



Corporate Governance Statement 2021

1. INTRODUCTION

Talenom Plc complies with the full Finnish Corporate Governance Code 2020 issued by the Securities Market Association.

The Corporate Governance Code is available on the site of the Securities Market Association at www.cgfinland.fi.

In addition to the Corporate Governance Code, Talenom Plc complies in its decision-making and corporate governance with the Finnish Limited Liability Companies Act, securities market legislation, other legal provisions concerning listed companies, Talenom Plc's Articles of Association, and the rules and guidelines issued by Nasdaq Helsinki Ltd.

This CG statement is also available on the company's website at www.sijoittajat.talenom.fi/en.

2. CORPORATE GOVERNANCE

In accordance with the Limited Liability Companies Act and the Articles of Association, the highest responsibility for the governance and operations of Talenom is held by its governing bodies, which are the General Meeting of Shareholders, Board of Directors and CEO. The highest decision-making power is exercised by shareholders at General Meetings of Shareholders. The company is managed by its Board of Directors and CEO. The Executive Board assists the CEO in the management of operations.

GENERAL MEETING OF SHAREHOLDERS

The highest decision-making power at Talenom is exercised by the company's shareholders at General Meetings, in which the shareholders may exercise their right to speak, ask questions and vote. The decision on convening a General Meeting is made by the Board of Directors.

The Annual General Meeting is held each year on the date set by the Board of Directors within six months of the end of the financial period. Shareholders are entitled to present matters for consideration at the Annual General Meeting; in this, the company follows the procedure recommended in the Corporate Governance Code.

In accordance with the Articles of Association, the Annual General Meeting takes decisions on adopting the financial statements, the use of the profit shown in the balance sheet, releasing the members of the Board of Directors and CEO from liability, the number of members of the Board, and the remuneration of the members of the Board and the auditors. The Annual General Meeting also elects the members of the Board of Directors and auditors and handles any other matters included in the notice of meeting.

The notice of meeting is published on the company's Internet site no earlier than two months and no later than 21 days before the meeting, but in any case, at least nine days before the record date of the meeting as specified in the Limited Liability Companies Act. The meeting documents will be available on the company's Internet site for at least five years (www.sijoittajat.talenom.fi/en).

In accordance with the Corporate Governance Code, the meetings shall be attended by the Chairman of the Board, the members of the Board and the CEO. In addition, the auditor shall attend the Annual General Meeting. At meetings where new Board members are elected, the candidates must be present.

In 2021, the Annual General Meeting was held on 3 March 2021 in Helsinki.

BOARD OF DIRECTORS

According to Talenom's Articles of Association, the Board of Directors may consist of four to eight ordinary members. The General Meeting decides on the members and their number. The Board of Directors elects a Chairman from amongst its members for a term of one year. The company familiarises new Board members with the operations of the company.

Talenom's Board of Directors is responsible for the company's governance and proper organisation of operations. The Board of Directors has general competence to decide on all matters that are not reserved for the General Meeting of Shareholders or the CEO by law or the Articles of Association. The Board of Directors convenes as often as necessary to fulfil its obligations. The Board of Directors has a quorum when more than half of its members are present.

COMPOSITION AND ACTIVITIES OF THE BOARD OF DIRECTORS

The main duties and operating principles of the Board of Directors are defined in a written charter. According to the charter, the Board of Directors decides on the company's strategic policies, confirms the company's business plan and budget, and supervises aspects of performance. In addition, the Board of Directors directs and supervises the management of the company, appoints the CEO, and decides on the remuneration to be paid to the CEO and other terms and conditions of the CEO's contract. The Board of Directors also ensures that the company has set internal control and a risk management and disclosure policy, and that the company operates in the manner it has specified. In addition, the Board of Directors decides on strategically or financially significant investments, acquisitions and contingent liabilities, approves the company's financial policy and decides on the remuneration and incentive scheme.

