

Corporate Governance Statement

2024

MuniFin

A. Introduction

1. Purpose of this statement

Municipality Finance Plc (hereinafter “MuniFin” or “the Company”) publishes this statement on its corporate governance in 2024 in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act (746/2012). The statement is provided separately from the Report of the Board of Directors.

According to Chapter 7, Section 7 of the Finnish Act on Credit Institutions (610/2014), a credit institution shall have an account of how it complies with the provisions of Chapter 7, Sections 1–5 of the Act available on its website. This statement includes a report on MuniFin's compliance with the provisions.

MuniFin's administration and corporate governance are also described on the Company's website.

2. Key legislation and supervisory guidelines

MuniFin's operations are governed by credit institution legislation, primarily the Finnish Act on Credit Institutions (610/2014 as amended) and the EU Capital Requirements Regulation (575/2013), and by related supervisory guidelines. MuniFin complies with the multitude of requirements for corporate governance included in this regulatory environment. The supervisory guidelines most relevant for MuniFin's governance and this statement are the guidelines on internal governance as well as the guidelines on the disclosure requirements of Part Eight of Regulation (EU) No. 575/2013. Both guidelines are published by the European Banking Authority and available at www.eba.europa.eu.

In addition to credit institution legislation, MuniFin's operations are largely based on the Finnish Act on the Municipal Guarantee Board (487/1996 as amended, “MGB Act”). The MGB Act sets out the terms and conditions as well as the specific requirements for the permissible use of the funds raised by MuniFin with the support of the MGB's guarantee.

As a public limited company, MuniFin is subject to the Finnish Limited Liability Companies Act (624/2006 as amended). As an issuer of publicly traded securities, MuniFin is subject to the Finnish Securities Markets Act (746/2012 as amended), along with related EU regulations and supervisory guidelines.

3. Corporate Governance Code

In addition to banking regulation, MuniFin also largely follows the Corporate Governance Code for listed companies published by the Finnish Securities Market Association. The latest edition of the code took effect on 1 January 2025 and is available at www.cgfinland.fi.

The Corporate Governance Code applies to companies whose shares are listed on Nasdaq Helsinki Ltd (Helsinki Stock Exchange) and to Finnish companies traded on the Nasdaq First North Premier Growth Market. Since MuniFin is exclusively an issuer of listed bonds (with listings in exchanges operating in London, Helsinki and Zürich), and its shares are not subject to public trading, this code does not apply to MuniFin.

Although MuniFin is not subject to the code, the Company only departs from its recommendations in terms of remuneration and remuneration reporting, as explained on the next page.

MuniFin's compliance with the Corporate Governance Code

Recommendation	Compliance
1 Notice of the general meeting and proposals for resolutions	Yes
2 Shareholders' proposals for issues to be addressed at the general meeting	Yes
3 Attendance at the general meeting	Yes
4 Archive of general meeting documents	Partial ¹
5 Election of the Board of Directors	Yes
6 Term of office of the Board of Directors	Yes
7 Preparation of the proposal for the composition of the Board of Directors	Yes
8 Composition of the Board of Directors	Yes
9 Diversity of the Board of Directors	Yes
10 Independence of directors	Yes
11 Charter of the Board of Directors	Yes

Recommendation	Compliance
12 Right of the Board of Directors to receive information	Yes
13 Performance evaluation of the Board of Directors	Yes
14 Establishment of a committee	Yes
15 Appointment of members to a committee	Yes
16 Audit committee	Yes
17 Remuneration committee	Yes
18 Nomination committee	- ²
19 Shareholders' nomination board	Yes
20 Terms of the managing director's service contract	Yes
21 Restriction concerning the managing director	Yes
22 Decision-making relating to remuneration	Partial ³

Recommendation	Compliance
23 Remuneration and shareholdings of the Board of Directors	- ⁴
24 Internal control	Yes
25 Risk management	Yes
26 Internal audit	Yes
27 Related party transactions	Yes

Reasons for the deviation

- ¹ MuniFin does not have a remuneration report for its governing bodies to present to the general meeting because MuniFin is not a listed company and thus adheres to the remuneration and reporting requirements of banking regulation.
- ² MuniFin's Board of Directors does not have a nomination committee. Instead, MuniFin has a Shareholders' Nomination Committee corresponding to recommendation 19.
- ³ MuniFin does not have a remuneration report for its governing bodies to present to the general meeting, because MuniFin is not a listed company and thus adheres to the remuneration and reporting requirements of banking regulation.
- ⁴ MuniFin's Articles of Association limit its shareholding, and it is not possible for MuniFin's Board members to receive the Company's shares as remuneration.

The Corporate Governance Code's recommendations on remuneration and remuneration reporting are derived from the Finnish Limited Liability Companies Act (624/2006 as amended) and are thus not applicable to MuniFin as an issuer of debt instruments. Since MuniFin complies with the detailed remuneration reporting requirements for credit institutions, it has deemed it unnecessary to incorporate these provisions of the code.

All information on remuneration for 2024 as well as the principles and practices guiding remuneration are described in the Pillar III report, which contains information on capital

adequacy and risk management, the publication of which is required of MuniFin by applicable regulation. The Pillar III report is published in English, but the section on remuneration in the Pillar III report is also available on MuniFin's website in Finnish.

4. Review of this statement

MuniFin's Board of Directors reviewed this statement in its meeting of 12 February 2025. The Board of Directors also confirmed compliance with and any departures from the Corporate Governance Code.

This statement and the 2024 Annual Report, including the Financial Statements, Report of the Board of Directors and Auditor's Report, are available on the Company's website. The auditor has reviewed this statement and has not noted any discrepancies between the statement and the main features of the internal control and risk management systems pertaining to the financial reporting process stated in the financial statements.

B. Corporate governance

1. Ownership and legal structure

MuniFin is a public limited liability company under the Finnish Limited Liability Companies Act. The Company's shares are incorporated into Euroclear Finland's book-entry system.

MuniFin's owners include Finnish municipalities, wellbeing services counties and corporate entities under their control (53%), public sector pension institution Keva (31%) and the State of Finland (16%).

Under MuniFin's Articles of Association, the Company's shares may not be acquired by transfer without the Company's consent by parties other than Keva, municipalities, joint municipal authorities, central municipal organisations, corporations owned by municipalities either completely or on a majority basis, or companies owned by such corporations. The Company's Board of Directors decides whether to grant said consent. The Articles of Association also contain

a redemption clause, according to which the shareholders who are entitled to acquire shares without the Company's consent have the primary redemption right. The secondary redemption right is held by member municipalities of the Municipal Guarantee Board that are not shareholders.

No material changes to the Company's ownership structure took place in the financial year.

The Company is not aware of any shareholders' agreements that would affect its operations.

MuniFin has authorisation for credit institution activity in accordance with the Finnish Act on Credit Institutions, and its operations are supervised by the European Central Bank and the Finnish Financial Supervisory Authority.

2. Management structure

The Company has a strategy approved by the Board of Directors according to which the Company's business operations, risk management and corporate governance are managed. The Company also has Board-approved operating policies, which function as key principles for the Company's risk management and internal control, and a considerable amount of other internal operational guidelines to support the arrangement of governance and risk management.

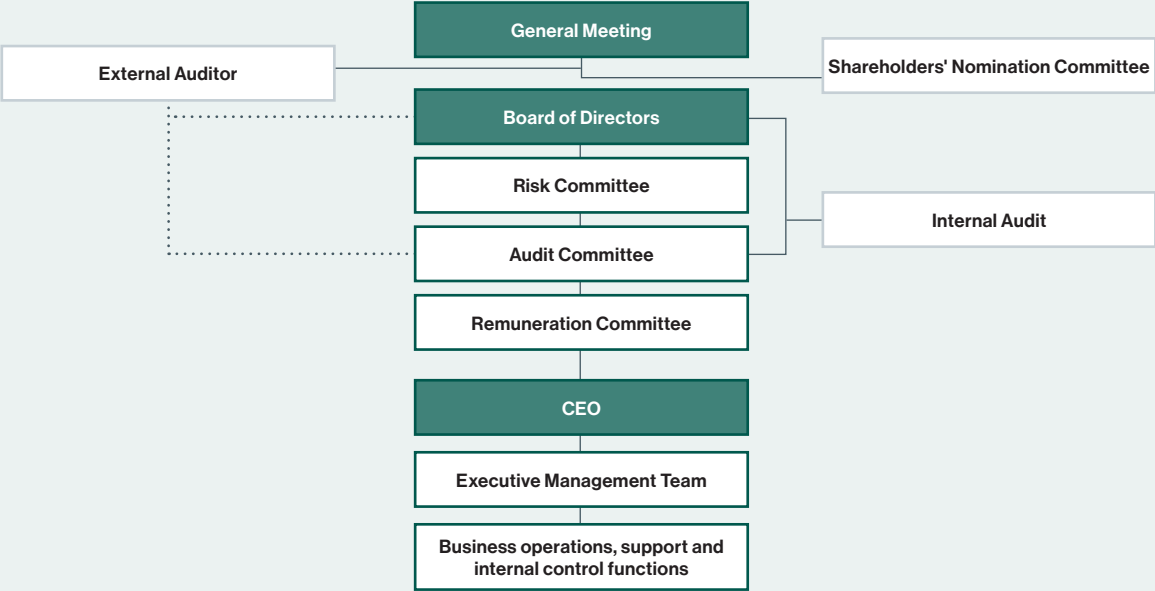
The previously mentioned operating policies include the Corporate Governance Policy of MuniFin. The policy is updated regularly, most recently in December 2024. The Corporate Governance Policy and the Ethical Principles approved by the Board of Directors also contain principles for managing conflicts of interest.

