

WULFF GROUP PLC

**CORPORATE GOVERNANCE
STATEMENT**

DEC 31, 2017

CORPORATE GOVERNANCE STATEMENT

Wulff Group Plc is a Nordic listed company and the most significant Nordic player in office supplies. Wulff sells and markets office supplies, IT supplies and ergonomics. Its service range also includes international fair services. In addition to Finland, Wulff operates in Sweden, Norway and Denmark. The Group also serves its customers online with a webshop for office supplies at wulffinkulma.fi.

Wulff Group Plc's corporate governance is based on Finnish legislation, such as the Limited Liability Companies Act, Securities Market Act, the regulations concerning the companies in the Helsinki Stock Exchange, and regulations regarding corporate governance of public listed companies, as well as the Articles of Association. Wulff Group Plc adheres also to the Finnish Corporate Governance Code which is publicly available on the Securities Market Association's web pages (www.cgfinland.fi). The current Articles of Association are available on the Group's website www.wulff-group.com. The Corporate Governance Code is based on a Comply or Explain principle which means that a company can deviate from individual guidelines if it explains and gives reasons for the deviation. The entire document describing the Group's corporate governance principles and practices is available on the Group's investor pages (www.wulff-group.com). This Corporate Governance Statement is presented separately from the Review of the Board of Directors which is presented on pages 33-38.

General Meeting

Wulff Group's highest decision-making power is exercised by shareholders at the Company's Annual General Meeting held at least once a year. The Annual General Meeting (AGM) is held annually on a date determined by the Board of Directors within six months of the end of the financial period either in the company's domicile, Helsinki, or in Espoo. Shareholders may exercise their rights to speak, request information and vote.

Shareholders are invited to general meetings by publishing a notice at Wulff's corporate website. The notice and instructions for participating in the meeting are also published as a stock exchange release. The Board's proposed agenda as well as the proposed Board members and auditors are announced in the notice or in a separate stock exchange release before the general meeting.

The Annual General Meeting handles the tasks pertaining to it according to the Limited Liability Companies Act and Wulff Group's Articles of Association, which include:

- adopting the income statement and balance sheet
- handling the profit or loss according to the adopted balance sheet, dividend distribution
- discharging the members of the Board of Directors and the CEO of liability
- determining the number of Board members and appointing members for one year at a time
- electing auditors
- determining the fees of Board members and auditors, as well as the criteria for reimbursement of travel expenses
- other matters mentioned in the notice of the meeting.

The Annual General Meeting is also authorised to amend the Articles of Association. An Extraordinary General Meeting is summoned, if required, by the Board of Directors.

In 2017, Wulff Group Plc's Annual General Meeting was held on April 6. The Annual General Meeting adopted the financial statements for the financial year 2016 and discharged the members of the Board of

Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.10 per share and authorised the Board of Directors to decide on the repurchase of the Company's own shares. The Annual General Meeting also accepted the Board's proposal concerning the authorisation to perform share issues.

The current Board members Ari Pikkarainen, Johanna Marin, Andreas Tallberg and Heikki Vienola were re-elected. The organising meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, decided that the new Chairman of the Board is Heikki Vienola. BDO Oy, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc. The Annual General Meeting decided that the reimbursements to the Auditors are paid on the basis of reasonable invoicing.

In 2018, Wulff Group Plc's Annual General Meeting will be held on April 5.

Board of Directors

The Board of Directors is responsible for the administration and the proper organisation of the operations of the Company. The Board supervises and controls the operative management of the Company, appoints and dismisses the managing director, approves the strategic goals and the risk management principles for the Company and ensures the proper operation of the management system.

The Annual General Meeting elects three to six members to the Board of Directors and at most as many deputy members. The Board's term ends at the termination of the first Annual General Meeting following the election.

In the organising meeting held after the AGM, the Board elects a Chairperson among its members. Should the Chairperson be disqualified or prevented from attending to his/her duties, a Deputy Chairperson is elected among Board Members for the duration of a meeting.

