shareholder must report to the Company any powers of attorney issued. The shareholder and proxy may have an assistant present at the meeting.

A holder of nominee-registered shares has the right to participate in the General Meeting by virtue of shares, which he/she holds on the record date of the General Meeting and would be entitled to have registered in the shareholders' register of the Company held by Euroclear Finland Oy. The right to participate in the General Meeting requires, in addition, that the shareholder on the basis of such shares has been registered into the temporary shareholders' register held by Euroclear Finland Oy at the latest by the date and time prescribed in the notice to the General Meeting. A notification by a holder of nominee-registered shares for inclusion in the Company's temporary shareholders' register is perceived as prior notice of participation in the General Meeting.

## **Attendance of the Board of Directors, Managing Director and Auditor at the General Meeting**

The Chairman of the Board of Directors and a sufficient number of members of the Board and its committees as well as the CEO shall attend the General Meeting unless there are well-founded reasons for absence. In addition, the auditor shall be present at the Annual General Meeting, unless there are well-founded reasons for absence.

## **Attendance of a prospective Director at a General Meeting**

A person proposed for the first time as Director shall participate in the General Meeting that resolves on his or her election unless there are well-founded reasons for absence.

## **Shareholders' agreements**

A shareholders' agreement is an agreement among the shareholders of a company on the company's governance and management. A shareholders' agreement can be made when a company is established or during the time of its operation. A shareholders' agreement is binding between the parties thereto. A shareholders' agreement does not bind the company itself unless the company is included in the agreement. In general, the Board of Directors approves a shareholders' agreement on behalf of the Company.

Multitude is not a party to a shareholders' agreement regarding Multitude. Multitude is not aware of any shareholders' agreements between Multitude's shareholders.

# Board

The Board of Directors principally administers the Company and resolves on the organisation of its operations. The Board of Directors is responsible for the appropriate organisation of the control of the Company's accounts and finances and acts in accordance with the Company's best interest. The Board of Directors is elected by the General Meeting. A member of the Board of Directors may be removed from office at any time by a resolution passed by the General Meeting.

Under Finnish law, it is not necessary for a European company or for a company of a certain size to include employee representatives on the Board of Directors and there are currently no employee representatives on the Board of Directors.

Pursuant to the Articles of Association of the Company, the Board of Directors comprises no fewer than three (3) and no more than nine (9) members. The term of each member of the Board of Directors shall expire at the conclusion of the next Annual General Meeting after the election. Therefore, the entire Board of Directors is elected at each Annual General Meeting.

Pursuant to the Articles of Association of the Company, the Board of Directors elects the Chairman and the deputy Chairman of the Board of Directors from amongst its members.

The Board of Directors has a quorum to adopt resolutions if more than half of its members are present. As the Board of Directors had in the end of the year 2023 six (6) members, this quorum was four (4). A resolution is adopted if it is supported by more than one half of the members present at a meeting. In the event of a tie, the Chairman can cast the deciding vote.

The Board of Directors is responsible for the Company's management and for the due organisation of the Company's operations in accordance with the relevant legislation and the Company's Articles of Association. The Board of Directors controls and monitors the Company's operational management, appoints and dismisses the CEO and approves the major decisions affecting the Company's strategy, capital expenditures, organisation, remuneration and bonus systems covering the management and finances.

## Charter of the Board

As part of the Company's corporate governance, Multitude's Board of Directors has approved a charter defining the Board's status, duties and the meeting procedures. The Board's rules of procedure complement the stipulations of the Finnish Companies Act and the Articles of Association of the Company.

The Board represents all of the shareholders of Multitude and strives to advance their interests and those of the Company. The Board is responsible for the administration of the Company and for arranging the operations of the Company in an adequate manner. The Board shall ensure that the controls regarding the Company's accounting and managing of funds and other assets, and other risk management are adequately arranged.