The accompanying chart illustrates MuniFin's general administrative structure. The solid lines indicate formal reporting responsibility and the dotted lines indicate agreed additional/parallel reporting practices.

3. General Meeting

The matters addressed at general meetings are determined in the Limited Liability Companies Act and MuniFin's Articles of Association. All shareholders have the right to attend general meetings and exercise their voting rights, with each share conferring one vote.

The Annual General Meeting (AGM) must be held each year within six months of the end of the financial period on a date determined by the Board of Directors. In 2024, the AGM was held on 17 May 2024. The AGM had 19 shareholders present, either in person or by proxy, representing 27,205,102 shares and votes, which corresponds to 69.64% of the total number of shares and votes.



4. Shareholders' Nomination Committee

MuniFin has a Shareholders' Nomination Committee established by the AGM. The Shareholders' Nomination Committee is responsible for preparing the following proposals to the AGM annually: the number of Board members, the individuals to be elected as Board members and the remuneration paid to Board members. In addition, the Shareholders' Nomination Committee makes a proposal on the election of the Chair and Vice Chair of the Board of Directors. The proposal is made to the Board of Directors elected at the AGM.

In its work, the Shareholders' Nomination Committee must take into account the regulatory requirements for the governance of a credit institution, including competence, experience and other suitability-related requirements for Board members, the nature of the Company's business operations and its ownership structure. The Shareholders' Nomination Committee has confirmed its rules of procedure, which include more detailed descriptions of the principles that must be followed in order to comply with the objectives and tasks set for the Committee by legislation and the General Meeting.

The Shareholders' Nomination Committee consists of five members.

- Three of the members are appointed by the three largest shareholders in the share register, one member by each shareholder. With the current ownership structure, the

three largest shareholders are Keva, the State of Finland and the City of Helsinki.

- The fourth member is appointed by the Association of Finnish Local and Regional Authorities.
- The fifth member is appointed by a joint decision between the next five largest shareholders. With the current ownership structure, these are the City of Espoo, the City of Vantaa, the City of Tampere, the City of Oulu and the City of Turku.

In this context, the ownership is considered based on the total ownership of a local authority corporation. The individuals appointed cannot be employed by MuniFin. The company's largest shareholder appoints its representative as the Chair of the Shareholders' Nomination Committee. MuniFin's shareholder structure is not prone to significant changes. Should changes affecting the membership of the Shareholders' Nomination Committee take place, the composition will be altered accordingly before the next Committee meeting.

At the end of the 2024 financial year, the members of the Shareholders' Nomination Committee were:

Jaakko Kiander, b. 1963, male, Chair

Education: Doctor of Social Sciences, Associate Professor

Primary occupation: CEO at Keva

Appointed to the Committee by: Keva

Timo Reina, b. 1974, male

Education: Master of Laws with court training

Primary occupation: Deputy Managing Director at the Association of Finnish Local and Regional Authorities

Appointed to the Committee by: Association of Finnish Local and Regional Authorities

Jukka-Pekka Ujula, b. 1973, male

Education: Master of Science (Economics and Business Administration), Master of Social Sciences, EMBA

Primary occupation: City Manager at the City of Helsinki

Appointed to the Committee by: City of Helsinki

Maija Strandberg, b. 1969, female

Education: Master of Science (Economics and Business Administration)

Primary occupation: Director General of the Ownership Steering Department at the Prime Minister's Office

Appointed to the Committee by: State of Finland

Maarit Vierunen, b. 1968, female

Education: Master of Science (Economics and Business Administration), CEFA

Primary occupation: Investment Manager at the City of Espoo

Appointed to the Committee by: City of Espoo, City of Vantaa, City of Tampere, City of Oulu and City of Turku together

The Chair of the Board of Directors attends the Shareholders' Nomination Committee meetings as an expert and, as a part of this duty, prepares the meetings together with the secretary of the Shareholders' Nomination Committee to support the Chair of the Shareholders' Nomination Committee.

The Shareholders' Nomination Committee convened for the 2024 AGM and made the required proposals to the AGM. The AGM approved the proposals as submitted. The proposals made to the 2025 AGM and the Board of Directors to be elected at the meeting will be published as an appendix to the invitation to the 2025 AGM and made available on the Company's website.

The members of the Shareholders' Nomination Committee are not paid any remuneration.

5. The Board of Directors

5.1. Duties of the Board of Directors

The Board of Directors sees to the administration of the Company and the appropriate organisation of its operations. The Board is also responsible for all other duties specified for it in the Limited Liability Companies Act, the Articles of Association and other legislative provisions and regulations issued by the authorities. The Board's duties and operating principles are outlined in the Board's Rules of Procedure available on MuniFin's website.

The Board's main duties include defining the Company's strategy taking into account sustainability and risk profile, approving the annual operating plan and budget, monitoring the Company's financial situation and ensuring through supervision that governance (and risk management in particular) is appropriately organised by the management. The Board also makes decisions on matters of significant importance regarding the nature and scope of the Company's activities.

The external and internal audit report to the Audit Committee and the Board, ensuring that the Board receives independent information on the status of the Company. The Board confirms the Company's values, ethical principles and other key policies that guide operations and risk management. The Board appoints and dismisses the CEO and the Deputy to the CEO and determines their remuneration and benefits. In addition, the Board approves the appointment, remuneration and benefits of persons reporting directly to the CEO. Furthermore, the Board decides on the principles for the Company's overall remuneration system.

In the 2024 financial year, the Board carried out its duties in accordance with legislation and the Company's governance and risk management principles, including approving updated risk policies and other Board-level guidelines. The Board monitored the development of the Company's business operations, financial standing, risk position and strategic development projects. As part of its annual strategic review, the Board assessed the Company's operating environment

and potential pressures for change. It concluded that the Company's strategy does not need to be materially altered but refined financial goals related to the strategy. These goals are described in more detail in the 2024 Report of the Board of Directors. MuniFin's strategy strongly emphasises the Company's commitment to sustainability as a core element of its operations, as well as the need to develop expertise, processes and IT systems to meet future demands. Throughout the year, the Board monitored the progress of development projects related to the Company's digitalisation, digital resilience and operational efficiency. When the scope of these projects exceeded the authority of the Company's executive management, the Board made decisions on the necessary investments. MuniFin has begun preparations for the new sustainability reporting requirements under the EU Corporate Sustainability Reporting Directive (CSRD), which applies to the Company from 2025. As part of this process, the Board approved, as required by regulation, a double materiality analysis in 2024. During the financial year, the Board decided to discontinue the financial advisory services provided by MuniFin's subsidiary company Inspira, further increasing the Company's focus on ensuring the availability of affordable financing for its customers. The Board also actively monitored market developments and MuniFin's risks, taking into account changes in world politics and paying particular attention to liquidity risk management in response to global developments. Despite market uncertainties, the Company's operations and risk position remained stable, and its capital adequacy remained strong.

5.2. Composition and term of office of the Board of Directors

Under the Articles of Association, the Board of Directors has a minimum of five and a maximum of nine members. The Annual General Meeting (AGM) elects the members of the Board, and each member's term of office will terminate when the AGM following their election concludes.

The Shareholders' Nomination Committee is responsible for preparing a proposal on the Board's composition for the AGM each year.

The Board operates independently at all times, acting in the best interests of the Company and all its shareholders.

The Board elects a Chair and a Vice Chair from among its members. Their term also lasts until the conclusion of the next AGM. The Shareholders' Nomination Committee makes a proposal on the election of the Chair and Vice Chair to the newly elected Board.

There are no restrictions on the number of terms a Board member can serve. Board members are eligible for re-election at the end of their term. However, when preparing its proposal, the Shareholders' Nomination Committee should consider the need for Board member rotation.

In the event of a resignation or permanent impediment occurring during a term, a new member may be elected at the

Annual General Meeting or an Extraordinary General Meeting to serve for the remaining term.

5.3. Suitability of members and diversity of the Board of Directors

In accordance with relevant legislation and supervisory guidelines issued by the authorities, each member of the Board of Directors is always assessed for integrity and competence before being appointed or taking up their duties.

