

Finnish Venture Capital Association – Transparency and Disclosure Guidelines 2018

Guidelines

These transparency and disclosure guidelines are a central part of developing an accountable venture capital and private equity industry, and through active dialogue are set to build greater understanding and generate trust towards the industry. The guidelines are intended to serve as a standard for transparency and disclosure of the venture capital and private equity industry in Finland.

These guidelines will primarily cover the management companies and the investment funds under their management, if

- The management company is a full member of the Finnish Venture Capital Association
- The management company actively participates in the development of the business of the portfolio companies

Balancing investors and funds of funds follow the guidelines as appropriate. The guidelines are not applied to Fund Investors (excluding the before mentioned Funds of Funds).

The use of the guidelines is based on a "comply or explain" practice, which is a common self-regulation principle. An individual guideline may be departed from if there is a justified reason for the deviation. For each deviation and its reasons, an explanation must be given to the association.

Guidelines to management companies and investment funds

Management company must maintain a website with up-to-date information on the following:

- a) General overview of ownership and management
- b) Short overview of the founding and history of the management company
- c) Contact info of the person most suitable to answer media inquiries
- d) Names, total committed capital and investment strategies of investment funds under management of the management company
- e) Breakdown of investors by type and geographical location of the individual investment fund
 - o Investors are classified as follows: pension companies, public sector, insurance companies, funds of funds, banks, corporate investors, family offices, private individuals, foundations and donations, academic institutions, other asset managers, or other.
 - o Geographical location is classified as follows: Finland, elsewhere in Europe and rest of the world.
- f) Description of the individual investment fund's portfolio companies, specifying: name of the target company, timing of the investment, industry, link to the company's website (if applicable)
- g) Information on the valuation principles of the individual investment fund
- h) Information on the guidelines applied to investor reporting.
- i) List of target companies which the individual investment fund has divested, and the exit year
- j) Information on the responsible investment policy applied

- k) Information on the status of the investor under the AIFM, including whether the company is: Licensed – and thus fully covered by the act on AIFM and supervision or Registered – and therefore only covered by the Act on AIFM to a limited extent
- l) Information about FVCA's membership and compliance with FVCA's rules and guidelines.

The management company updates the information on its website so that the information provided gives an up-to-date and accurate picture of the current activities. The information can be given in Finnish or English.

The management company is also encouraged to participate in the collection of surveys related to the association's research activities to promote transparency and disclosure of the industry.

If the transparency and disclosure guidelines conflict with binding regulation, the management company will have to comply with binding regulation instead of these guidelines.

In order to promote active dialogue with the media and the general public, the association maintains an up-to-date membership register available to the media and the general public. In addition, the association provides links to members' websites on its own website.