The Board of Directors supervises the management of Company operations, administration and accounting. It annually confirms a written charter for its activities, which it complies with in addition to the Articles of Association, Finnish legislation and other regulations. The charter lays out the Board's meeting procedures and tasks. According to the Board's charter, in addition to the issues specified in legislation and the Articles of Association, Wulff Group's Board of Directors:

- approves the company's long-term goals and strategy
- approves the company's action plan, budget and financing plan and supervises their implementation
- handles and adopts interim and half-year reports and the financial statements
- decides on individual big and strategically significant investments, such as company acquisitions and acquisitions and disposals of business operations
- appoints the CEO and decides on his/her salaries and wages
- approves risk management and reporting procedures
- draws up the dividend policy
- sets up committees, if needed, to enhance Board work
- appoints the Group's management
- supervises auditing
- assesses the auditor's independence and additional auditing services.

Wulff Group's Annual General Meeting held on April 6, 2017 elected four members to the Board of Directors.

In the preparation of the proposal for the composition of the Board of Directors, the requirements placed by the Company's strategy, operations and development phase as well as the sufficient diversity of the Board of Directors are taken into account. The diversity of the Board of Directors is examined from different perspectives. Important factors for the Company are academic and professional backgrounds as well as strong, versatile and mutually complementary expertise, experience and knowledge in the different business areas important to the Company, internationality, independence of the Company, an appropriate number of members, and the age and gender distribution. The Board must have sufficient economic and financial knowledge, and management, marketing, and sales expertise. Each member of the Board acts as the expert of his/her field during board work.

The Company's goal is that both genders are represented on the Board of Directors. Currently, one of the members of the Board is a women. The Company's goal concerning the representation of both genders has thus been fulfilled. In the selection and evaluation process of new Board Members, the primary criterion is the qualifications of the individual and the possibility to devote a sufficient amount of time to the work. Thus, both genders are taken into consideration equally.

In 2017, Wulff Group Plc's Board of Directors fulfilled the principles concerning the diversity of the Board of Directors, taking into consideration the scale of the Company's business operations and development phase. The members of the Board had versatile expertise and an international background. They had mutually complementary competences, experience and knowledge.

The majority of Board members must be independent of the Company. In addition, at least two of the members in this majority must be independent of the Company's major shareholders. The independence is evaluated in compliance with recommendations of the Finnish Corporate Governance Code. The majority of Board members are not independent of the Company and major shareholders because only four members have been selected. The Board members independent of the Company and of major shareholders are Andreas Tallberg and Johanna Marin. Heikki Vienola and Ari Pikkarainen are major shareholders of the Group. Additionally Heikki Vienola was employed by the Group as the Group CEO and the Chairman of the Group Executive Board since September 25, 2017.

Due to the Group's small size, setting up Board committees or a supervisory board has not been considered necessary. The entire Board of Directors has handled all its tasks.

The Board of Directors convenes on average once a month during the financial year and more often if needed. The Chairperson of the Board is responsible for convening meetings and for meeting activities. The meeting agenda is prepared by the CEO together with the Secretary of the Board. Wulff Group Plc's Board of Directors convened 14 times in 2017 (14). The average meeting attendance for members was 98 percent (99). At its organising meeting the Board approved the charter and action plan for 2017 and evaluated the independence of its members. According to the meeting plan for 2017, the Board of Directors will convene 10 times.

The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. In 2017, the assessment was carried out in writing at the end of the year. Based on the assessment, Board work was successful.

More information on Board Members and their Wulff shareholdings is presented below.

Johanna Marin, b. 1973
Board Member

Responsibilities: Management, Human Capital Management

Substantial education, experience and positions of trust:

- Master of Administrative Sciences, Master of Arts (Education), Doctoral studies in Economics (Management and Organisation)
- Folmer Management Ltd, Founding Partner and Investment Director since 2007
- Folmer Management Ltd , Chairman of the Board since 2007
- Folmer Management II Ltd, Chairman of the Board of Directors since 2016
- Folmer Management I Ltd, Board Member since 2012
- Agentur Arne ja Mirja Holmberg Ltd, Board Member since 2016
- Finsiirto Ltd, Board Member since 2016
- Jatkopolut Ltd, Board Member since 2014
- Umacon Ltd, Board Member since 2013
- Blue Import Bim Ltd, Board Member since 2013
- Selka-line Ltd, Board Member since 2012
- Riihimäen Metallikaluste Ltd, Board Member since 2011
- Canorama Ltd, Board Member since 2011
- Mercuri Urval Ltd, Senior Consultant 2005-2007
- Nokia Group positions, e.g. Business Human Resources Development Manager, 2001-2005
- Wulff ownership as of December 31, 2017: 0 shares