The Board's composition is planned in the long term. As a whole, the Board must have expertise in credit institutions, including their statutory requirements and risks. When preparing its proposal for the Board's composition, the Shareholders' Nomination Committee must also take into account the Board's independency requirements as well as each candidate's professional competence and ability to dedicate sufficient time to fulfil their duties.

Effective Board work requires a diverse range of expertise, knowledge and experience. The Annual General Meeting of 2011 established the Shareholders' Nomination Committee as a permanent body and defined that proposals for the Board's composition should be based on knowledge and experience related to MuniFin's operating environment, capital markets, financing-related risks, customers, owners and corporate governance.

In January 2025, the Shareholders' Nomination Committee adopted more detailed diversity principles for the Board's composition, based on a decree of the Ministry of Finance that took effect at the end of 2024. These principles address age, gender, accessibility for individuals with functional disabilities and diversity in educational and professional backgrounds.

The Shareholders' Nomination Committee aims to ensure, where possible, that the Board includes representatives from different age groups, allowing for a broad range of perspectives in decision-making. The Committee is committed to promoting gender equality and ensuring a more balanced gender representation. The Committee also ensures that all Board members have equal opportunities for Board work by accounting for any functional disabilities and ensuring that the Board's working environment is accessible for all members. To foster multidisciplinary expertise, the Committee selects Board members from diverse educational and professional backgrounds. The Committee's objective is for the Board to have diverse experience in both the Finnish municipal sector and credit institutions.

Based on the above-mentioned principles, the Shareholders' Nomination Committee adopted the following diversity objectives for the Board of Directors:

- The Board is diverse and includes members from different age groups.
- Both genders have at least a 40% representation in the Board.

- Functional limitations do not prevent Board work. Accessibility and equal opportunities for participation are considered to account for this.
- The Board has members with degrees in business and at least two other fields (technology, law or social sciences, for example).
- The Board includes members with experience and expertise from both the financial sector and the Finnish municipal sector.
- The Board has collective expertise and experience in at least the following: banking sector, financial markets, the regulatory environment of credit institutions, strategic planning, risk management, accounting, financial reporting and auditing, and general corporate governance.

The Board's composition in 2024 met the targets set for diversity. The Board included members from different age groups. At least 40% of the members of the Board of Directors (in the case of an eight-member Board of Directors means at least three representatives of the less represented gender) have represented both genders throughout the financial year. The gender distribution of the Board of Directors as a percentage throughout the financial year was 62.5% male members and 37.5% female members. Functional limitations were not an obstacle to participation in Board work. The Board members represented a diverse range of educational backgrounds: business, technical, legal and

social sciences. The Board represented diverse experience from both the financial and the Finnish municipal sectors. It also met the requirements for collective expertise and experience.

Regarding independence, the Board has established in the Corporate Governance Policy that the majority of Board members must be independent of the Company. Additionally, at least two independent members must also be independent of the Company's largest shareholders (holding more than 10% of shares). The Board's composition for the 2024–2025 term meets this requirement. Independence is assessed primarily based on the guidelines of the European Banking Authority and secondarily based on the Finnish Corporate Governance Code for listed companies.

The executive management and the Chair of the Board ensure that new Board members receive adequate orientation on their duties and the Company's business operations and risks. Additionally, the Board adopts an annual training plan to maintain the necessary expertise for addressing changes in the operating environment and the Company's business activities. In 2024, the Board's training plan covered topics such as IT risk management, information security, sustainability, sustainability reporting and banking regulation. Members of the Executive Management Team also participated in these training sessions.

5.4. Composition of the Board of Directors at the end of the 2024 financial year

In accordance with the proposal of the Shareholders' Nomination Committee, the 2024 Annual General Meeting elected the following persons to the Board of Directors for the 2024–2025 term (from the end of the AGM to the end of the next AGM).

The following list of members also addresses the requirements of Article 91 of the EU Capital Requirements Directive (2013/36/EU) and Chapter 7, Section 5 of the Finnish Act on Credit Institutions regarding the number of directorships held by Board members. According to this regulation, the CEO or a Board member who has a full-time employment contract with a significant credit institution may hold a maximum of two other types of Board memberships, and a Board member who does not have a full-time employment or service contract may hold a maximum of four Board memberships.

MuniFin's Board membership is considered one non-executive directorship. Roles designated in the list as "non-commercial" relate to entities that do not pursue commercial objectives and therefore do not count towards the limits set out in the regulation. Additionally, directorships held within the same group are counted as a single directorship under CRD Article 91. Members of the Board met these requirements in 2024.

Board members or entities under their control cannot own any shares in the Company because MuniFin's Articles of Association restrict share ownership.



Kari Laukkanen, b. 1964, male
Chair, on the Board of Directors since 2018
Education: M.Sc. (Econ.)
Primary occupation: : Board professional and financial consultant
Previous key work history and positions of trust: Long and diverse international banking experience in various positions at a global banking group (Citigroup 1990–2016, with last 13 years as Managing Director, Citi Country Officer of the Finnish branch)
Other material positions of trust: Emittor Oy, Chair of the Board
Lauvest Oy, CEO, Chair of the Board (consultancy firm owned by Mr. Laukkanen)
Number of directorships as defined by the regulation: 3 (MuniFin's Board and two other board memberships), does not exceed the permitted number, no other directorships to be taken into account
Independence: Independent of the Company and its significant shareholders



Maaria Eriksson, b. 1967, female
Vice Chair, on the Board of Directors since 2019
Education: M.Sc. (Econ.), CEFA
Primary occupation: Deputy CIO and COO of investments at Keva
Previous key work history and positions of trust: Long and diverse experience in capital market tasks at Keva, Finland's largest occupational pension insurance company (since 1998)
Portfolio manager and economist in the banking sector (Merita 1996–1998)
Economist at the Bank of Finland (1994–1996)
Other material positions of trust: Member of the Advisory Committee for Investments at the University of Oulu (non-commercial)
Deputy member of the Board of the Church Pension Fund (non-commercial)
Number of directorships as defined by the regulation: 1 (MuniFin's Board), does not exceed the permitted number, no other directorships to be taken into account
Independence: Independent of the company, not independent of its significant shareholders (works for a significant shareholder)



Markku Koponen, b. 1957, male
On the Board of Directors since 2018
Education: Master of laws, trained on the bench, EMBA
Primary occupation: Board professional
Previous key work history and positions of trust: Long and diverse experience in legal affairs, banking regulation and communications at OP Financial Group, one of the largest banking groups in Finland (1985–2017, including more than 20 years of experience in the Executive Management Team and the Board of Directors)
Other material positions of trust: No other positions
Number of directorships as defined by the regulation: 1 (MuniFin's Board), does not exceed the permitted number, no other directorships to be taken into account
Independence: Independent of the Company and its significant shareholders



Tuomo Mäkinen, b. 1972, male
On the Board of Directors since 2021
Education: M.Sc. (Econ.)
Primary occupation: Finance Manager at the City of Helsinki
Previous key work history and positions of trust: Long experience of executive-level financial responsibilities at the City of Helsinki since 2000, Finance Manager since 2014
Other material positions of trust: No other positions
Number of directorships as defined by the regulation: 1 (MuniFin's Board), does not exceed the permitted number, no other directorships to be taken into account
Independence: Not independent of the Company and its significant shareholders (works for a significant shareholder and customer)



Denis Strandell, b. 1958, male
On the Board of Directors since 2020
Education: M.Sc. (Econ.)
Primary occupation: Board professional
Previous key work history and positions of trust: Long and diverse experience in capital market tasks and investment services at Finnish and Nordic banking and investment services groups (1986–2011: Protos, Aktia, Unibank, Danske Bank, FIM). Long experience (since 2000) of Finnish municipal sector administration in the Kirkkonummi municipal council and municipal government prior to becoming the Mayor of the City of Hanko (2015–2024)
Other material positions of trust: No other positions
Number of directorships as defined by the regulation: 1 (MuniFin's Board), does not exceed the permitted number, no other directorships to be taken into account
Independence: Independent of the Company and its significant shareholders



Elina Stråhlman, b. 1979, female
On the Board of Directors since 2024
Education: M.Sc. (Econ.)
Primary occupation: CFO at Enento Group Oyj
Previous key work history and positions of trust: Long experience in expert and management positions in auditing and financial management since 2004 (EY, Fortum, Finnair). Member of the Audit Board of the Finnish Patent and Registration Office 2019–2021
Other material positions of trust: Board memberships in companies belonging to the Enento Group (calculated as one directorship): Suomen Asiakastieto Oy, UC Ab, Emaileri Oy, UC Affärsinformation Ab, Proff Ab/As/aps. Deputy member of the Board at PoSt Consulting Oy (non-commercial)
Number of directorships as defined by the regulation: 2 (MuniFin's Board and another board membership), does not exceed the permitted number, no other directorships to be taken into account
Independence: Independent of the Company and its significant shareholders



