

RESTAMAX PLC

CORPORATE GOVERNANCE STATEMENT 2017

The Corporate Governance Statement has been prepared in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act and the section on Corporate Governance in the Finnish Corporate Governance Code. The company complies with the Corporate Governance Code 2015, published by the Securities Market Association, with some exceptions. The Corporate Governance Code is publicly available, for example at the Securities Market Association website at www.cgfinland.fi.

This statement has been compiled as a separate report from the annual report of the Board of Directors. The statement will not be updated during the financial period, but up-to-date information of the topics included will be presented in the company's website at www.restamax.fi.

Annual General Meeting

The tasks of the Annual General Meeting as the highest decision-making body of the company have been determined in the Limited Liability Companies Act and in the Articles of Association. At the Annual General Meeting, the shareholders exercise their decision-making power in matters related to the company. The Annual General Meeting is held within six months from the end of the financial period. The Board summons the Annual General Meeting and decides where and when it will be held. The Articles of Association state that the notice of the Annual General Meeting is published for the shareholders' information at least at the company's website no earlier than three months and no later than three weeks prior to the Annual General Meeting. However, the notice must be published at least nine days before the record date of the Annual General Meeting.

The Annual General Meeting is attended by the CEO, the auditor, the Chairman of the Board of Directors and, when possible, the other members of the Board of Directors. In addition, the persons proposed for the first time as members of the Board of Directors shall participate in the Annual General Meeting, unless there are well founded reasons for their absence. The Annual General Meeting selects Restamax Plc's Board of Directors and the auditors, decides on their remuneration and discharges the company management from liability. Matters to be discussed at the Annual General Meeting as well as the shareholders' right to participate are defined in Restamax Plc's Articles of Association and in the notice of the Annual General Meeting.

The Board of Directors summons an Extraordinary General Meeting when it considers it necessary or when required by the law.

Board of Directors

The Board of Directors has general authority in all the company's matters that have not been designated by law or the Articles of Association to be decided or implemented by other bodies. The Board of Directors is responsible for the company's administration and the proper organisation of its operations. The Board of Directors confirms the company's strategy, risk management principles and values observed in the company's operations, approves its business plan and decides on significant investments.

The operations of the Board of Directors follow current legislation, guidelines issued by the stock exchange, other official regulations and the company's Articles of Association.

According to the Articles of Association, the Annual General Meeting selects between five and seven members for Restamax Plc's Board of Directors. The term of office of the members of the Board of Directors ends when the following Annual General Meeting is concluded. The Board of Directors or Annual General Meeting elects the Chairman. In the composition of the Board of Directors, the goal is to appoint members with diverse and complimentary backgrounds, experience, expertise and from both genders, so that the diversity of the Board of Directors supports Restamax's business and future in the best possible way. For the present, the company's Board of Directors has not considered it necessary to establish audit, nomination or remuneration committees, since it is not required by the scope of the company's business operations or the discharge of duties of the Board of Directors.

Since 2005, the Chairman of the Board of Directors has been Timo Laine. The work of the Board of Directors is organised in accordance with the currently valid rules of procedure of the Board of Directors. The rules of procedure are available on the company's website.

Selection, term of office and composition of the members of the Board of Directors

The Annual General Meeting selects the members of the Board of Directors annually. According to the Articles of Association, the Board of Directors consists of no less than five and no more than seven members. The term of office of the members of the Board of Directors ends when the following Annual General Meeting is concluded.

In addition to the Board members, meetings are attended by the CEO, CFO, the secretary of the Board and, when necessary, separately invited persons.

The Board of Directors evaluates the independence of its members annually and reports which Board members it defines as independent of the company and of significant shareholders.

In 2017, the members of the Board of Directors of the company were:

Timo Laine, b. 1966, diploma in marketing, Chairman of the Board
Direct and controlling interest 4,698,844 shares

Mikko Aartio, b. 1969, vocational qualification in business and administration for upper-secondary school graduates
Direct and controlling interest 3,560,163 shares

Jarmo Viitala, b. 1960, M. Sc. in Economy
Direct and controlling interest 24,900 shares

Petri Olkinuora, b. 1957, M. Sc. (Tech.), MBA, Vice-Chairman of the Board
Direct and controlling interest 12,500 shares

Mika Niemi, b. 1966, vocational qualification in business and administration
Direct and controlling interest 2,236,789 shares

Timo Everi, b. 1963, BBA, eMBA
Direct and controlling interest 0 shares

Jarmo Viitala, Petri Olkinuora and Timo Everi are the Board members independent of the company and of significant shareholders. The composition of Restamax's Board of Directors deviates from the independence recommendation of the Corporate Governance Code, according to which the majority of the Board members shall be independent of the company and at least two of the persons representing this majority shall be independent of significant shareholders of the company. Three members of the Board (Laine, Aartio and Niemi) are dependent on the company, which is why the composition of the Board of Directors does not meet Recommendation 10 of the Corporate Governance Code in this respect. This deviation is still justified by the Rengasravintolat corporate acquisition carried out in the 2014 financial period, and Mika Niemi served as the CEO of Rengasravintolat Oy.