The Board's duties and tasks include, in particular:

1. to ensure that the Company is managed according to sound business principles and that the reporting, controls and risk management are adequate;
2. to attend to such administrative matters that have not been entrusted to the CEO;



3. to appoint and dismiss the CEO and the deputy CEO, if any, and to determine their compensations and other material terms of their contracts;
4. after consultation with the CEO to appoint and dismiss the executive officers of the Company and to determine their compensations;
5. to establish the organisational structure at the Group's executive level;
6. to approve the Company's strategy and to oversee its implementation;
7. to approve the Group's annual business plan and budget and to oversee the performance of the same;
8. to establish and regularly evaluate the principles in respect of the Group's personnel policies including those related to compensation, and in particular approve structures and target settings for the Company's short and long-term incentive structures;
9. to approve the Group's investment guidelines;
10. to resolve upon establishing subsidiary companies and upon material changes affecting the same, and upon disposal of property or other material fixed assets, to the corresponding extent that investments in such fixed assets would be resolved upon by the Board, as well as upon mortgaging of property as security for payment of loan, and to resolve upon granting of security for the fulfilment of obligations of third parties or those of the subsidiary companies;
11. to propose to the General Meeting the matters that shall be resolved upon by the Shareholders;
12. to resolve upon proposing to the General Meeting making of a resolution, or granting the Board the authorisation to make a resolution, on buy-back and disposal of the Company's own shares, emission of new shares, convertible bonds, share options and other similar instruments;
13. to resolve upon charitable donations that are not insignificant and other matters of non-operational nature;
14. to ensure that the Company's financial statements (including consolidated financial statements) and the annual report are prepared in accordance with law, and to make a proposal to the General Meeting on the use of distributable profits of the Company;
15. to approve the charter of the Board and to establish the committees of the Board and their compositions and charters;
16. to monitor and evaluate the financial reporting process, audit, the effectiveness of internal control and audit and risk management systems, as well as the independence of the auditors and in particular the provision of non-audit services; and
17. to assume to attend any matter that does not according to law belong to the General Meeting.

## Meetings of the Board

The Board meets as often as appropriate fulfilment of its obligations requires. Multitude's Board of Directors had 15 meetings in 2023. The members of the Board of Directors attended the meetings as follows:

Name	Meeting attendance
Goutam N. Challagalla	15/15
Michael A. Cusumano	15/15
Jorma Jokela	15/15
Kristiina Leppänen	15/15
Lea Liigus	15/15
Jussi Mekkonen (member until 27 April 2023)	5/5
Frederik Strange (member until 27 April 2023)	5/5
Ari Tiukkanen (elected as member on 27 April 2023)	10/10
Juhani Vanhala (member until 27 April 2023)	5/5

## Performance evaluation of the Board

On an annual basis, the Board of Directors assesses its activities and work practices. The Board specifies the criteria to be used in the assessment, which is carried out as an internal self-evaluation.

## Composition of the Board

The General Meeting elects the members of the Board of Directors. The Board of Directors of Multitude prepares a list of proposed members of the Board of Directors for consideration by the General Meeting. The candidates proposed by the Board of Directors are reported upon in the meeting notice and on the Company's website.

In accordance with the proposal of the Board of Directors, the Annual General Meeting held on 27 April 2023 reelected Goutam N. Challagalla, Michael A. Cusumano, Jorma Jokela, Kristiina Lep-pänen and Lea Liigus as ordinary members. The Annual General Meeting also elected Ari Tiuk-kanen as new ordinary member. The Board of Directors elected Ari Tiukkanen as the Chairman. In the end of the year 2023, the Board of Directors consisted of the following persons:

**Ari Tiukkanen**, Chairman, born in 1961, has been the Chairman of the Board of Directors since 2023. Ari joined the Company in 2015 and prior to his current position, he was the Deputy Chief Exec-utive Officer. He studied industrial engineering at Jyväskylä University of Applied Sciences and graduated as BSc (engineering) 1986. His management experience includes serving as a head of Building & Industry business at Metsä Wood from 2012 to 2015, as CEO of Icare Finland / Revenio Group from 2008 to 2012, as commercial director of Paloheimo Group from 2006 to 2008, as head of Building Products business line at Finnforest from 1999 to 2006, as various management posi-tions at Halton Group from 1992 to 1999.