As set out in the Corporate Governance Code, it is the task of the Board to assess the independence of its members. A majority of Board members must be independent of the company. In addition, at least two of the independent members must also be independent of the significant shareholders of the company.

The Board of Directors performs an internal self-assessment of its activities and working methods annually. Board members must have sufficient competence, knowledge of the sector and time to work on the Board. The composition of the Board must be sufficiently diverse. Members must have complementary experience and expertise. With respect to ensuring the diverse composition of the Board of Directors, the company seeks to take the age and gender balance of Board members and their educational background into consideration in addition to their experience, expertise and knowledge of the sector when preparing the composition of the Board. In the view of the company, it has ensured the diversity of the composition of the Board of Directors.

At the 2021 Annual General Meeting, Harri Tahkola (Chairman), Olli Hyypää, Mikko Siuruainen, Sampsa Laine and Johannes Karjula were reelected to the Board of Directors. Elina Tourunen was elected as a new member. The term of office of Board members ends at the conclusion of the next Annual General Meeting following their election.

The Board of Directors convened 13 times in 2021.

INFORMATION ON THE BOARD MEMBERS

Name	Education and year of birth	Main occupation	Independent of the company	Independent of significant shareholders	Attendance at Board meetings in 2021
Harri Tahkola (Chairman of the Board)	M.Sc. (Econ.), b. 1972	Entrepreneur, investor, Board professional	No	No	13/13
Olli Hyypä (Board member)	M.Sc. (Tech.), b. 1969	Senior Vice President & Chief Information Officer, NXP Semiconductors	Yes	Yes	13/13
Mikko Siuruainen (Board member)	B.B.A., M.B.A., b. 1975	Entrepreneur, investor, Board professional	Yes	Yes	13/13
Elina Tourunen (Board member)	M.Sc. (Econ.), C.F.A., b. 1980	CIO, eQ Asset Management Ltd	Yes	Yes	12/13
Johannes Karjula (Board member)	M.Sc. (Econ.), b. 1988	CEO and founder, Trustmary Group Oy, Trustmary Finland Oy, Vice President, Sesonkia Oy	Yes	Yes	13/13
Sampsa Laine (Board member)	M.Sc. (Econ.), b. 1969	Entrepreneur and Board professional	Yes	Yes	13/13

Talenom Plc's Board of Directors 31 Dec. 2021

HARRI TAHKOLA, M.SC. (ECON.), B. 1972

Finnish citizen



Chairman of the Board since 2017 and Board member since 1998.

Key work experience

Harri Tahkola worked at Talenom in many different positions between 1994 and 2016, most recently as Talenom's CEO from 2003 to 2016.

Key positions of trust

Harri Tahkola has served as the Chairman of the Board of Directors of Hacap Oy since 2016, Ducap Oy since 2011, and Omago Oy since 2017. In addition, he has been a member of the Boards of Alfa Finance Oy since 2014, MOCAPITAL OY since 2010 and Citinvest Oy since 2010.

Independence

Harri Tahkola is not independent of the company based on an overall assessment (more than 10 years on the Board of Directors). In addition, he is not considered to be independent of significant shareholders, as he owns more than 10% of the shares in the company.



OLLI HYYPPÄ, M.SC. (TECH.), B. 1969

Finnish citizen



Board member since 2015.

Key work experience

Olli Hyypä has served as Senior Vice President & Chief Information Officer at NXP Semiconductors since 2013 with responsibility for global information management. In addition, he worked as Vice President & Chief Information

Officer at ST Ericsson from 2009–2013, in various IT expert and management roles at Elektrobit Corporation in 1996–2009 and as a designer at Rautaruukki Corporation in 1992–1996.

Key positions of trust

Olli Hyypä has served as the Chairman of the Board of Directors of Hyypä Consulting Oy since 2018.

Independence

Olli Hyypä is independent of the company and its significant shareholders.

MIKKO SIURUAINEN, B.B.A., M.B.A., B. 1975

Finnish citizen



Board member since 2016 and in 2004–2015.