During the financial period, the Board of Directors had seventeen (17) meetings. Some of the meetings were held by e-mail or telephone.

The attendance of the members of the Board at the 2017 meetings:

Timo Laine 17/17
Mikko Aartio 15/17
Jarmo Viitala 14/17
Petri Olkinuora 16/17
Mika Niemi 15/17
Timo Everi 15/17

The composition of the Board of Directors does not meet Recommendation 9 of the Finnish Corporate Governance Code concerning diversity, in that both genders are not represented on the Board. However, the company's objective is to include both genders in the composition of the Board of Directors.

Remuneration for the members of the Board of Directors

The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors. In 2017, the annual remuneration of the Chairman of the Board of Directors was €25,000, for the Vice-Chairman it was €20,000, and for the members of the Board €10,000. A separate meeting attendance allowance is not paid.

CEO AND THE EXECUTIVE TEAM

Restamax Plc's Board of Directors appoints the CEO of the company, supervises his or her work and decides on the remuneration and benefits to be paid and the conditions of the post. The CEO is not a member of the Board of Directors. He or she is in charge of the parent company's and the Group's operative management and control in accordance with legislation and the guidelines given by the Board of Directors.

Markku Virtanen served as the company's CEO until 21 May 2017. CFO Jarno Suominen served as the acting CEO between 22 May 2017 and 31 August 2017. M.Sc. (Tech.) Juha Helminen (born 1977) has served as the company's CEO from 1 September 2017 on. On 31 December 2017, Helvest Oy, which is controlled by Juha Helminen, owned 23,400 shares in Restamax Plc.

The CEO manages the administration of routine matters of the company and of the Group in accordance with the instructions and orders issued by the Board of Directors. The CEO is directly responsible for the planning and implementation of the strategy and the corresponding investments, for ensuring that the bookkeeping is carried out as required by the law and that the company's financial management has been organised in a reliable manner. Restamax Plc's investor relation communications and marketing functions operate directly under the command of the CEO. The CEO monitors the decisions related to the persons at the executive level, as well as other important operative decisions. He or she also ensures that the subsidiaries of the Group operate in the interests of the parent company and endorse the Group's strategy.

Operative business operations are the responsibility of the CEO, with the help of the Executive Team. The Executive Team prepares and makes decisions in matters within the CEO's decision-making power.

The Executive Team

The tasks of the Executive Team include planning and implementing the company's strategy, management of business operations, result monitoring, annual planning, and the management of investments, corporate acquisitions and operational change plans. The Executive Team meets on a weekly basis.

On 31 December 2017, the Group's Executive Team comprised:

Juha Helminen, b. 1977, CEO
Direct and controlling interest 23,400 shares

Jarno Suominen, b. 1972, CFO
Direct and controlling interest 249,347 shares

Tanja Virtanen, b. 1977, Product Line Director, Food
Direct and controlling interest 200 shares

Paul Meli, b. 1977, Product Line Director, Nightclubs and other entertainment
Direct and controlling interest 181,670 shares

Perttu Pesonen, b. 1976, Development Director
Direct and controlling interest 80,000 shares

Eero Aho, b. 1978, Product Line Director, Food
Direct and controlling interest 0 shares

Miko Helander, b. 1979, Product Line Director, Nightclubs and other entertainment
Direct and controlling interest 0 shares

Tero Kaikkonen, b. 1976, Development Director
Direct and controlling interest 100 shares

INSIDER ADMINISTRATION

Restamax's insider rules apply the insider guidelines of Nasdaq Helsinki Oy. The insider rules prohibit insiders and entities in which insiders have a controlling interest, as well as persons participating in the preparation of financial reports, from trading in the company's financial instruments, such as shares, 30 days before result publication (so-called closed window).

The company has defined as permanent insiders the persons working in the Restamax Group who by virtue of their position or tasks have access to all insider information pertaining to Restamax. In addition to a permanent insiders list, project-specific insider lists will be drafted, as prescribed by Nasdaq Helsinki Ltd's insider guidelines.