**Goutam N. Challagalla**, born in 1964, joined the Board of Directors in April 2019. He has studied Economics and Mathematics at Osmania University, Hyderabad, India. He is a Professor of Strat-egy and Marketing at IMD, Lausanne, Switzerland. Prior to IMD, he spent 20 years as a professor at Georgia Tech in Atlanta, USA. He also worked as Principal at The Monitor Group, a strategy consulting company in Boston. At IMD, he is Faculty Director of the Digital Marketing Strategy pro-gram and several custom programs for B2B and B2C clients. His teaching, consulting, and research focuses on strategy with an emphasis on digital transformation, business-to-business commercial management, value-based pricing, sales management, distribution channels, and customer and service excellence. His research has been published in top marketing and management journals such as Journal of Marketing, Journal of Marketing Research, Management Science, Strategic Man-agement Journal, and the Journal of Applied Psychology. He is a recipient of the Maynard Award, which is given to the best paper in the Journal of Marketing (2015). His PhD is from the University of Texas, Austin, USA.

**Michael A. Cusumano**, born in 1954, has been a member of the Board of Directors since April 2019. He is the SMR Distinguished Professor of Management and Deputy Dean at the MIT Sloan School at the Massachusetts Institute of Technology. He specialises in strategy, product development, and entrepreneurship in computer software as well as automobiles and consumer electronics. During 2016–17, he was on leave as Special Vice President and Dean of Entrepreneurship and Innovation at Tokyo University of Science. He is also a director of Orix Corporation, based in Japan. He has served as editor-in-chief and chairman of the MIT Sloan Management Review and in 2009, he was named one of the most influential people in technology and IT by Silicon.com. He has consulted and lectured for approximately 100 companies and has published 14 books and more than 120 articles. He holds a PhD from Harvard University and completed a postdoctoral fellowship in Pro-duction and Operations Management at the Harvard Business School.

**Jorma Jokela**, born in 1979, is the CEO and the founder of the Company and has been a member of the Board of Directors since 2005. He studied accounting at the Commercial College of Kuopio and the Helsinki Business College and holds also an eMBA from IMD in Switzerland. He is the founder of Jokela Capital Oy in Helsinki where he headed the company as CEO from 1998 to 2000. He subsequently sold the Jokela Capital business in 2004. In 2005, he founded the Multitude Group and has been its CEO since then. Jorma Jokela is currently a member of the Board of JT Capital Limited, Jokela Capital OÜ and Jokela Capital Oy.

**Kristiina Leppänen**, born in 1969, has been a member of the Board of Directors since 2022. She has been working in senior financial and leadership positions for over 25 years and has an extensive CFO background in global industrial companies. Since April 2023, she is Group CFO of The Infinigate Group, the value-add distributor of cybersecurity, secure network, and secure cloud headquartered in Zug, Switzerland. For the past 3 years was Kristiina Group CFO of Enics, a leading global service provider in electronics manufacturing, where she was responsible for Finance and Controlling, Treasury, Risk Management, IT, Legal Affairs, and Corporate Development. Prior to joining Enics, she spent over four years in charge of Finance and Investor Relations as Cavotec CFO in Switzerland, and almost 5 years as Group CFO of GS Hydro Group in Finland. She holds an MBA in International Finance from the Helsinki School of Economics.

**Lea Liigus**, born in 1972, is the Head of Legal and Compliance of the Group. She has been a member of the Board of Directors since 2006. She studied law at the University of Tartu in Estonia and completed Master of Laws (LL.M.) Programme in Contract and Commercial Law at the University of Helsinki in Finland. Before she joined Multitude in 2006, she worked as a lecturer for Commercial Law and EU law at the Estonian Business School in Tallinn and as an attorney-at-law specialised in commercial, financial law and EU law at Sorainen Law Offices in Estonia.

### **Principles concerning the diversity of the Board**

The composition of the Board of Directors should reflect the Company's operations and the markets in which it operates. Sufficient diversity at the Board of Directors level is relevant in ensuring the efficient and optimal work and performance of the Board of Directors.

The Company's Board of Directors has reviewed and confirmed the principles for Board diversity.

Important diversity factors for Multitude are the mutually complementary expertise of the members, their education and experience in different professional areas, leadership experience, and personal capabilities, as well as experience in an international operating environment, different cultures, and age and gender breakdown.

The Board of Directors shall take account of proposing members from both genders, aligning with the Company's goal of having 38% of its Directors be women by 2025.

In 2023, the composition of the Company's Board of Directors was balanced with regard to the diversity principles. At the end of 2023, 33% of the Board of Directors comprised women.



## Independence of Directors

According to the Finnish Corporate Governance Code, the majority of the Directors shall be independent of the Company. In addition, at least two of the Directors representing this majority shall be independent of significant shareholders of the Company.