Leena Vainiomäki, b. 1961, female
On the Board of Directors since 2021
Education: Master of Political Sciences, MBA
Primary occupation: Board professional
Previous key work history and positions of trust: Long and diverse experience in executive-level positions in the financial sector. Country Manager at Danske Bank (2018–2020), other executive-level positions at Danske Bank since 2011 and at Nordea and its predecessors since 1988. Board positions at companies belonging to the Danske Group.
Other material positions of trust: Veikkaus Oy, member of the Board of Directors YIT Corporation, member of the Board of Directors
Number of directorships as defined by the regulation: 3 (MuniFin's Board and two other board memberships), does not exceed the permitted number, no other directorships to be taken into account
Independence: Independent of the Company and its significant shareholders



Arto Vuojolainen, b. 1963, male
On the Board of Directors since 2023
Education: Master of Science in Technology
Primary occupation: Operational and Financial Director at the City of Tampere
Previous key work history and positions of trust: Experience in financial management positions at the City of Tampere since 2007 Prior experience in expert and managerial positions in credit granting and customer relations in the banking sector (Nordea, Handelsbanken) since 1991
Other material positions of trust: Tor, Joe and Pentti Borg Foundation, member of the Board of Directors (non-commercial) Tampere University of Applied Sciences Foundation, member of the Board of Directors (non-commercial)
Number of directorships as defined by the regulation: 1 (MuniFin's Board), does not exceed the permitted number, no other directorships to be taken into account
Independence: Not independent of the company, independent of its significant shareholders (works for a significant customer)

5.5. Changes in the composition of the Board of Directors in 2024

Minna Smedsten was a Board member until the 2024 Annual General Meeting. Smedsten was no longer available for the Board for the 2024–2025 term. Elina Stråhlman was elected to the Board at the 2024 AGM.

5.6. Meetings of the Board of Directors

The Board of Directors has confirmed its Rules of Procedure. The Board convenes upon the Chair's summons as often as Company business requires. In the 2024 financial year, the Board had 13 meetings, three of which were email meetings. The Board members' attendance rate was 100%. The Board conducts an annual self-assessment to evaluate the effectiveness and quality of its work and the performance of its duties.

The individual attendance rates of the Board Members in the meetings for the 2024 financial year were as follows:

Kari Laukkanen	100%
Maaria Eriksson	100%
Markku Koponen	100%
Tuomo Mäkinen	100%
Minna Smedsten*	100%
Denis Strandell	100%
Elina Stråhlman**	100%
Leena Vainiomäki	100%
Arto Vuojolainen	100%

*Board membership ended at the 2024 Annual General Meeting. The attendance rate has been calculated for the meetings that took place before this.

**Elected to the Board at the 2024 Annual General Meeting. The attendance rate has been calculated for the meetings that took place after this.

The CEO and the Secretary of the Board also participated regularly in the Board meetings.

5.7. Composition of the Board of Directors for the 2025–2026 term

The Shareholders' Nomination Committee will propose the composition of the Board for the term commencing at the end of the 2025 Annual General Meeting and ending at the end of the 2026 AGM. The proposal will be attached to the invitation to the AGM.

5.8. Board Committees

MuniFin is other systemically important institution (O-SII) for the Finnish financial system as defined in the Act on Credit Institutions. MuniFin has statutory audit, risk and remuneration committees established by the Board of Directors. The Board elects the members and chairs of these committees from among its members. Each committee must have a minimum of three members, and each member is required to possess the expertise and experience necessary to fulfil the committee's responsibilities. The committees regularly report to the Board on their activities. Each committee has its own rules of procedure detailing its key tasks and operating principles as approved by the Board. These are available on MuniFin's website.

The Audit Committee is a preparatory body that supports the Board in duties related to financial reporting and internal control. It also supervises the work of the external and internal audit. Committee members must have adequate expertise and experience in the Committee's areas of responsibility and in the mandatory duties related to external audit.

During the financial year, the Audit Committee convened a total of nine (9) times with an average attendance rate of 94%.

The members of the Audit Committee and their individual attendance rates in the meetings for the 2024 financial year were as follows:

Markku Koponen (Chair)	100%
Tuomo Mäkinen	100%
Denis Strandell	89%
Elina Stråhlman*	100%

*Elected to the Board in 2024. The attendance rate has been calculated for the meetings that took place after the Board membership commenced.

Minna Smedsten acted as a member of the Audit Committee until the 2024 Annual General Meeting.

The meetings of the Audit Committee were also regularly attended by the CEO, the Secretary of the Committee, the CFO, the Head of Internal Audit and the lead audit partner.

In accordance with the Act on Credit Institutions, the Risk Committee supports the Board in matters related to the Company's overall risk appetite and strategy. It also oversees the executive management's compliance with the risk strategy set by the Board. The Risk Committee assesses whether the prices charged by the Company for services that tie up capital are equivalent to the business model and risk strategy. If not, the Committee prepares a plan for the Board to address this issue. Additionally, the Committee assists the Remuneration Committee in establishing sound remuneration systems and assesses whether the incentives provided by the remuneration system adequately take into consideration the institution's risks, capital and liquidity requirements and the likelihood of earnings distribution and earnings accumulation. In accordance with its Rules of Procedure, the Risk Committee takes into account all main risk types, including ESG risks.

During the financial year, the Risk Committee convened a total of eight (8) times with an average attendance rate of 100%

The members of the Risk Committee and their individual attendance rates in the meetings for the 2024 financial year were as follows:

Leena Vainiomäki (Chair)	100%
Maaria Eriksson	100%
Kari Laukkanen	100%
Arto Vuojolainen	100%

The meetings of the Risk Committee were also regularly attended by the CEO, the Secretary of the Committee and the Chief Risk Officer.

The Remuneration Committee is responsible for preparing matters related to the remuneration system, including setting objectives, assessing their achievement, and developing the remuneration system. The Committee also prepares topics related to the remuneration and other benefits of the CEO and persons reporting to the CEO.

During the financial year, the Remuneration Committee convened a total of four (4) times with an average attendance rate of 100%.

The members of the Remuneration Committee and their individual attendance rates in the meetings for the 2024 financial year were as follows:

Kari Laukkanen (Chair)	100%
Leena Vainiomäki	100%
Maaria Eriksson	100%

The meetings of the Remuneration Committee were also regularly attended by the CEO, the Secretary of the Committee, and the Head of HR. These persons did not participate in deliberations concerning their own remuneration.

6. CEO and Executive Management Team

Under the Articles of Association, MuniFin has a CEO and a Deputy to the CEO appointed by the Board of Directors. The CEO cannot be a Board member.

The terms of the CEO's service relationship have been defined in the written CEO's contract, which has been approved by the Board. The CEO's duty is to manage the Company's operations in order to implement the resolutions made by the Board of Directors and maintain the Company's operations in line with the strategy, risk management principles and limits set by the Board. Supported by the Executive Management Team, the CEO is responsible for ensuring the Company's effective day-to-day operations and organisational structure and reporting to the Board of Directors. The Board appoints and dismisses Executive Management Team members upon the CEO's recommendation. The Board also appoints and dismisses the Head of Internal Audit. Persons responsible for independent risk management and compliance may not be dismissed without the Board's consent.

In accordance with relevant legislation and supervisory guidelines issued by the authorities, the reliability and competence of the CEO, Deputy to the CEO, other members of the Executive Management Team and those responsible for internal audit and compliance are always assessed before the person is appointed or takes up their duties. For other employees, the candidates' suitability for the position is assessed as part of the standard recruitment process.

The Executive Management Team convenes regularly, at least twice a month. In 2024, the Executive Management Team had 41 meetings, one of which was an email meeting.

The Executive Management Team members cannot own shares in the Company because the Articles of Association limit share ownership.