Ari Pikkarainen, b.1958
Chairman of the Board

Responsibilities: Sales and sales development

Substantial education, experience and positions of trust:

- Wulff Group Plc, Board Member since 1999, and Chairman of the Board since 2017
- Alekstra Ltd, Board Member 2010-2014
- Suomen Rader Ltd, Naxor Finland Ltd, and Visual Globe Ltd, Managing Director 1994-2008
- Akro Ltd, Sales Manager 1990-1994
- Oy Eric Rahmqvist Ab, Sales Manager 1984-1989
- Wulff ownership as of December 31, 2017: Ari Pikkarainen and his related parties owned 1,171,825 Wulff shares representing 17.7 percent of the company's shares and votes.



Andreas Tallberg, b. 1963
Board Member

Responsibilities: Strategy, Acquisitions

Substantial education, experience and positions of trust:

- Master of Science in Economics
- Wulff Group Plc, Chairman of the Board 2012-2015, and Board Member since 2010
- G.W. Sohlberg Ltd, Managing Director since 2007
- Detection Technology Ltd, Chairman of the Board since 2006
- Glaston Group, Chairman of the Board since 2007
- GWS Assets Ltd, Chairman of the Board since 2007
- StaffPoint Holding Ltd, Chairman of the Board since 2008
- Toolmasters Ltd, Board Member since 2011
- TG Granit Ltd, Chairman of the Board since 2013
- Handelsbanken Finland Ab, Board Member since 2008
- Wulff ownership as of December 31, 2017: 0 shares



Heikki Vienola, b. 1960
Board Member

Responsibilities: Finance, Acquisitions, Investor Relations

Substantial education, experience and positions of trust:

- Master of Science in Economics
- Wulff Group Plc, Board Member since 1999, and Chairman of the Board 2015-2017
- Wulff Group Plc, CEO 1999-2015 and 2017-
- Wulff Ltd, Managing Director 2014-2015 and 2017-
- Vinstock Ltd, Managing Director 1984-2004, Belton Ltd, Managing Director 1990-2004
- Arena Center Ltd, Board Member since 1994
- Wulff ownership as of December 31, 2017: Heikki Vienola and his related parties owned 2,532,400 Wulff shares representing 38.3 percent of the company's shares and votes.



Information about the Board members and their related parties and share ownership has been published on the Group's Investors' pages in the Board and Corporate Governance section.

CEO

The Board appoints the Chief Executive Officer (CEO) who supervises the Company's operational management in accordance with the Limited Liability Companies Act with the instructions and guidelines provided by the Board. The CEO ensures that the accounting practices of the Group comply with the law and that the financial management of the group has been arranged in a reliable manner. The CEO en-

sure that the Board has sufficient information to assess the Company's operations and financial situation. The CEO is responsible for the accomplishment of the Board's decisions and reports the results to the Board.

The CEO may undertake acts which, considering the scope and nature of the operations of the Company, are unusual or extensive, only with the authorisation of the Board.

The CEO of the parent company Wulff Group Plc also acts as the Group's CEO and as the Chairman of the Group Executive Board.

The Board appointed Heikki Vienola as the CEO of Wulff Group Plc on September 25, 2017. Kimmo Laaksonen acted as the Group's CEO 9.3.-25.9.2017. Elina Rahkonen was the Interim CEO 28.9.2016-9.3.2017. Topi Ruuska was the CEO until 28.9.2016.

Group Executive Board

The Group Executive Board led by the Group CEO is responsible for the Group's operations in practice. The Group Executive Board convenes regularly to analyse and evaluate the financial and business performance as well as the key development initiatives of both segments. The management team has no official statutory position but, in practice, it has a significant role in the organisation of the Company management.

Based on the CEO's proposal, the Board of Directors confirms the composition and new nominations to the Group Executive Board.

The Managing Directors of subsidiaries are in charge of the business operations in each subsidiary. Significant decisions, such as significant investments, are subject to the Group CEO's approval. Each subsidiary has its own financial administration, while the Group's Chief Financial Officer has responsibility of group-wide financial administration.