The Board shall evaluate the independence of the Directors and report which of them are independent of the Company and which are independent of significant shareholders. The reasoning for determining that a Director is not independent must also be reported.

Name	Independent of the Company	Independent of significant shareholders	Shares and share-based rights of each Director and corporations over which he/she exercises control in the Company and its Group companies at the end of year 2023
Goutam N. Challagalla	Yes	Yes	0
Michael A. Cusumano	Yes	Yes	0
Jorma Jokela	No	No	12,010,961
Kristiina Leppänen	Yes	Yes	1,300
Lea Liigus	No	Yes	127,396
Ari Tiukkanen	No	Yes	18,338

Three out of six members of the Board, i.e., Jorma Jokela, Lea Liigus and Ari Tiukkanen, are dependent on the Company for reasons explained below. Jorma Jokela is also dependent of significant shareholders as he holds, directly and indirectly through corporations over which he exercises control, 55.29 percent of the Company's shares. The remaining Board members, i.e., Goutam N. Challagalla, Michael A. Cusumano and Kristiina Leppänen, are independent of the Company and of significant shareholders of the Company.

Jorma Jokela, CEO, and Lea Liigus, Head of Legal and Compliance, have service contracts with the Company and are therefore dependent of the Company. Both of them have also served as Directors for more than ten consecutive years. Ari Tiukkanen also had a service contract with the Company until the end of April 2023. Ari Tiukkanen is therefore dependent on the Company.

## Obligation of Directors to provide information

Each Director shall provide the Board with sufficient information that will allow the Board to evaluate his or her qualifications and independence and notify the Board of any changes in such information.



## Board committees

The Board of Directors of Multitude has established three permanent committees, an Audit Committee, a People and Culture Committee (former Remuneration Committee) and a Risk Committee. The Board of Directors has confirmed rules of procedure for these committees in accordance with the Finnish Corporate Governance Code 2020. The minimum number of members is three in all the committees. The Board has confirmed written charters for the committees. A new charter was approved by the Company's Board of Directors for the People and Culture Committee on 10 March 2022 and for the Risk Committee on 20 December 2022. The committees report on their work regularly to the Board, but they do not have decision-making powers independent from the Board.

The Company does not have a nomination committee for the preparation of matters pertaining to the nomination of Directors.

### **Audit Committee**

The Audit Committee is established to ensure the proper functioning of corporate governance, in particular to ensure the overseeing of the accounting and financial reporting, the Company's internal control systems and work of external auditors.

In addition, the committee assists the Board of Directors in other duties related to the committee's work as specified by the Board. The purpose of the committee is to assist the Board by preparing the committee-dedicated matters for the Board.

The members of the committee must be sufficiently qualified to perform the responsibilities of the committee and at least one member shall have expertise specifically in accounting or auditing. The members of the committee shall not participate in the daily management of the Company or other companies or foundations consolidated in the consolidated financial statements. Further, the majority of the members of the committee shall be independent of the Company and at least one of the members shall be independent of significant shareholders.

The external auditors and Chief Financial Officer attend the committee meetings on a regular basis. Other senior executives attend the meetings as invited by the committee.



In the end of the year 2023 the Audit Committee consisted of Kristiina Leppänen (Chairwoman), Goutam N. Challagalla and Ari Tiukkanen. All members of the Audit Committee are independent of significant shareholders and Kristiina Leppänen and Goutam N. Challagalla are independent of the Company.

The members do not participate in the daily management of the Company or other companies or foundations consolidated in the consolidated financial statements. Kristiina Leppänen has the required expertise in accounting and auditing.

The Audit Committee had four meetings during 2023. Goutam N. Challagalla and Kristiina Leppänen attended all meetings, and Ari Tiukkanen attended all three meetings that were arranged after his appointment to the committee.