The CEO and the Executive Management Team at the end of the 2024 financial year



Esa Kallio, b. 1963, male
President and CEO
Employed by the Company since: 2005, President and CEO as from 2018
Education: M.Sc. (Econ.)
Other material positions of trust: Board member at CityWork Group Oy; Chair of the Board of Directors at MuniFin's Digital Services (subsidiary company owned fully by MuniFin)



Aku Dunderfelt, b. 1975, male
Executive Vice President, Customer Solutions
Employed by the Company since: 2019
Education: BBA
Other material positions of trust: No other material positions of trust outside the Group



Toni Heikkilä, b. 1965, male
Executive Vice President, Risk Management and Compliance
Employed by the Company since: 1997
Education: Lic.Sc. (Econ.)
Other material positions of trust: No other material positions of trust outside the Group



Joakim Holmström, b. 1977, male
Executive Vice President, Capital Markets and Sustainability
Employed by the Company since: 2008
Education: M.Sc. (Econ.)
Other material positions of trust: No other material positions of trust outside the Group



Harri Luhtala, b. 1965, male
Executive Vice President, Finance
Employed by the Company since: 2019
Education: M.Sc. (Econ.)
Other material positions of trust: Board member at SOS Children's Villages Finland



Minna Piitulainen, b. 1973, female
Executive Vice President, Development and HR Services
Employed by the Company since: 2018
Education: M.Sc. (Psychology)
Other material positions of trust: No other material positions of trust outside the Group



Mari Tyster, b. 1975, female
Executive Vice President, Legal and Communications, secretary to the Board of Directors and its Committees, Deputy to the CEO since 2018
Employed by the Company since: 2009
Education: Master of Laws
Other material positions of trust: Vice President of the Administrative Board of the European Association of Public Banks; Board member at Ylva Palvelut Oy, Ylva



Juha Volotinen, b. 1975, male
Executive Vice President, Technology Services
Employed by the Company since: 2021
Education: M.Sc. (Econ.)
Other material positions of trust: Member of the Board of Directors at Oma Savings Bank Plc

The CEO and the Executive Management Team members all have a full-time position at the Company. Each Executive Management Team member serves as the Executive Vice President of their respective division. To support its work, the Executive Management Team has also established a management team for each division as well as a Credit Group. These teams have rules of procedure established by the Executive Management Team and powers of decision delegated to them.

Name	Main duties
Aku Dunderfelt: Customer Solutions	The Customer Solutions division is responsible for customer relationship management, customer service and the life cycle and processes of finance and other products. The division is also the first line of defence in credit risk management. Aku Dunderfelt acts as the Chair of the Customer Solutions Management Team and the Credit Group.
Joakim Holmström: Capital Markets and Sustainability	The Capital Markets and Sustainability division is responsible for example for long-term funding, bank and investor relations, liquidity management, and asset and liability management (ALM). The division is also responsible for sustainability work and management at the Group level. Joakim Holmström is the Chair of the Capital Markets and Sustainability Management Team.
Minna Piitulainen: Development and HR Services	The Development and HR Services division has two units: the development unit and the HR and assistants unit. The development unit is responsible for example for development models, methods and reporting and for project management services. The HR and assistants unit is responsible for example for matters related to salaries, employment relationships, recruitments, offices and assistant services.
Toni Heikkilä: Risk Management and Compliance	The Risk Management and Compliance division is responsible for risk management, the related processes and their development. The division is in charge of monitoring and reporting on the Company's risk position. It also monitors regulation, coordinates internal guidelines and policies, undertakes preparedness planning and coordinates the prevention of money laundering and terrorist financing. Toni Heikkilä is the Chair of the Risk Management and Compliance Management Team
Harri Luhtala: Finance	The Finance division is responsible for financial reporting, regulatory reporting, corporate planning, data management and procurement. It is also in charge of the processes and development work related to financial statements, regulatory reporting and accounting, data management at the Group level and the management of the procurement process. Harri Luhtala is the Chair of the Financial Management Group.

Mari Tyster: Legal and Communications	The Legal unit is responsible for the Company's legal matters, corporate governance and representation of regulatory interests. The Communications unit is responsible for the Company's communications and branding. The division is also responsible for relations with the authorities.
Juha Volotinen: Technology Services	The Technology Services division is responsible for the Company's technology strategy and system architecture management. The division is also responsible for example for the production of IT services, information security and the development of information systems. Juha Volotinen is the Chair of the Management Team of Technology Services.

In the 2024 financial year, the Executive Management Team focused on monitoring and making operative decisions related to the Company's business operations, financial position and risk exposure to the extent that these had not been delegated to the above-mentioned divisional management teams. In particular, the Executive Management Team assessed the operating environment and the effects of its changes on the Company's operations and made operative decisions supporting the Company's strategy accordingly. The Executive Management Team prepared revisions to the Company's strategy for the Board of Directors, also providing insights into anticipated developments in the operating environment. The Executive Management Team monitored the progress of the Company's development projects and ensured that decision-making supports their progress. As part of internal control, the Executive Management Team actively monitored internal audit findings and the

implementation of improvement measures throughout the year. It also supervised the preparation and execution of matters addressed by the Board.

7. Group Structure

Municipality Finance Group consists of Municipality Finance Plc ("MuniFin" or "the Parent Company") and the subsidiary company MuniFin's Digital Services, which was formerly known as Financial Advisory Services Inspira Ltd ("Inspira"). MuniFin decided to discontinue Inspira's consulting services during the financial year. In the future, the renamed subsidiary company will provide some of the digital added value services MuniFin offers to its customers.

The subsidiary company's governance follows the Parent Company's key governance principles. The Parent Company's Board of Directors and Committees oversee the subsidiary company's operations.

At the end of the 2024 financial year, the subsidiary company's Board of Directors consisted of the following Parent Company representatives:

- Esa Kallio, CEO of the Parent Company, Chair of the Board of Directors
- Markku Perälä, Vice President, Legal, member of the Board of Directors
- Harri Luhtala, Executive Vice President, Finance, deputy member of the Board of Directors

The subsidiary company does not have a CEO or any other personnel.

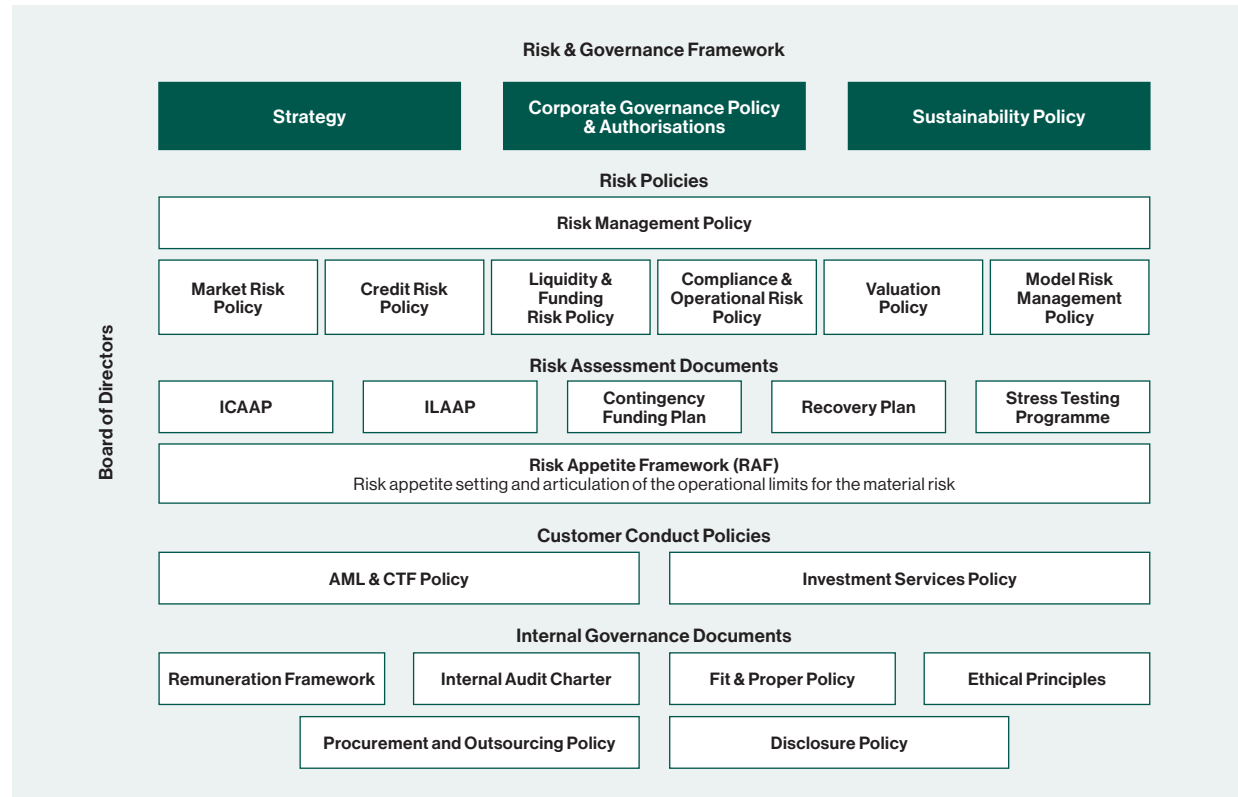
C. Main features of the internal control and risk management systems related to financial reporting

1. Internal control and risk management

Due to the nature of its operations, MuniFin is inevitably exposed to various risks, which make internal control and risk management integral components of the Company's strategic planning and management. Well-implemented internal control and risk management practices are incorporated into the day-to-day operations, facilitating the achievement of the set objectives and ensuring that the Company's risk position remains at the desired level.

The Board of Directors has established a Risk and Governance Framework for the Company. The framework outlines key policies and processes for the effective implementation of internal control and risk management as illustrated below.

