



Compliance Principles

Mandatum Group

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1 INTRODUCTION

As a group operating in the financial sector with insurance, fund management and asset management services, Mandatum Group's (Mandatum plc together with its subsidiaries, the "**Group**") business is built on integrity and trust. The amount of regulatory activity together with the growing need for operational transparency requires all companies operating in the financial sector to enhance their ability to adapt to the changing business environment and its demands to conduct business.

Pursuant to above, compliance activity is intrinsic to Mandatum Group's business operations. Further, compliance is an essential and inseparable element of Mandatum's operations required for success in Mandatum's business. As Mandatum Group companies operate in compliance with laws and regulations and business standards, they are better equipped to protect and create value to customers, shareholders and business partners as well as to serve the public interest and the legitimate interests of other stakeholders. Compliance must be integrated as a part of daily operations in all organisational levels and shall be deemed as every employee's duty.

Mandatum has adopted the Three Lines Model as the risk management system in the Group. The business units are the first line in charge of identifying, assessing and controlling the risks of their operations. The second line consists of Group Compliance and Risk Management functions. These functions advise and assist the business to follow the laws, rules, regulations and standards, as well as good business practices and internal guidelines. The Internal Audit is the Group's third line and responsible for independently assessing procedures and controls in the first and second lines.

To respond to the changing business environment and to further emphasise the importance of compliance, Mandatum plc's Board of Directors has issued these Mandatum Group Compliance Principles (the "**Principles**"). The Principles contain a set of general principles that describe essential features of effective compliance activities in Mandatum Group.

A separate non-public Mandatum Group Compliance Policy, approved by the Board of Directors of Mandatum plc, describes the compliance risk management activities of Mandatum Group in more detail and also defines the roles and responsibilities of the Group Compliance Function.

The Principles are applicable to all Mandatum Group companies. Mandatum Group companies can additionally provide more detailed guidelines to ensure compliance with sector-specific regulations, laws and authority instructions. The additional guidelines shall not conflict with these Principles unless caused by applicable legislation. In case of conflict between these Principles and locally binding set of rules and company specific guidelines, the Principles shall be aligned with local normative requirements.

2 PURPOSE OF COMPLIANCE AND CORE COMPLIANCE PRINCIPLES

The ultimate purpose of all compliance activities is to ensure that companies are compliant with the regulatory requirements set on them. In that sense, compliance activities form an integral part of each company's management, especially internal control framework.

The core compliance principles are applicable to all Mandatum Group companies and determine the essential features of effective compliance activities. The principles are:

- Compliance means adhering to laws, regulations, authority instructions and internal guidelines. It is the responsibility of management to take appropriate measures and provide adequate resources to enable the Group Compliance Function to undertake its

legal and regulatory responsibilities. The management must play a key role in developing and embedding a strong compliance culture across the Mandatum Group.

- The trust of our customers and employees, our business partners, and our shareholders is the basis of our success. Compliance is an indispensable foundation of this trust and the basis for sustainable growth.
- All employees are obliged to comply with applicable laws and internal guidelines and to maintain strong compliance culture. Employees should receive appropriate training to understand their roles and responsibilities on maintaining a sound compliance culture.
- Compliance activities should be structured to facilitate full compliance without unnecessarily obstructing the operative work of business units, *i.e.*, compliance should be an inherent part of business behaviour.
- Issues of non-compliance should be treated in proportionate and fair manner in order to mitigate or eliminate misconduct and the future risk of recurrence.

3 INDEPENDENT SECOND-LINE GROUP COMPLIANCE FUNCTION

To achieve the abovementioned purpose, Mandatum Group has established a specific group compliance function (the "**Group Compliance Function**") which:

- is a second-line function, independent and non-dependent from Mandatum Group's business operations and units;
- is responsible for activities defined in the applicable regulation concerning insurance, fund management and asset management services;
- consists of persons who are subject to fit and proper procedures in force from time to time and must have sufficient knowledge and skills to be able to perform their tasks reliably;
- reports on compliance issues to the Boards of Directors and Audit Committee, as applicable, of Mandatum plc and licenced Mandatum Group companies as well as to their management regularly; and
- assists the Boards of Directors of Mandatum Group companies to be compliant with all applicable laws, authority regulations and business standards, as well as Mandatum Group's internal rules in all its activities.

To secure effective and purposeful compliance activities, the Group Compliance Function shall have a right to request and receive all relevant information and documentation from the business units, management and the Board of Directors of each Mandatum Group company as is deemed necessary. Remuneration of the employees in the Group Compliance Function must not be based on the achievements of the business units that are the subject to Group Compliance Function's supervision or be in any other manner dependant on these parties.

4 TIMELINESS AND REVISION OF THE PRINCIPLES

These Principles are reviewed when deemed necessary due to material changes in regulatory framework, operating environment or within Mandatum Group. The Group Compliance Function is responsible for the review and update of these Principles. Any updates or amendments to these Principles shall be approved by Mandatum plc's Board of Directors.



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