The committee shall, in particular:

1. monitor the financial position of the Company;
2. monitor and assess the financial reporting system;
3. monitor and assess the reporting process of financial statements and interim reports; and assess the draft financial statements and interim reports;
4. review any formal announcements related to the Company's financial performance;
5. monitor the Company's auditing and review all material reports from the auditor;
6. monitor and evaluate the independence of the auditor, auditing and, in particular, the offering of services other than auditing services (i.e., ancillary services) by the auditor;
7. prepare the appointment, reappointment or removal of the Company's auditor and, in particular, prepare for the Board the proposals to be made to the Shareholders' General Meeting regarding such matters or the auditor's remuneration;
8. maintain contact with the auditor, and discuss with the auditor the scope, planning and staffing of the annual audit, including the working relationship, coordination and exchange of information between the auditor and the Company's internal audit function;
9. review, at least annually, the qualifications, performance and independence of the external auditors and of the main responsible auditor and communicate the committee's conclusions to the Board;
10. monitor and assess the efficiency of the Company's internal controls and audit as well as the risk management systems;



11. ensure that the internal audit function is independent, has sufficient authority, stature and resources, and has access to all records, documents and information held by the Company;
12. approve the operating instructions for internal audit;
13. review the Company's corporate governance statement and non-financial report;
14. assess the Group's compliance with laws and regulations and evaluate the processes aimed at ensuring such compliance;
15. review the internal auditor's plans and reports;
16. establish principles concerning the monitoring and assessment of related party transactions and possible conflicts related thereto;
17. monitor and assess how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arm's length terms; and
18. prepare for the Board any resolutions on significant changes in the accounting principles or in the valuations of the Group's assets.

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

## **People and Culture Committee**

The Board of Directors of Multitude has appointed a People and Culture Committee among the Directors. The Board of Directors has confirmed the central duties and operating principles of the committee in a written charter, the essential contents of which are presented on the Company's website <https://www.multitude.com/>. The People and Culture Committee reports regularly on its work to the Board.

The task of the People and Culture Committee is to ensure the proper functioning of corporate governance, in particular, to ensure the efficient preparation of matters pertaining to the performance review and remuneration of the members of the Board, the CEO and other executives of the Company as well as the remuneration schemes of the personnel. In addition, the committee assists the Board in other duties related to the committee's work as specified by the Board.

The purpose of the committee is to assist the Board by preparing the committee-dedicated matters for the Board. The members of the committee must be sufficiently qualified to perform the responsibilities of the committee.

In the end of the year 2023 the People and Culture Committee consisted of Ari Tiukkanen (Chairman), Jorma Jokela and Goutam N. Challagalla. Ari Tiukkanen and Goutam N. Challagalla are independent of the significant shareholders and Goutam N. Challagalla is also independent of the Company.

The People and Culture Committee held four meetings during 2023. Goutam N. Challagalla attended all meetings and Ari Tiukkanen and Jorma Jokela attended all three meetings that were arranged after their appointment to the committee.

The People and Culture Committee prepares the following matters for the Board, and where the matter calls for a resolution, the committee prepares resolution proposals to the Board:

1. performance review of key executives;
2. corporate governance, including without limitation the self-evaluation of the Board and evaluating and suggesting new members for the Board;
3. remuneration, including without limitation compensations, pensions, benefits and other mate-

- rial terms of the contract of the members of the Board, the CEO and the management team;
4. major organisational changes and human resources policies; and
  5. nomination, including without limitation leading the process for appointments, and ensuring plans are in place for orderly succession to both the Board and the CEO, and overseeing the development of a diverse pipeline;

In addition, the committee shall answer questions related to the Remuneration Policy and the Remuneration Statement at the General Meeting.

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

## **Risk Committee**

The Risk Committee is established to ensure that risks are identified, monitored and can be managed. In addition, the committee assists the Board in other duties related to the committee's work as specified by the Board.

The purpose of the committee is to assist the Board by preparing the committee-dedicated matters for the Board. The members of the committee must be sufficiently qualified to perform the responsibilities of the committee.

In the end of the year 2023 the Risk Committee consisted of Michael A. Cusumano (Chairman), Kristiina Leppänen and Ari Tiukkanen. All members are independent of significant shareholders and Kristiina Leppänen and Michael A. Cusumano are independent of the Company.

The Risk Committee had four meetings during 2023. Kristiina Leppänen and Michael A. Cusumano attended all the meetings, and Ari Tiukkanen attended all three meetings that were arranged after his appointment to the committee.

The committee shall, in particular:

1. work with Multitude team members to establish and maintain a framework to:
  - a. identify new and existing material risks pertaining to Multitude and its business;
  - b. regularly classify, monitor, calibrate probability and severity of risks; and
  - c. where needed, suggest actions to mitigate risks.