The Risk and Governance Framework consists of the Company's policies, guidelines and processes. Compliance is ensured through appropriate decision-making powers, access rights and various other control and supervision measures. Internal control is implemented by all employees and at all levels of the organisation to the extent appropriate considering the nature and scope of operations. Internal control is primarily carried out in operational business



activities, where it is an integral and constant part of daily operations. In addition to internal control processes, employees also have access to a whistleblowing channel that they can use to report suspected breaches of regulations or internal instructions.

MuniFin develops its internal control procedures continually. A key aspect of internal control is ensuring information security with due diligence. This requires ongoing investment into developing information security, including regular employee training. Observations gained from internal audit are used to improve various aspects of the Company's operations to even better ensure the efficiency and effectiveness of internal control.

The purpose of risk management is to ensure that the risks associated with lending, funding, investment activities and other business operations align with the Company's approved risk profiles and that the Company achieves the objectives set for its operations. The goal is to keep the overall risk position at such a low level that the Company's credit rating is the best possible relative to the credit rating of the Government of Finland.

MuniFin's business units and support functions identify and manage the Company's risks as part of their daily operations, ensuring alignment with the Company's risk appetite, internal policies, guidelines and limits. MuniFin's Capital Markets and Sustainability division is responsible for managing the

risk profile of the consolidated balance sheet by conducting market transactions within the limits set by the Board of Directors. The risk position and limit usage are reported regularly to the Executive Management Team and the Board. Led by the CFO, MuniFin's Finance division is responsible for implementing the Board's principles concerning capital management and the structure of the Company's own funds.

MuniFin uses external service providers to complement and support its internal processes in multiple areas of operations. Some of these services may involve outsourcing in accordance with credit institution regulations. Even in such cases, MuniFin remains responsible for all activities concerning its customers and other third parties. This responsibility requires careful monitoring of the external providers and prompt reaction to any shortcomings or disruptions in their services. For outsourced functions and other essential services (e.g. those related to the Company's IT systems or information security), MuniFin requires the service providers to adhere to its principles and guidelines relevant to the provided service. These commitments required from third parties cover areas such as sustainability, information security, confidentiality and data protection. Specific processes supported by external providers may also require more detailed instructions and obligations, which MuniFin integrates into its broader set of binding guidelines for service providers. In 2024, there were no risk events that resulted in material financial losses because service providers failed to meet their requirements.

The organisation and responsibilities of risk management at MuniFin are structured around three lines of defence:

- First line of defence: Business operations apply established risk management principles in their day-to-day activities (see the section Reporting and supervision at the Board level)
- Second line of defence: The independent Risk Management and Compliance division monitors the risk management principles and processes established by the Board. This division operates under the leadership of the Chief Risk Officer. The Compliance and Operational Risk unit, which is part of the Risk Management and Compliance division, monitors compliance with both external and internal regulations and reports to the Board's Audit Committee.
- Third line of defence: Internal audit conducts regular assessments of various areas of the Company's operations and reports its findings to the Audit Committee and the Board.

MuniFin has an extensive risk management organisation and systems covering the key aspects of the Company's operations, including the clearly defined tasks and responsibilities of different units and decision-making bodies. There were no material changes in MuniFin's risk position in 2024. The Company regularly surveys risks related to its operations and continuously develops methods for recognising, measuring and managing risks. Risks are assessed through regular risk analyses. The aim of these

analyses is to recognise new challenges and risks created by changes in the operating environment and to prioritise the risks and their management on the basis of the results. The Company mitigates the risks it has identified with collateral, guarantees, derivative contracts, insurance and active risk management.

In line with its risk management principles, MuniFin hedges against all significant market risks using derivative contracts, which are valued at market price in accordance with the International Financial Reporting Standards (IFRS). The Company's financial results may exhibit volatility due to valuation changes over the lifetime of these instruments. This effect diminishes and ultimately reaches zero as the instruments approach maturity.

In 2024, MuniFin's Risk Management and Compliance division monitored the limits set for identified risks and reported on the Company's risk position to the Company's management, with a particular emphasis on the prevailing geopolitical situation and its effects on the operating environment. Operational risks remained within the established limits during the year, and according to the Company's assessment, risk management met the requirements set for it.

As part of its yearly tasks, the Risk Management and Compliance division assessed the appropriateness of the Company's key risk policies and proposed necessary adjustments. The Company also updated its Risk Appetite Framework and the model for expected credit losses (ECL) in 2024 to reflect changes in the operating environment. As part of its work to improve the effectiveness of its internal control framework, the Company updated the descriptions of all its main processes, including their control points. The Company also participated in the ECB's 'Fit-for-55' climate risk scenario analysis, developed a stress framework for climate and environmental risks and updated the materiality analysis related to climate and environmental risks. Furthermore, the Company updated and documented its ICT risk management framework in preparation for the financial sector's Digital Operational Resilience Act (DORA) (EU 2022/2554). It also enhanced its compliance framework to improve regulatory compliance monitoring.

The Board of Directors receives regular reports on the Company's risk position as part of monthly reporting. Risk reporting covers all risk areas as well as the limit usage for the different risks. Every quarter, the Chief Risk Officer also provides the Board's Risk Committee a more extensive report on the Company's risk position across different risk areas. The Company also conducts comprehensive stress tests on a regular basis.

2. Reporting and supervision at the Board level

MuniFin's general principles, limits and measurement methods used in risk management are determined by the Board of Directors. The Board's Risk Committee assists the Board in matters related to risk strategy and risk-taking and in supervising that the Company adheres to the risk strategy defined by the Board.

The purpose of risk management is to ensure that the risks associated with lending, funding, investment and other business operations are in line with MuniFin's low risk profile. The Board is responsible for ensuring that internal control and risk management are sufficiently comprehensive and effective and that the Company does not take risks that would endanger the continuity of its operations. The Board is assisted and supported in this supervision by the Audit Committee and the Risk Committee. The Board and its Committees have established rules of procedure that further specify their duties concerning internal control and risk management.

The Board of Directors has established the Company's risk management policies, which include the operating principles and limits for internal control and risk management. The Board has also incorporated the Company's risk management strategy as part of its overall strategy. The policies guide the Company's operations with the aim of keeping the Company's

risk position aligned with its confirmed risk profile. The policies are reviewed regularly.

The Board has confirmed a Risk Appetite Framework ("RAF") to enable the Company to:

- effectively identify, assess and manage strategic and internal risks,
- determine and communicate the amount and quality of risk the Company is willing and able to take in executing its business strategy, and
- promote discussion on the Company's risk appetite and challenge decisions on business operations and risk-taking.

The RAF is linked to both short-term and long-term strategic planning, capital, liquidity and financial planning, the recovery plan and the remuneration policy. The RAF is updated at least once a year.

MuniFin's CEO is responsible for financial reporting and risk management reporting to the Board of Directors. In this task, the CEO is supported by the CFO and the CRO. The CRO also reports directly to the Board and its Risk Committee on a regular basis.

The Board of Directors receives monthly reports on the Company's risk position relative to established limits as well as on any individual risk events of material significance.

The CRO provides a monthly update directly to the Chair of the Risk Committee on any significant deviations in the Company's risk position since the previous report. The CRO also presents a more comprehensive quarterly report on the Company's risk position to the Risk Committee. As part of this standard reporting process, the Risk Committee and the Board evaluate the scope and content of the reports and may request changes to their content or reporting methods.

3. Capital adequacy

MuniFin's Board of Directors approves the annually revised plan for capital adequacy management, which includes the Company's capital plan and a process description of its capital adequacy management. The Company publishes a separate Pillar III report alongside its Annual Report, providing the disclosures required by the EU Capital Requirements Regulation. A more concise Pillar III report is also published concurrently with the Half Year Report.

MuniFin exceeds all capital requirements set for it by a wide margin. The Company fulfils the CRR II definition of a public development credit institution and may therefore deduct all credit receivables from municipalities, wellbeing services counties and the central government in the calculation of its leverage ratio. This has a substantial positive impact on meeting the leverage ratio requirement.

MuniFin does not have capital loans in its balance sheet. The Company's own funds primarily consist of share capital, other restricted reserves, non-restricted reserves and retained earnings.

Capital adequacy is calculated as required by the EU's capital requirements regulation and the related directive, which are based on the Basel III framework. The capital adequacy requirement for credit risk is calculated using the standardised approach, and the requirement for operational risk is calculated using the basic indicator approach. As the Group does not maintain a trading book or hold share or commodity positions, only currency risk is considered in the capital adequacy calculations for market risk. However, as the Company hedges against currency risks by using derivative contracts to convert all foreign currency denominated funding into euros, its currency position remains minimal, eliminating the need to allocate capital for currency risk.

MuniFin hedges itself against financial risks associated with its operations through derivative contracts, with valuation changes recognised in net operating profit and own funds.

4. Supervision and reporting at the operational level

Internal control is an integral part of the duties of all MuniFin employees at all levels, and everyone in the organisation is responsible for reporting any observed deficiencies related to internal control. MuniFin's internal control builds on an organisation structured around separate functions and units, which all have their own duties and areas of responsibility. Different functions or individuals are responsible for making decisions and for implementing them.