Key work experience

Mikko Siuruainen has worked as the CEO of Alfa Finance Oy since 2014 and the CEO of Citinvest Oy since 2010. Mikko Siuruainen worked for Talenom Plc in 2000–2016 in many roles, including Corporate Advisor, Consulting Manager, Unit Director, Head of the company's Oulu office and Vice President (2006–2016).

He also worked at Fortum Plc as a Financial Planner from 1999 to 2000.

Key positions of trust

Mikko Siuruainen has served as a Board member of the following companies: Suuntakivi Oy since 2016, Silta Partners Oy since 2016, and Virta Advisory Oy since 2016.

Independence

Mikko Siuruainen is independent of the company and its significant shareholders.

ELINA TOURUNEN, M.SC. (ECON.), C.F.A., S. 1980

Finnish citizen



Board member since 2021.

Key work experience

Elina Tourunen has been Chief Investment Officer in eQ Asset Management Ltd's Private Equity team since 2020. From 2015 to 2020, she worked for the European Investment Fund (EIF) in Luxembourg as a Senior Portfolio Manager in the Private Equity team. She has previously been Head of Private Equity and Debt at Etera Mutual Pension Insurance Company, before which she worked as a manager in Ernst & Young's Transaction team.

Key positions of trust

Elina Tourunen was a Board member at Tornator Oyj from 2012 to 2015 and at Futurice Ltd from 2012 to 2014. She has also served several Boards as a silent observer, including Hydroline Oy and Stafpoint Oy.

Independence

Elina Tourunen is independent of the company and its significant shareholders.

JOHANNES KARJULA, M.SC. (ECON.), B. 1988

Finnish citizen



Board member since 2017.

Key work experience

Johannes Karjula has been the CEO of Trustmary Group Oy, which he founded, since 2016, CEO of Trustmary Finland Oy since 2019, and Senior Vice President at Sesonkia Oy since 2015. In addition, Johannes Karjula was the CEO of LeadFlow Oy from 2014 to 2016 and a private entrepreneur from 2010 to 2015.

Key positions of trust

Johannes Karjula has served as the Chairman of the Board of Directors of Eeroplan Oy since 2016 and of the Board of Satokausikalenteri Media Oy since 2018. He also serves as a Board member at the following companies: Trustmary Group Oy since 2016, Sesonkia Oy since 2015, Molarum Salaojat Oy since 2015, Markkinointitoimisto WDS Oy since 2017 (in which he is also a partner), CX International Oy since 2017 and Trustmary Finland Oy since 2017. He previously served as a member of the Board of LeadFlow Oy from 2014 to 2016.

Independence

Johannes Karjula is independent of the company and its significant shareholders.

SAMPSA LAINE, M.SC. (ECON.), B. 1969

Finnish citizen



Board member since 2020.

Key work experience

Sampsa Laine has served as the Chairman of the Board of Directors of Grovroad Oy, which he founded, since 2013. He was responsible for the development of digital services for Nordea's corporate customers from summer 2017 to January 2020 and served as the Executive Vice President, Deputy Head of Banking Finland and Head of Business Banking (SMEs) at Nordea Finland in 2014–2017.

At Danske Bank, Laine served as the Global Head of Financial & Institutional Clients in 2012–2013 and as the Country Head of Danske Markets Finland in 2007–2011. He has been a part-time entrepreneur since 2003.

Key positions of trust

Sampsa Laine has served as the Chairman of the Board of Directors of Fundu Platform Oy since 2020 and as a member of the Board of Privanet Group Oyj since 2020.

Independence

Sampsa Laine is independent of the company and its significant shareholders.

CEO

The CEO manages Talenom's daily operations in accordance with the Limited Liability Companies Act and the instructions, rules and authorisations issued by the Board of Directors and ensures that the company's accounts comply with the law and that its financial affairs have been arranged in a reliable manner. The CEO reports to the Board of Directors. The CEO also directs and supervises the operations of Talenom and its business functions, is responsible for day-to-day operational management and implementation of strategy, as well as prepares matters to be handled by the Board of Directors and is responsible for their implementation.