The main risks which are covered by the oversight responsibilities include, but are not limited to credit, market, liquidity and operational risks, including ESG risks.
2. advise and support the Board regarding the monitoring of the institution's overall actual and future risk appetite and strategy, considering all types of risks, to ensure that they are in line with the business strategy, objectives, corporate culture and values of the institution;
3. review new business opportunities and anticipating changes in the Group's risk profile introduced by such new processes and projects or by other factors, and initiating actions to address them;
4. report annually to the Audit Committee on risk management and compliance with laws and regulations;
5. escalate to the Audit Committee any items that have a significant compliance or financial statement impact or require significant financial statement / regulatory disclosures;
6. consider material risks, brought to its attention by the Chief Risk Officer, associated with offered financial products and services and take into consideration the alignment between the prices assigned to and the profits gained from those products and services;
7. provide advise on incentives provided by the remuneration policies and practices take into consideration the institution's risk, capital and liquidity and the likelihood and timing of earnings;
8. review recommendations made by the internal and external auditors, and by regulatory agencies with respect to the risk management activities of the Group, and management's responses in relation to these recommendations, ensure that these reports are followed up accordingly;
9. evaluate and report to the Board on, the Group's risk profile and risk monitoring in particular, with respect to the following:
  - a. performance against risk appetite, and approved risk type limits;
  - b. risk trends;
  - c. risk concentrations
  - d. key risk indicators
10. oversee policy implementation and monitoring compliance with policies; and
11. consider the adequacy of resources required to perform the appropriate risk management duties.

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



# CEO

The Board of Directors appoints the CEO and terminates his employment as well as monitors the CEO's activities. The CEO of the parent Company furthermore acts as the CEO of the Multitude Group. The CEO is responsible for managing the Group's day-to-day operations in accordance with the rules and instructions issued by the Board of Directors. In addition, the duties of the CEO are as follows:

- be in charge of the day-to-day management and supervision of the Company in accordance with the provisions of the Finnish Limited Liability Companies Act, and the authorisations and guidelines received from the Board of Directors;
- bear responsibility for ensuring that the Company's accounting is legally compliant and that its financial affairs are arranged in a reliable manner;
- attend to the everyday management of the Company in accordance with the guidelines and instructions given by the Board of Directors;
- prepare matters to be presented to the Board;
- attend the meetings of the Board of Directors and present matters to the Board insofar as this is not done by the Chairman of the Board or the committee in question;
- oversee compliance with the guidelines, procedures and strategic plans established by the Board of Directors;
- ensure that Board members continuously receive all the information they need to monitor the Company's financial position, liquidity, financing and development;
- inform the Board of Directors of any major events, decisions and plans related to the Company's business; and
- serve as the Chairman of the Company's Leadership Team.

Jorma Jokela, born 1979, is the CEO and founder of the Company. In addition, he is a member of the Board of Directors. He studied accounting at the Commercial College of Kuopio and the Helsinki Business College and holds also an eMBA from IMD in Switzerland. He is the founder of Jokela Capital Oy in Helsinki where he headed the company as CEO from 1998 to 2000. He subsequently sold the Jokela Capital business in 2004. In 2005, he founded the Group and has been its CEO since then.

Name	Independent of the Company	Independent of the significant shareholders	Shares and share-based rights of CEO and corporations over which he exercises control in the Company and its Group companies at the end of year 2023
Jorma Jokela	No	No	12,010,961

# Leadership Team

The CEO appoints members to the Leadership Team who are appropriate from the standpoint of line operations. The Leadership Team supports the CEO with operational planning and execution of Multitude's targets. The Leadership Team is responsible for the different business management areas and among other duties, resolves and coordinates the Group's action plans and also supervises the realisation of plans and reporting. The Leadership Team is respectively responsible for the implementation of the adopted resolutions in their own areas of responsibility.