Reliable and timely reporting on the Company's financial performance is a key tool for the management. Reporting on financial performance is carried out by the Company's Finance and Risk Management and Compliance divisions, but some reporting is also conducted independently at the operational level to ensure accuracy and sufficiency. The core components of financial reporting include monthly internal reports, regular regulatory reporting, and the annual and half year reports required for external disclosure.

Financial reporting is based on properly prepared bookkeeping and other transaction-related documentation. To ensure accuracy, the Company's financial administration has prepared detailed internal guidelines for recording business activities and handling other financial management processes. These guidelines include control procedures for approving and executing various transactions. The control

procedures involve regular routines concerning account and transaction reconciliations and payment transfer processes that follow the four-eye principle. Some controls are automated through the Company's information systems, while others rely on manual verification. The Audit Committee oversees the financial reporting processes. In 2024, the Company developed its financial reporting control framework with a focus on monthly reporting, financial statement preparation and valuation processes. This development work will continue in the coming years.

The Company has a Risk Management and Compliance division that is independent of the business operations and it maintains, develops and prepares risk management principles for Board approval and develops methods for risk assessment and measurement. The Company's various divisions are responsible for day-to-day business decisions to minimise risks within the established principles, policies, authorisations and limits. The Risk Management and Compliance division ensures that risks remain within acceptable limits and that risk measurement methods are appropriate. The Risk Management and Compliance division reports monthly to the Executive Management Team and the Board of Directors on the Company's risk position relative to the established limits and, as necessary, on individual risk events of material significance.

The management and supervision of operational risks, including those related to critical information systems, are part of the normal processes of the Company's functions and units. In addition, the Risk Management and Compliance division is responsible for coordinating the management of operational risks. The Company conducts an annual assessment to identify operational risks and assess their likelihood and potential impact. Appropriate risk management measures are determined based on this assessment.

The CEO, supported by the Executive Management Team, is responsible for managing the Company's operations and organising internal control, risk management and financial reporting. The Executive Management Team has set up a Credit Group and divisional management teams focusing on different areas of the Company's operations to support its operational management, decision-making and preparation of matters for the Board and its Committees. The Credit Group and the divisional management teams have powers of decision and supervision delegated to them. For more details on their activities, see part B, section 6 CEO and Executive Management Team.

MuniFin's executive management is represented on the Board of Directors of its subsidiary company, whose governance is based on the same internal control principles as MuniFin.

In addition to the risk management and governance policies established by the Board of Directors, the Company has operating guidelines for all key areas of its business and risk management established by the Executive Management Team. These guidelines are supported by process descriptions that are prepared for all essential processes and revised regularly. In addition, each employee has a job description that specifies their key duties and the arrangement for delegation of duties in their absence. The heads of units also prepare and revise process instructions and other specific guidelines as necessary.

The Company reports on its activities as required by law to the Finnish Financial Supervisory Authority, the European Central Bank, the Bank of Finland, the Municipal Guarantee Board, the EU Single Resolution Board, the Finnish Financial Stability Authority, the Finnish Tax Administration and Statistics Finland. The Company has been under the direct supervision of the European Central Bank since 2016 and is thereby also under the supervision of the Single Resolution Board for crisis management.

5. Business continuity planning

MuniFin's business continuity planning ensures that the Company can maintain its operations and mitigate its losses in the event of business disruptions or exceptional circumstances. Business continuity planning encompasses different plans for different areas of operations.

In severe disruptions, MuniFin's Continuity Committee, which is composed of members of MuniFin's Executive Management Team, takes charge of managing operations as determined in MuniFin's continuity plan. As part of this plan, MuniFin has defined the individuals, functions, processes, information systems and IT infrastructure critical for business continuity. In addition to the continuity plan, MuniFin has a separate IT services continuity plan aimed at ensuring that the production of services critical to MuniFin remains unaffected under normal circumstances, under disruptions in normal circumstances and under unexpected exceptional circumstances. MuniFin also has an IT recovery plan to determine recovery arrangements for critical systems, enabling smooth recovery from system disruptions and ensuring the uninterrupted production of critical services in all situations.

MuniFin has a separate continuity plan for the emergency conditions specified under the Finnish Emergency Powers Act, 1552/2011 as amended. MuniFin's continuity planning is complemented by a crisis communications plan.

In 2024, MuniFin's business operations did not experience any long-term disturbances that would have materially jeopardised business continuity. The continuity arrangements described above supported the management of any disturbances that did take place.

6. Compliance

MuniFin's Compliance and Operational Risk unit, which is part of the independent Risk Management and Compliance division, monitors compliance with both external and internal regulations. Its duties include monitoring regulation, disseminating information, providing training and supervising operations. Compliance operations are guided by annual Board-approved compliance principles and plans, which include an annual monitoring plan. Compliance operations are reported regularly to the Executive Management Team and the Board's Audit Committee. The Board also receives a regular overview of regulatory developments and their effects on MuniFin's operations.

In addition to monitoring regulation, the Compliance unit is responsible for providing regulatory advice and support in business operations, coordinating the regular revision of internal policies and guidelines and ensuring compliance with anti-money laundering rules. The unit is tasked with supervising that these operations meet legal requirements. The unit is also responsible for the whistleblowing channel.

In 2024, the Compliance unit carried out monitoring as outlined in its annual plan and organised employee training on topics such as the prevention of money laundering and terrorist financing, sanctions, data protection and information security. The unit also improved its practices, reporting and regulatory monitoring process and helped implement regulation at MuniFin, especially in terms of the DORA and CSRD regulations.

7. Internal audit

MuniFin's third line of defence includes an internal audit function that is independent of the organisation and reports directly to the Board of Directors and its Audit Committee. The Internal Audit Charter approved by the Board steers MuniFin's internal audit operations.

The purpose of internal audit is to assess the reliability and accuracy of MuniFin's information on finances and other management. It also evaluates whether the Company has adequate and appropriately organised processes and IT systems and ensures that the risks associated with the operations are sufficiently managed.

The Board of Directors approves an internal audit plan for each financial year. In the financial year 2024, all audits performed by the internal audit were reported to the Company's Executive Management Team, Audit Committee and Board. The Company monitors the recommendations issued by the internal audit systematically and reports on their implementation to the executive management and the Audit Committee regularly. The internal audit function assesses the implementation status of the recommended measures.

In 2024, the internal audit carried out an extensive audit of various aspects of the Company's operations, taking into account different risk types. The internal audit function may use external parties to support its work. If the internal audit function uses external parties in its audits, it must report this to the Audit Committee. Internal audit operations are subjected to regular external quality assurance.

8. External audit

The Company's auditor must be an Authorised Public Accountant (APA) approved by the Central Chamber of Commerce of Finland. The auditor's term ends at the closing of the Annual General Meeting following their election. The Company's financial year is the calendar year.

In accordance with the Board's proposal, the AGM of 17 May 2024 elected PricewaterhouseCoopers Oy as MuniFin's auditor, with APA Jukka Paunonen as the principal auditor. Until the 2024 AGM, MuniFin's auditor was KPMG Oy Ab (KPMG), with APA Tiia Kataja as the principal auditor. KPMG could no longer be re-elected for the 2024–2025 term due to the mandatory audit firm rotation requirement.

The 2024 audit was based on a pre-prepared audit plan. Auditing fees paid to the audit firm in the 2024 financial year were as follows:

Auditing and other fees paid to the audit firm (EUR 1,000) KPMG Oy Ab		2024
Auditing		214
Actions defined in section 1(1)(2) of the Auditing Act		7
Tax consultation		8
Other services		179
Auditing and other fees paid to the audit firm (EUR 1,000) PricewaterhouseCoopers Oy		2024
Auditing		363
Actions defined in section 1(1)(2) of the Auditing Act		-
Tax consultation		10
Other services		230
Total		1011

9. Related parties and related party transactions

MuniFin's related parties include the Company's shareholders whose ownership and corresponding voting rights exceed 20%, the CEO, the Deputy to CEO, other members of the Executive Management Team, members of the Board of Directors as well as their spouses, children and dependants and the children and dependants of their spouses. In addition, related parties include entities which are directly, indirectly or jointly controlled by the above-mentioned persons or over which these persons have significant influence. MuniFin's subsidiary company, Kuntarahoituksen digitaaliset palvelut Oy, is also a related party. This definition for related parties is based on the IAS 24 standard, which MuniFin uses to report the related parties in its financial statements. The Finnish Limited Liability Companies Act and the Finnish Act on Credit Institutions include their own related party definitions, which differ somewhat from that of IAS 24. In MuniFin's case, the different definitions do not have a material significance because, as stated below, MuniFin cannot grant financing to any related parties regardless of the definition applied due to the nature of its business operations.