The segments' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a quarterly basis.

More information on Group Executive Board Members, their responsibilities, and their Wulff shareholdings is presented below.

Ninni Arion, b. 1978

Wulff Entre Ltd CEO, Executive Board Member

Responsibilities:

International fair services and their development

Substantial education and experience and positions of trust:

- Master of Science in Economics
- Wulff Group Plc, Executive Board Member since Oct 1, 2014
- Wulff Entre Ltd, CEO since Aug 1, 2014
- Wulff Entre Ltd, Sales Director, VP 2011-2014
- Wulff Entre Marketing 2007-2011
- Easy Doing Oy / Salli Systems, Marketing Manager, North American sales 2004-2007
- Sales Expomark / KP-Media Ltd 2001-2004



- Wulff ownership as of December 31, 2017: 6,000 shares representing 0.1% of the company's shares and votes.

Trond Fikseunet, b.1963

Wulff Supplies AB's Managing Director, Executive Board Member

Responsibilities:

Wulff Supplies AB's management, development of Scandinavia's Contract customer operations

Substantial education, experience and positions of trust:

- Wulff Group Plc, Executive Board Member since 2011
- Wulff Supplies AB, Managing Director since 2009
- Strålfors, various positions 1998-2009, Member of Management Group, and Scandinavian Director in Supplies business area 2006-2009
- Strålfors Norway, Managing Director 2002-2006
- 3M, Sales and Marketing Manager 1986-1998
- Wulff ownership as of December 31, 2017: 0 shares



Elina Hanén, b. 1982

Wulff Group Plc CFO, Executive Board Member, Secretary of the Board 9/2017

Responsibilities:

Finance, Investor Communications, Secretary of the Board

Substantial education, experience and positions of trust:

- Master of Science in Forestry
- Wulff Group Plc, CFO and Secretary of the Board of Directors since Sep 2017
- Citycon Group, Financial Controller 01/2016-09/2017
- Verkkokauppa.com Group, Financial Manager 05/2013-01/2016
- Deloitte, Auditor 01/2008-05/2003
- KHT-Auditor 2011
- Wulff ownership as of December 31, 2017: 0 shares



Tarja Törmänen, b. 1974

Communications and Marketing Director, Executive Board Member

Responsibilities:

Communications, marketing and HR as well as their development

Substantial education, experience and positions of trust:

- Specialist Qualification in Marketing Communications
- NLP Trainer, NLP Coach, CxO Certified Business Mentor
- Wulff Group Plc, Executive Board Member since 2009
- Wulff Group Plc, Communications and Marketing Director since 2009
- Wulff Group Plc, Communications Manager/Brand Manager since 2002
- Era Nova Bookshop Oy, Chairman of the Board since 2/2018
- Finnish NLP Association, Chairman of the Board since 2017
- Finnish NLP Association, Board Member 2007-2017
- Vista Communication Instruments Ltd, Office Manager 2001-2002
- Previta Ltd, Communications Manager 2000-2001
- Belttton Group, Brand Manager 1999-2000
- Wulff ownership as of December 31, 2017: 1500 Wulff shares representing 0.0% of the company's shares and votes.



Veijo Ågerfalk, b. 1959

Wulff Belttton Managing Director, Executive Board Member

Responsibilities:

Expertise Sales Scandinavia and its development

Substantial education, experience and positions of trust:

- Wulff Group Plc, Executive Board Member since 2004
- Wulff Group Plc, Head of Expertise Sales Scandinavia since 2012
- Belttton Svenska AB, Managing Director since 1997
- Belttton Svenska, Country Manager 1993-1998
- Liftpoolen AB, Managing Director and Partner 1990-1993
- Wulff ownership as of December 31, 2017: Veijo Ågerfalk and his related parties owned 67,000 Wulff shares representing 1.0% of the company's shares and votes.



REMUNERATION

Board of Directors

According to the Company's Articles of Association, the Annual General Meeting determines the remuneration of the Board members on a proposal from the Board of Directors. A fixed, monthly fee of EUR 1,250 resolved by the Annual General Meeting is paid to the Chairman and those Board members who are not employed by the Group. These Board members are not rewarded by share-based remuneration

plans or in any other way. The Group has not granted loans, guarantees or other contingencies to the Board Members. A summary of the remuneration of the Board of Directors is presented in Note 30 of the Consolidated Financial Statements and in the table below.