The Leadership Team, in addition to CEO Jorma Jokela, consisted of the following members in the end of the year 2023:

Name, year of birth, and education	Title	Shares and share-based rights of members and corporations over which he/she exercises control in the Company and its Group companies at the end of year 2023
Lea Liigus, born 1972, LL.M.	Chief Legal & Compliance Officer	127,396
Bernd Egger, born 1971, MBA, M.Sc (Finance)	Chief Financial Officer	40,169
Kristjan Kajakas, born 1981, BA (Econ)	Tribe CEO – Ferratum	25,218
Antti Kumpulainen, born 1980, B.Sc (Econ)	CEO of Multitude Bank	24,278
Julie Chatterjee, born 1977, M.Sc (Engineering)	Tribe CEO – SweepBank	17,063
Clemens Krause, born 1962, PhD (Credit Rating with Artificial Intelligence)	Chief Risk Officer	96,566
Lasse Mäkelä, born 1971, BSc (Banking and International Finance) and EMBA	Chief Strategy and IR Officer	56,085
Adam Hansson Tönning, born 1991, Business and Economics at Stockholm School of Economics	Chief Financial Planning Analyst	13,956
Kornel Kabele, born 1976, master's degree (Architecture)	Chief Technology Officer	10,381
Shaun Vella, born 1984, bachelor's degree (Psychology) and an Executive Master's (Business Administration)	Chief HR Officer	6,749
Mantvydas Štareika, born 1986, bachelor's degree (Law) and Master's (Business Administration)	Tribe CEO – CapitalBox	2,553

# Internal control, risk management and internal audit

The purpose of Multitude's risk management is to minimise the probability of unexpected losses and threats against the reputation of the Group and, in addition, to enhance its profitability and shareholder value. The risks of Multitude's operations can be divided into three main categories: credit risks (receivables from customers), market risks (including foreign exchange risks, interest rate risks and other price risks) and operational risks (such as IT risks, legal and regulatory risks and other operational risks).

## **Operating principles of internal control**

The Board ensures that the Company has defined the operating principles of internal control and monitors the function of such control.

## **Organisation of risk management**

Credit risks are managed by developing risk management tools to assist the subsidiaries in evaluating the payment behaviour of customers. These tools are used to ensure that only solvent customers are accepted, which enables the control of the level of credit losses. The scoring system and the credit policies of the Group's subsidiaries are managed by the central risk department. The central risk department is also responsible for the measurement of the payment behaviour of the credit portfolio on a daily, weekly and monthly basis. Risk provisioning and the calculation of the impairments are independently managed by the central finance department.

Market risks are managed by the central finance team and its treasury function. The central treasury function is also responsible for Group cash flow planning and ensures the necessary liquidity level for all Group entities.

Operational risks, IT risks as well as legal and regulatory risks are of high relevance for Multitude. Regulatory and legal risks are managed centrally by the Company's legal function in close cooperation with the authorities in the respective countries and relevant stakeholders. Potential or foreseeable changes in applicable laws are analysed on an ongoing basis and any necessary modifications to Multitude Group's legal structure are implemented proactively.

The smooth and continuous operation of critical IT systems is effectively guaranteed by various information security solutions. Multitude has developed its processes and systems in order to offer its customers, stakeholders and partners the most efficient and practical software designed to cater to the demands of the developing mobile consumer lending industry.

Multitude takes into account moderate and calculated risks in conducting its business. The Board of Directors monitors operations regularly and is ultimately responsible for adequate risk management and ensuring that the Company has access to the appropriate software, including instructions on controlling and monitoring risks. The CEO is responsible for the daily operations of the Company. Each member of the Leadership Team ultimately bears responsibility for identifying and controlling the risks related to their functions in line with instructions from the Board.

Multitude proactively follows all legal changes and continuously monitors the legal environment that might change in the countries it operates in and adjusts its operations accordingly, while always considering customer and user experience.



Risks and risk management are presented on Company's website <https://www.multitude.com/> and in the Annual Report 2023.

Reviews concerning financial risks are presented in the notes to the consolidated financial statements in the Annual Report 2023 on pages 156–205.

### **Internal audit**

Multitude's internal audit function is the responsibility of Multitude's Audit Committee, which is responsible for developing, implementing and overseeing internal audit policies and procedures. The Audit Committee reports on its findings to the Board of Directors.

Multitude observes Group level accounting principles and instructions, which are applied in all Group companies and according to which the Group's financial reporting is prepared. Together with reporting calendar and schedules, accounting principles and instructions form the framework for timely and correct Group reporting.

### **Financial reporting**

The Board of Directors and the CEO have the overall responsibility for organising the internal control and risk management systems pertaining to financial reporting. The CEO, the members of the Leadership Team and the heads of the business units are responsible for the accounting and administration of the areas within their spheres of responsibility complying with legislation, the Company's operating principles and the guidelines and instructions issued by the Board of Directors.