MuniFin's operations are restricted by the Act on the Municipal Guarantee Board (MGB Act) and the framework agreement concluded between MuniFin and the Municipal Guarantee Board, pursuant to which MuniFin may only grant loans to parties stipulated by law (municipalities, joint

municipal authorities, wellbeing services counties, joint county authorities and corporate entities under their control, and corporations designated by government authorities engaged in the renting or production and maintenance of housing on social grounds). MuniFin's related parties are not included in these customers defined under the MGB Act. For this reason, MuniFin did not have any related party transactions in its customer finance operations in 2024.

In view of the above, MuniFin makes salary and remuneration payments to the natural persons included in the related parties based on employment relationships only. MuniFin has no loans or financial claims from the said natural persons. Business transactions carried out with the subsidiary company comprise fees related to administrative services as well as professional services purchased from the subsidiary company by MuniFin.

10. Insider administration

As an issuer of financial instruments traded on a regulated market, MuniFin is obliged to maintain an insider list. This list includes a section of permanent insiders that includes MuniFin employees who have regular access to inside information as well as other individuals and entities who are deemed by MuniFin to have regular access to the Company's inside information. MuniFin creates and maintains project-specific insider lists as necessary.

Although MuniFin does not offer investment services related to shares, as a credit institution entitled to provide such services it is nevertheless obliged to maintain a public insider register, in which the members of the Board, the CEO and the Deputy to the CEO must be declared. Other individuals in the Company are not subject to this obligation because the Company's business operations do not include offering investment services in a way that would give employees the opportunity to access inside information.

The Company has separate insider guidelines, approved by the Executive Management Team, which all individuals included in the insider register and lists are obligated to follow. These guidelines also incorporate the requirements of the insider guidelines of Nasdaq Helsinki Ltd.

The disclosure obligations regarding transactions conducted by the management and persons closely associated with them also apply to MuniFin as an issuer of financial instruments traded on a regulated market. The Company has determined that the obligation applies to the members of the Board of Directors and the Executive Management Team.

11. Anti-corruption and management of conflicts of interest

MuniFin's Board has approved the Company's Ethical Principles, Sustainability Policy and Corporate Governance Policy, which apply to all employees and management. These policies guide the Group's operations in areas such as ethics, sustainability, bribery, corruption and conflicts of interest. The Board has also approved the Company's Anti-Money Laundering and Counter Terrorist Financing Policy. The currentness of all these policies is assessed annually.

MuniFin's management and employees must prevent corruption and bribery in all forms and comply with anti-corruption laws and instructions. Neither the Company nor its employees may offer, give, request or accept direct or indirect gifts or other benefits that could be considered corruption and thus an attempt to influence decision-making or operations. The Company and its employees may offer or receive gifts or hospitality only in such cases where these do not aim to influence or cannot reasonably be interpreted to have the intention to influence decision-making pertaining to MuniFin. MuniFin does not make transactions that aim to affect authorities' official processes beyond standard operating practices. The Company is committed to ensuring ethical and transparent business relations with its customers, service providers, representatives, distributors and subcontractors.

The Company or its management have never been convicted, fined or otherwise sanctioned for violating anti-corruption laws.

MuniFin's Ethical Principles and Sustainability Policy are available on the Company's website.

A conflict of interest refers to an exceptional situation where the interests of one party or individual compete with those of another. Such conflicts can arise, for example, between the Company and its management or employees, between customers and shareholders or between two customers. MuniFin's key principle is to always seek to treat its customers and other partners fairly.

According to MuniFin's Articles of Association, members of the Board of Directors, the CEO, the Deputy to the CEO or employees may not belong to the management of a credit institution engaging in competitive activities or another company engaging in competitive activities. The CEO, the Deputy to the CEO and persons reporting directly to the CEO may only belong to another company's management with permission from the Board.

MuniFin's Board of Directors has established principles for managing conflicts of interest as part of the Company's Corporate Governance Policy. The Executive Management

Team has approved additional guidelines to support their implementation. The Company primarily seeks to identify and proactively prevent potential conflicts of interest through various organisational and administrative measures. If a conflict of interest cannot be avoided despite these measures, the parties involved are informed of the nature and underlying reasons of the conflict of interests before any action is taken.

A Board member, the CEO, the Deputy to the CEO, a member of the Executive Management Team or any member of the staff must not take part in the handling of any matter related to an agreement between themselves and the Company. In addition, any individual must not take part in the handling of a matter between MuniFin and a third party if the matter is expected to result in a material benefit for the individual and may be in contradiction with the Company's best interests.

Due to the nature of MuniFin's business model, conflicts of interest in customer relations are rare in the Company's day-to-day operations. However, due to the Company's mission and ownership structure, its Board may include members that represent shareholders and/or customers. The Board does not usually make decisions regarding specific customers, but if it does, any Board member representing the customer in question must abstain from discussion and decision-making on the matter.

All conflicts of interest are documented, including the measures taken to prevent them. MuniFin's Risk Management and Compliance division also conducts monitoring and controls in accordance with its annual plan to ensure that the Company operates responsibly and adheres to all guidelines and processes concerning the prohibition of bribery and corruption, the prevention of money laundering and terrorist financing as well as sanctions. In 2024, there were no material violations in these areas.

MuniFin provides regular training across all levels of the organisation on sustainability, conflicts of interest, anti-corruption and the prevention of money laundering and terrorist financing. In 2024, training focused on the management of conflicts of interest, the prevention of bribery, corruption, money laundering and terrorist financing, and sustainability topics in general. All employees and the management have completed the mandatory online training courses. The Board of Directors and its Committees have processed the policies on the above-mentioned topics, discussing their background, regulatory developments and the principles adopted at MuniFin. This fulfils the Board's training requirement. MuniFin has never had to dismiss an employee due to serious cases of corruption or bribery.

MuniFin maintains an independent whistleblowing channel as required by law, through which employees, the management and external parties, such as customers and partners, can anonymously report a breach of regulation, internal processes or guidelines or any instances of misconduct in MuniFin's operations. The whistleblowing channel is available on the Company's public website. Whistleblowers are granted whistleblower protection as required by the applicable reuguation. The reports submitted through this channel and the resulting measures taken are reported to the Board and management in accordance with regulatory requirements.

In accordance with sustainability reporting requirements, MuniFin discloses the following information regarding bribery and corruption for 2024.

Disclosure	Occurrences in 2024
The number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws	0
The total number and nature of confirmed incidents of corruption or bribery	0
The number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
Details of public legal cases regarding corruption or bribery brought against the undertaking and its own workers during the reporting period and the outcomes of such cases. This includes cases that were initiated in previous years where the outcome was only established in the current reporting period.	0

12. Regulation concerning MuniFin and related representation of interestst

As a credit institution, MuniFin's operations are heavily regulated by both EU and Finnish laws and related supervisory guidelines. The Company actively follows regulatory developments affecting its operations and seeks to influence them. The Company represents its interests by participating in the European Association of Public Banks (EAPB) and by its management and experts engaging directly with relevant decision-makers. The Company also provides statements during public consultation rounds and responds to inquiries from legislators and authorities regarding the impact of regulatory changes.

MuniFin is politically independent and only represents the interests of the Company and its stakeholders. In 2024, the Company did not support any political organisations or make any contributions that could be considered political advocacy.

MuniFin discloses its lobbying activities it conducts in Finland to the Finnish Transparency Register, which is overseen by the National Audit Office of Finland. In 2024, the Company's registered lobbying activities were focused on the legislation related to the financing of investments of Finnish wellbeing services counties and on the development needs of the legislation related to the joint municipal funding system. MuniFin advocates for amending legislation and the wellbeing services counties' financing model to enable the counties to either be members of the Municipal Guarantee Board or otherwise liable for the guarantees for the funding related to the financing targeted at them. This would ensure that their financing needs could be secured in the long-term and met cost-effectively. MuniFin also engaged with decision-makers with the more general purpose of providing an introduction of its operations. These activities were mainly carried out by the Chair of the Board, the CEO and the Head of Legal and Communications, but individual experts may also attend meetings that concern their area of expertise. MuniFin's ID in the Finnish Transparency Register is the Company's Finnish Business ID 1701683-4.

At the EU level, MuniFin has advocated through the EAPB for EU legislative projects on sustainable development to better consider public sector financiers. A key challenge is that while public sector credit institutions are obliged to report on the sustainability impacts of their operations, their public sector customers are not subject to the same reporting requirements. This discrepancy creates significant challenges in the quality and scope of reported information. MuniFin is registered in the EU Transparency Register under the ID 214103052441-68.

According to the MuniFin's own analysis, the issues targeted by the Company's lobbying activities do not have a material correlation with the impacts, risks or opportunities identified as material in the double materiality assessment.

MuniFin

Jaakonkatu 3 A, PL 744

00101 Helsinki

Tel. +358 9 6803 5666

www.munifin.fi

info@munifin.fi