The Board members that have an employment or service contract are paid a compensation according to their employment or service contract instead of a fixed, monthly fee. During the financial year 2017, Heikki Vienola had a service contract with the Company. Regarding this, the remuneration benefits have been presented in a separate section.

According to the authorization granted by the Annual General Meeting on April 6, 2017, the Board of Directors has the right to continue the repurchase of the company's own shares by acquiring at most 300,00 own shares. The authorisation is in force until the next Annual General Meeting. According to the authorization The company can acquire treasury shares to support the implementation of an incentive scheme or to be otherwise disposed of. In April-December no own shares were reacquired.

CEO

The Board prepares a proposal and determines the Group CEO's remuneration and other contractual issues.

The Group does not have any option schemes or share-based remuneration plans currently in force as a part of the CEO's bonus and incentive schemes. The Company does not apply long-term remuneration and no specific performance and vesting periods are applied in the remuneration.

A part of the Group's CEO's benefits is a statutory pension. The contract does not specify a retirement age. No supplementary pension benefits were agreed or paid.

The Board appointed Heikki Vienola as the Group CEO on September 25, 2017. In 2017, the remuneration of CEO Heikki Vienola consisted of monetary wages and fringe benefits of the amount of 16 thousand euros. The Group CEO's service contract does not include share-based incentives, bonus schemes or any other long-term remuneration plans. The period of notice is three months, during which a monthly salary and a severance payment of 100 thousand euros will be paid.

The remuneration of Kimmo Laaksonen, who acted as the Group CEO March 9 – September 25, 2017, consisted of monetary wages and fringe benefits of the amount of 116 thousand euros. The contract included a separate severance payment of 80 thousand euros that was paid at the termination of contract. The management contract included an option to negotiate a separate bonus scheme.

In 2016, remuneration of Interim CEO Elina Rahkonen, appointed on September 28, 2016, consisted of monetary wages and fringe benefits of the amount of 107 thousand euros. The period of notice was six months. No separate severance payment was specified in the contract. The management contract did not specify an option for bonus schemes.

In 2016, Group CEO Topi Ruuska was paid fixed monthly salaries and fringe benefits of the amount of 155 thousand euros (68). CEO Topi Ruuska's contract ended on September 30, 2016. The period of notice was six months and no separate severance payment was specified in the contract. The management contract included an option to negotiate a separate bonus scheme.

Group Executive Board

The Group CEO prepares and determines the contractual terms, salaries and possible other benefits and incentives of the Group's Executive Board members. In September 2017, the Board of Directors decided that pay raises of the Executive Board members are approved by the Chairman of the Board.

Remuneration of the Group Executive Board consist of foxed monetary wages, fringe benefits, additional pensions, annually-determined performance-based bonuses and possible share-based incentives. The performance-based bonuses are determined by the company's financial performance and the person's individual goal-setting. The Group does not have any option schemes or share-based remuneration plans currently in force as a part of Group Executive Board members' remuneration plan. The Company does not apply long-term remuneration and no specific performance and vesting periods are applied in the remuneration.

Of the Executive Board members, Tarja Törmänen's communication and marketing director service is obtained as an outsourced service and during 2017, the service costs amounted to EUR 72 thousand (79). The outsourced service is included in other operating expenses and has been presented also in the note for Related Party transactions.

In 2017, the Group Executive Board consisted of Ninni Arion, Trond Fikseautet, Elina Hanén (since September 2017), CEO Kimmo Laaksonen (from March to September 2017), Elina Rahkonen (until August 2017), Tarja Törmänen and Veijo Ågerfalk and CEO Heikki Vienola (since September 2017).

In 2016, the Group Executive Board consisted of Ninni Arion, Trond Fikseautet, Elina Rahkonen, Topi Ruuska (until September 2016), Tarja Törmänen and Veijo Ågerfalk.

In 2017, no bonus or share-based incentive schemes were paid to the CEO or Executive Board members. Summary of the top management's employment benefits is presented in Note 29 of the consolidated financial statements and the table below.