Multitude prepares consolidated financial statements in accordance with the requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

## **Related party transactions**

Multitude maintains a list of its related parties and monitors and evaluates related party transactions between the Company and its related parties. Internal procedures have been put in place in order to ensure that any related party transactions are duly identified, reported and monitored. Such identification, reporting and monitoring are managed by the Company's internal control and compliance functions in accordance with their respective instructions. The Board of Directors resolves on any related party transactions that are not considered part of the Company's ordinary course of business or are made in deviation from customary commercial terms.

Multitude's related parties include the members of the Board of Directors and the Leadership Team as well as their close family members, and the companies in which a member of the Board of Directors or the Leadership Team has significant influence.

In 2023, the Company had no related party transactions that are material to the Company and that are either not considered part of the Company's normal ordinary course of business or are made in deviation from customary commercial terms.

# Insider administration

Multitude complies with the Market Abuse Regulation ((EU) N:o 596/2014, “MAR”) and its implementing instruments, the Finnish Securities Markets Act (746/2012), the Finnish Penal Code, the German Securities Trading Act, as amended (Wertpapierhandelsgesetz – WpHG) as well as the regulations and guidelines of ESMA (European Securities and Markets Authority), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and the Finnish Financial Supervisory Authority (the “FIN-FSA”). In addition, Multitude complies with the listing rules and regulations of the regulated market of the Frankfurt Stock Exchange and the additional requirements of the Prime Standard of the Frankfurt Stock Exchange.

## **Insiders at Multitude**

Multitude maintains non-public project-based insider lists of all persons who have access to deal-specific or event-based inside information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to inside information. In addition, Multitude maintains a non-public insider list of the permanent insiders of Multitude. Such insiders consist of members of the Board of Directors, the CEO and members of the Leadership Team of Multitude (“Managers”).

## **Closed period**

Multitude applies a closed period of 30 calendar days before the announcement of interim financial reports or financial statements and ending upon the publication of such announcement. During the closed period, Multitude’s Managers are prohibited from trading in Multitude’s financial instruments. Multitude has imposed a 30-days closed period preceding the announcement of interim financial reports and financial statements also on persons involved in the preparation of such reports or statements.

## **Managers’ transactions**

Multitude’s Managers and their closely associated persons shall notify the Company and the FIN-FSA of the transactions relating to Multitude’s financial instruments within three business days from the date of the transaction. Multitude publishes Managers’ and their closely associated persons’ transactions through stock exchange releases within two business days of the receipt of the notification.

## **Administration of insider matters**

Multitude has adopted internal guidelines for insiders where the main procedures related to insider administration are described. Multitude ensures that persons with access to inside information, persons on insider lists, Managers as well as all employees subject to a trading restriction recognise their position and the effects thereof. Lea Liigus, Head of Legal and Compliance, is responsible for the coordination and supervision of insider issues.

# Audit

The primary duty of statutory auditing is to verify that the financial statements give correct and sufficient information about the Company's profit and financial situation for the financial year. Multitude's financial year is a calendar year. The auditor is responsible for auditing the Company's accounts and the correctness of its financial statements during the financial year as well as for issuing an auditor's report to the Annual General Meeting.

A summary of the Company's audit report is compiled for the Audit Committee. The auditor attends at least one meeting of the Audit Committee in the relevant financial year.

Pursuant to the Articles of Association of the Company, the Company has one auditor, which must be an audit firm under the Auditing Act. In 2023, the Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorised public accountants, with APA Jukka Paunonen as the main responsible auditor. The auditor's term ends at the conclusion of the next Annual General Meeting after the election.

## **Audit fees and services not related to auditing**

According to the resolution made by the Annual General Meeting 2023 the auditor be paid reasonable remuneration in accordance with the auditor's invoice, which shall be approved by the Company.

The audit fees paid in 2023 totalled EUR 634,000 (in 2022: EUR 698,000). The fees paid to the firm for non-audit services amounted to EUR 186,000 (in 2022: EUR 107,000).

# Communications

Multitude Group stands for transparency and openness in all its communications. The primary objective of the Company's investor information is to provide the best information for the public and all stakeholders regarding the Company's business.

## **Distribution of investor information**

Multitude publishes all of its investor information on the Company's website [www.multitude.com](http://www.multitude.com). Financial releases will be made available immediately after publication. They will be published in English.