The company's CEO is Otto-Pekka Huhtala, M.Sc. (Econ), b. 1980. Huhtala has served as CEO since 2019. and has worked at Talenom in a variety of positions since 2002. Prior to his appointment as CEO, he served the company for a long time as a member of the Executive Board and the head of accounting services, with responsibility for accounting service production and the development of the bookkeeping production line. He graduated from the University of Vaasa with a masters degree in economics, majoring in production economics.

OTHER MANAGEMENT

The Executive Board assists the CEO with matters such as preparing the strategy, operating principles and company-wide issues. The Executive Board is chaired by Talenom's CEO.

In 2021, the members of the Executive Board were

- Otto-Pekka Huhtala, CEO, M.Sc. (Econ.), b. 1980, employed by the company since 2002 and on the Executive Board since 2003, CEO since 2019
- Antti Aho, CFO and CHRO, M.Sc. (Econ.), KLT, b. 1979, employed by the company since 2003 and on the Executive Board since 2017
- Tuomas Iivanainen, Director, International Business, b. 1970, employed by the company since 2016 and on the Executive Board since 2019
- Juho Aho, Director, Accounting Services, B.B.A., M.Sc.A. (financial law), b. 1988, employed by the company since 2013 and on the Executive Board since 2019
- Juha Jutila, Director, Business Development, M.Sc. (Econ.), B.Sc. (Tech.), b. 1970, employed by the company since 2015 and on the Executive Board since 2019.

All members of the Executive Board are Finnish citizens.



DIRECT AND INDIRECT SHAREHOLDINGS OF BOARD MEMBERS, 31 DEC. 2021

Name	Number of shares held, 31 Dec. 2021	Proportion of total share capital, 31 Dec. 2021
Harri Tahkola (Chairman of the Board)	8,205,863	18.74%
Olli Hyyppä (Board member)	60,000	0.14%
Mikko Siuruainen (Board member)	624,716	1.43%
Elina Tourunen (Board member)	0	0.00%
Johannes Karjula (Board member)	2,812	0.01%
Sampsa Laine (Board member)	12,000	0.03%

The Board of Directors may establish committees if necessary due to the scope of Talenom's operations or to enable the Board to discharge its duties effectively. The Board did not establish any committees in 2021.

DIRECT AND INDIRECT HOLDINGS OF THE CEO AND EXECUTIVE BOARD, 31 DEC. 2021

Name	Number of shares held, 31 Dec. 2021	Number of shares earnable under the option and share-based incentive scheme (maximum)	Proportion of total share capital, 31 Dec. 2021	Shares earnable under the option and share-based incentive scheme as a proportion of the total share capital
Otto-Pekka Huhtala	387,160	289,000	0.88%	0.66%
Antti Aho	129,960	209,000	0.30%	0.48%
Juha Ahosola	16,614	179,000	0.04%	0.41%
Tuomas Iivanainen	72,296	143,000	0.17%	0.33%
Juha Jutila	41,700	143,000	0.10%	0.33%

3. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT

Risk management is part of Talenom's internal control. The company has a risk management policy, endorsed by the Board, which supports strategic and business objectives, and ensures the continuity of operations in all circumstances. The ability to take risks and manage them efficiently is a key factor in business success and creating shareholder value.

In accordance with the risk management policy approved by the Board of Directors, risk preparedness and identification are continuous and systematic activities, and are the responsibility of the management team. The management is responsible for defining, implementing and monitoring the implementation of measures as part of normal operational guidance.

Risk management is coordinated by the head of IT security and safety, who reports to the Group's CEO. The company's Board of Directors is provided, at least once a year, with a separate inventory of the risks and uncertainties that the Board of Directors uses to define

risk management measures. The company presents the key risks identified in the context of the financial statements.