Remuneration of the Board

EUR 1000	2017	2016
Board members' salaries and fees		
Johanna Marin	15	15
Ari Pikkarainen, Chairman of the Board 9/2017-	15	15
Andreas Tallberg	15	15
Heikki Vienola, Chairman of the Board -9/2017, Board member 9/2017-	11	14
Board members' benefits total	56	59

Group Executive Board employment benefits

EUR 1000	2017	2016
Salaries and other short-term employment benefits	669	684
Fringe benefits	32	32
Bonuses	1	-
Other long-term employment benefits, additional pension benefits	52	70
Severance payment	80	-
Group Executive Board employment benefits total	834	786

The employment benefits presented in the table include the aforementioned Group CEO's benefits. In addition to this, the obtained outsourced communication and marketing director services from Tarja Törmänen is presented in other operating expenses and in related party transactions, a total of EUR 72 thousand (79) during 2017.

RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors is responsible for the internal control and the Group CEO arranges the management and supervision of internal controls' effectiveness in practice.

Ultimate responsibility for accounting, accuracy of the financial statements and supervision of asset management is carried by Wulff Group's Board of Directors. Business control and supervision are carried out through a group-wide reporting system. Each business area's and subsidiary's net sales, sales margin, main expenses and operating profit with comparison data are reported to the Board each month. Additionally the Group CEO presents an overview of the current situation and future outlook based on weekly and monthly analyses.

The segments' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a quarterly basis. The subsidiaries' own Boards of Directors and management teams discuss their own business issues which are taken also to the Group Executive Board if those issues have influence also on other group companies. The Group CEO and CFO analyse and control each subsidiary's and business area's operations, performance and financial status regularly.

Wulff Group follows the risk management policy devised by the Board of Directors, which determines the objectives and responsibilities of risk management, as well as the reporting procedures. The Company's risk management supports the achievement of strategic objectives and ensures business continuity. The realisation of risk management policies is controlled with internal audits regularly and also external auditors supervise the adequacy and effectiveness of the risk management as a part of the audit procedures related to Group's governance.

Risk management is a part of Wulff Group's business operations management. Wulff's risk management is guided by legislation, business objectives set by shareholders as well as the expectations of customers, personnel and other important stakeholders. The Group's risk management aims to systematically and extensively identify and understand any risks that may prevent the achievement of the Group's business objectives, as well as to ensure that risks are appropriately managed when making business-related decisions. Threats to business include risks related to acquisitions, risks related to the staff and its availability, as well as factors related to the general economic development and the Company's reputation.

Risks are classified into three categories: strategic, operational and market risks. The risk management process aims to identify and assess risks and then plan and implement practical measures to deal with each risk. Possible measures include, for example, avoiding the risk, reducing it in different ways or transferring it with insurance or agreements.

Wulff Group carries out annual risk surveys to determine the main risks in terms of their significance and probability. The business unit leaders are responsible for carrying out the surveys and risk monitoring on which they report to the Group Executive Board. Selected persons are responsible for the monitoring of specific issues within each risk category i.e. strategic, operative or market risks. The Group has not set up a separate organisation for risk management. Instead, risk management is arranged in compliance with the Company's other business operations and organisation structure.

The divisions' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a quarterly basis.

The main risks determined in the risk survey, changes in the significance and probability of the risks, as well as the persons responsible, actions completed and results achieved are reported to the Group's Board of Directors annually. Special attention is paid to any possible new risks that are detected.

More information on risks and risk management is presented on pages 43-45 of the Annual Report 2017.

The goal of Wulff Group Plc's internal audit is to ensure that the Group's internal processes and operating methods are efficient and correct. Internal audits are carried out on the basis of an annually prepared audit plan, which the Board of Directors approves at the beginning of the year. The Group's internal auditor draws up the plan, presents it to the Board of Directors and reports on the implementation of the measures. The internal auditor reports directly to the Board of Directors.

External Audit

Based on the Articles of Association, Wulff Group Plc shall have 1-2 Auditors. If the Annual General Meeting elects only one auditor and if the auditor is not a firm of Authorised Accountants, additionally one deputy auditor shall be elected. Based on the Articles of Association, the auditors are appointed until further notice.

BDO Oy, a company of Authorized Public Accountants, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc in 2017. During the period 2011-2016 Since 2011 the Group's auditor was KPMG Oy Ab, a company of Authorized Public Accountants, with Authorized Public Accountant Minna Riihimäki as the lead audit partner.