As soon as possible, Restamax publishes any insider information which directly concerns Restamax or its financial instruments, unless the prevailing conditions result in the fulfilment of the prerequisites for postponing the publication of the insider information in question.

Under the market abuse regulation, Restamax has an obligation to publish transactions in Restamax's financial instruments by the company's management personnel and their related parties.

The person in charge of Restamax's insider issues is CFO Jarno Suominen.

AUDITING

The Articles of Association state that the Annual General Meeting selects the auditor for Restamax Plc.

The 2017 Annual General Meeting selected authorised public accountants company Deloitte & Touche Oy as the auditor. Hannu Mattila, APA, acts as the responsible auditor.

Auditing is carried out in accordance with the relevant acts and the Articles of Association. In practice, the auditing work is carried out during the financial period by inspecting the business operations and administration, and as an actual financial statements audit after the financial period has ended.

In 2017, the auditors of the Restamax Group were paid TEUR 215.9 for auditing tasks (in 2016: TEUR 204.4) and TEUR 54.4 for other guidance and consultation services (in 2016: TEUR 56.2).

INTERNAL CONTROL

Restamax Plc's internal management and control procedures are based on the Limited Liability Companies Act, the Articles of Association and the internal policies of the company. The company's management and control are distributed between the Annual General Meeting, the Board of Directors, and the CEO. Internal control refers to all the procedures, systems and methods that the company's management employs to ensure efficient, economical and reliable operations.

Restamax Plc's Board of Directors is responsible for organising the internal control. The Board of Directors has the highest responsibility of the company's visions, strategic goals and the commercial goals set based on them. The Board of Directors also bears the highest responsibility for the supervision of the bookkeeping and financial management and the proper arrangement of operations. The Board of Directors approves the common guidelines for the entire internal control of the Group.

The CEO is directly responsible for the implementation of the strategy and the corresponding investments, for ensuring that the bookkeeping is carried out as required by the law, and that the financial management has been organised in a reliable manner. Operative business operations are the responsibility of the CEO,

with the help of the Executive Team. The company's senior management is responsible for internal control, while the auditors take care of external auditing.

Taking the quality and scope of the business operations into consideration, the company has not deemed it necessary to establish a special internal audit organisation. Instead, its duties are included in the business organisation's tasks in all the units of the Group.

Methods and procedures of internal control

The CEO is responsible for organising the bookkeeping and control mechanisms in practice. The CEO monitors decisions related to executive level persons, as well as important operative decisions. The CEO also ensures that the Group subsidiaries operate in the interests of the parent company and endorse the Group's strategy. The Group's Executive Team controls business operations and monitors the administration in the Group's daily operations.

The Group has defined clear authorisations for approving investments and matters related to the personnel. The main tasks of the Group's Executive Team:

1. supervision of business operations and finances, and
2. handling investments, corporate acquisitions and expanding and restriction plans significant for the Group.

Internal control is an essential part of the company's administration and management systems. It covers Restamax's all units and operations. Among other things, internal control must evaluate the sufficiency and efficiency of the risk positions related to the company's management and administrative systems, operations and data systems that apply to:

- the creativity and integrity of financial and operational data
- the profitability and efficiency of operations
- securing assets
- compliance with laws, orders, and agreements.

RISK MANAGEMENT

Restamax strives to increase the shareholder value within the limits set by legislation and the obligations of society.

Restamax divides the risk factors influencing business operations, result and stock exchange value into five main categories: market and business operation risks, risks related to the personnel, technology and data security risks, financing risks and juridical risks.

Restamax strives to protect itself against other risks by taking out extensive insurance contracts. These include statutory insurances, liability and property insurances, and legal protection ownership insurances. The scope of the insurances, values insured and excesses are checked annually together with the company's insurance company.

The Group's risk management and market change anticipation constitute an integral part of the management's everyday work in order to guarantee the continuity of the business operations. Restamax carries out continuous risk mapping related to its operations and aims to protect itself from identified risk factors in the best possible way.

REPORTING AND CONTROL SYSTEMS

The Group employs reporting systems required to efficiently monitor its operations. Internal control is connected to the company's vision, strategic goals and the business goals defined based on them. The realisation of business goals and the Group's financial development are monitored monthly with a control system covering the entire Group. As an essential part of the control system, the realisation data and up-to-date estimates are examined by the Group's Executive Team on a monthly basis. The control system includes extensive sales reporting, a profit and loss account, estimates for turnover and profit, and operational key figures.