INTERNAL CONTROL AND AUDIT

Internal control, together with risk management, sees to it that the company operates efficiently, publishes up-to-date and reliable information and complies with the regulations in force. Internal control is intended to ensure the efficiency and profitability of Talenom's operations, the reliability of information and conformity with applicable legal and operating principles. Internal control aims to enhance the realisation of the steering task of the Board of Directors. The Board of Directors and CEO are responsible for organising control.

The Board has primary responsibility for control of the company's financial position and financial management. The Executive Board and Board of Directors monitor Talenom's financial position on a monthly basis. This information is disclosed in accordance with Talenom's disclosure policy. Monthly reports to the Board of Directors comprise a key element of the company's financial control. The monthly report is comparatively extensive, ensuring that the Board is continuously informed about the company's performance in terms of operations, financial position and strategic objectives. Reporting supports the

development of operational controls and monitors the adequacy and effectiveness of controls.

Financial control is intended to detect any deviations in time. In addition, internal control of financial reporting aims to ensure that Talenom's operations are effective and that decision-making is based on correct and reliable information, with adequate identification of business risks. Internal control also ensures that financial reporting complies with generally accepted accounting principles and the laws and regulations that are in force. It is the responsibility of the Board of Directors to ensure that the internal control of accounting and financial management has been properly organised. The Board is also responsible for supervising the financial reporting process.

The company applies accounting standards by employing consistent recognition principles and reporting standards through the Group's Financial Management unit. The CFO is responsible for the Financial Management Unit together with the Administration Director and Controller. Therefore, the CFO, the Administration Director and the Controller are also responsible for supervising compliance with legislation and the Group's guidelines. The CFO reports any findings to the CEO and the Board of Directors.

The company has not considered it necessary to establish an audit committee. Furthermore, in view of the scope of operations, the company has not deemed it necessary to establish a separate internal audit organisation. In both cases, the Board of Directors is responsible and assesses the need for them annually. In connection with annual audit planning, the Board of Directors defines the key areas that it would be appropriate for the audit to focus on.

4. OTHER INFORMATION

INSIDERS

In insider matters, Talenom complies with the applicable legislation, the Guidelines for Insiders issued by Nasdaq Helsinki Ltd, as well as its own Guidelines for Insiders confirmed by the Board of Directors. Talenom promptly discloses any inside information directly relating to Talenom in accordance with the company's disclosure policy. However, if the company decides to delay the disclosure of inside information, a project-specific insider register is established for the information in question. When postponing the disclosure of inside information, the company complies with the delayed disclosure procedure of the Market Abuse Regulation. Persons with access to inside information on Talenom are immediately entered in the Insider List.

Talenom's managers with a duty of disclosure include the members of the Executive Board and Board of Directors. The persons with a duty of disclosure and their related parties as defined in the Market Abuse Regulation are obligated to report, both to the company and the Financial Supervisory Authority, any transactions they make on their own behalf with shares in the company, debt instruments or related derivatives, or other financial instruments without delay and in any case no later than three business days after the transaction.

In addition to financial instruments issued by the company, such as its shares, the duty of disclosure may concern, for instance, business transactions in an insurance wrapper or financial products when the financial instruments of the company account for more than 20% of the bundled product. In addition to acquisitions and disposals, the transactions to be disclosed may include, for example, pledges, donations or inheritances.

The obligation to notify arises when the total amount of transactions reaches the 5,000 euro threshold during a calendar year. Each individual is always responsible for complying with their obligation to notify, even if they have assigned the financial instruments to the custody of another person, such as a portfolio manager.

The company publishes releases on the transaction notifications it receives without delay and no later than three business days after the transaction.


Talenom complies with the closed window principle prior to the publication of results. During the closed window, persons discharging managerial responsibilities at Talenom (members of the Board of Directors, the CEO or their deputies and members of the Executive Board) and persons participating in the preparation of financial reports, or persons under their control or supervision, or controlled organisations as defined in chapter 2, section 4 of the Securities Markets Act may not trade in the financial instruments issued by the company during a period of 30 days prior to the publication of the company's business reviews, interim reports or financial statement bulletins. The company also recommends that related parties of those subject to the closed window should also comply with this trading restriction. In addition, the company recommends that its managers should make long-term investments in the company's securities and other financial instruments.