In addition to their statutory duties, the auditors report their audit findings to the Chairman of the Board when necessary, and at least once a year to the Board of Directors.

The Annual General Meeting decides on the auditors' fees and the expense compensation principles. Based on the Board's decision, auditors can be paid reasonable fees for non-recurring other service assignments. The total audit fees for all Wulff Group companies were 60 (68) thousand euros in 2017, of which 17 thousand euros (15) were expenses other than audit fees (please see Note 8 for further information).

Following the corporate governance regulations, the auditors do not own shares of Wulff Group Plc or its subsidiaries.

INSIDER ADMINISTRATION

Wulff Group Plc complies with applicable EU regulations, especially the Market Abuse Regulation (596/2016, "MAR"), and any regulation and guidance given by the European Securities Markets Authority ("ESMA"). Further, the company observes Finnish legislation, especially the Securities Markets Act (746/2012, as amended) and the Finnish Penal Code (39/1889, as amended), including the insider and other guidelines of Nasdaq Helsinki Ltd and the standards and guidance of the Finnish Financial Supervisory Authority ("FIN-FSA") and other authorities.

Managers, according to the definition given by MAR, include the members of the Board of Directors and Group Executive Board members. MAR requires that each manager and his/her closely associated persons notify the company and FIN-FSA of their transactions in the financial instruments of or linked to the company conducted on his/her own account after a total of EUR 5 thousand per calendar year has been reached. The notifications shall be made promptly and no later than three business days after the date of transaction (T+3). Wulff will issue stock exchange releases to disclose information on transactions by managers and their closely associated persons, as specified in MAR.

Since 3 July 2016, Wulff no longer maintains a list of permanent insiders. Instead, all persons involved with insider projects will be listed as project-specific insiders. Project-specific lists will be established and maintained for each project or event constituting inside information, based on a separate decision. All persons working for Wulff, representatives of external entities, shareholders and authorities who have information concerning an insider project or have access to project-specific inside information, as well as persons who are working for the implementation of an insider project, will be entered in a project-specific insider list. Persons that belong a project-specific list are forbidden from trading with the company's financial instruments during an insider project.

Preparation of periodic disclosure (annual and half-year financial statements, interim reports, financial statements bulletins) or regular access to unpublished financial information is not regarded as an insider project. However, due to the sensitive nature of unpublished information on the company's financial results, the persons determined by the company, based on their position or access rights, to have authorised access to unpublished financial result information are added to a list of Financial Information Recipients.

Wulff applies an absolute trading prohibition (a 'closed window' principle) during a period beginning 30 calendar days before the announcement of each of the periodic financial reports and the year-end report (the financial statements bulletin) and ending at the end of the trading day following the day of publication of such a report. At the minimum, a closed period commences at the end of the reporting period in question. The closed window principle applies to the managers (as defined by MAR) as well as the Financial Information Recipients. The person in charge of Wulff's insider register is CFO Elina Hanén.

Related party transactions

As part of the Group's key management personnel, the Group's related parties consist of the members of Board of Directors, members of the Group Executive Board, and subsidiaries of Wulff Group Plc. The company does not hold shares in affiliates or joint ventures. Wulff Group Plc monitors its related party transactions quarterly and they are reported in the notes to the parent company's consolidated financial statements. In 2017, related party transactions consisted of normal, market-based business transactions. Related party transactions have been presented in Note 30 of the Consolidated Financial Statements. The Group's parent company and subsidiary relationships have been presented in Note 31.

COMMUNICATIONS

The Group publishes all its stock exchange releases and other matters related to listed companies' disclosure requirements on its website in Finnish and English. The Annual Report is published in electronic format so that it is equally available to all shareholders.

The Group's stock exchange releases, Corporate Governance principles and insider information is available at the Group's investor page 'Board and corporate governance' (<https://www.wulffyhtiot.fi/en/investors/board-and-corporate-governance/>).

Before the end of the year, the investors' calendar with dates for the Group's financial reporting during the next calendar year is published in a stock exchange release and on the Group's website. The Group applies an absolute trading prohibition, a 30-day 'closed window' principle, during which the company does not comment on questions regarding its outlook and development and during which insiders are prohibited from trading with the Group's financial instrument.