RELATED PARTIES

Talenom complies with the current regulations and the recommendations of the 2020 Corporate Governance Code for listed companies on the supervision and assessment of related-party activities.

Talenom's related-party guidelines are intended to ensure that related-party activities comply with market terms and are in the interests of the company's business in transactions involving related parties of the company. The company assesses and monitors that related-party transactions as a whole are in the interests of the company and that any conflicts of interest are taken appropriately into account in the company's decision-making. Disqualification regulations and the appropriate decision-making parties must be taken into consideration in preparatory work and decision-making concerning related parties as well as the assessment and approval of individual related-party business transactions. Talenom's Board of Directors decides on significant related-party activities, that is, any agreements or other legal actions with related parties that are not part of the company's ordinary business or which are not carried out under customary commercial terms. The principles of the related-party guidelines are complied with throughout the Group and in decision-making con-





ning all Group companies. Talenom's related parties include its subsidiaries, the key personnel of the management, including the Board of Directors, the CEO and the Group's Executive Board, and their family members. Related parties also include companies in which the above persons have control, either on their own or with their related parties.

Talenom maintains an up-to-date related-party list of related-party transactions between the company and its related parties, including the parties involved and the key terms and conditions. The information to be recorded on the list is collected from related-party individuals annually. The company reports on related-party activities regularly in its annual financial statements. The company discloses information as required by law in the report of the Board of Directors and notes to the financial statements. In addition, the company discloses related-party transactions as necessary pursuant to the Market Abuse Regulation, Securities Markets Act and the rules of the stock exchange.

COMMUNICATIONS AND INVESTOR RELATIONS

Talenom's communications seek to ensure that all market parties have equal and timely access to relevant and sufficient information to determine the prices of Talenom's financial instruments, such as its shares. The company seeks to create a continuous flow of information that is consistent, reliable, sufficient, and up-to-date in order to ensure that capital market actors have as transparent and clear a view as possible when assessing the company's financial position and the prices of its financial instruments. The company publishes information to the capital markets and other key stakeholders at the same time.

In its communications, Talenom adheres to the principle of providing equal access to information pursuant to the Securities Markets Act and Limited Liability Companies Act as well as the rules of Nasdaq Helsinki Ltd. Talenom's communications are based on facts: they provide a truthful picture of the company's operations, business environment, strategy, objectives and financial performance. The general

principles of communications are transparency, openness, honesty, equality and proactiveness. Talenom communicates about both positive and negative issues consistently and at the same time to all stakeholders.

Talenom publishes its stock exchange releases through Nasdaq Helsinki to key media in Finnish and English. All releases are published at the same time on the company's Internet site as well. In addition to its releases, Talenom's investor website – www.sijoittajat.talenom.fi/en – is its most important channel for communicating up-to-date information on its operations and finances to all stakeholders.

AUDIT

According to the Articles of Association, the General Meeting shall elect one regular auditor, which shall be an auditing firm approved by the Central Chamber of Commerce. The auditor's term of office ends at the conclusion of the Annual General Meeting following the election. The 2021 Annual General Meeting selected the auditing firm KPMG Ltd as the auditor, with Juho Rautio, Authorised Public Accountant, as the principal auditor.

The purpose of the audit is to verify that the financial statements provide a true and fair view of the company's performance and financial position in the financial period. The company's auditor provides the shareholders of the company with an auditor's report in connection with the company's annual financial statements, as required by law. A report on the audit of the financial period is submitted to the Board of Directors. The auditor and the Board meet at least once a year.

The Group paid the auditors a total of 149,343 euros in audit fees, 8,470 euros for certificates and statements and 10,987 euros for other services in 2021.