

Corporate Governance Statement 2022

1. INTRODUCTION

Talenom Plc complies in full with the 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.cg-finland.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 corporate governance statement is also available on the company's website at investors.talenom.com/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 the shareholders at the General Meetings. The company is managed by the Board of Directors and the CEO. The Executive Board assists the CEO in the management of operations.

GENERAL MEETING

The highest decision-making power at Talenom is exercised by the company's shareholders at the General Meeting where they 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 a 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 and the company follows the procedure recommended in the Corporate Governance Code. In accordance with the Articles of Association, the Annual General Meeting resolves on adopting the financial statements, the use of the profit shown in the adopted 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 website no earlier than two months and no later than 21 days before the meeting, however, always 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 website at investors.talenom.com/en for at least five years.

In accordance with the Corporate Governance Code, the Chairman of the Board, the members of the Board and the CEO shall attend the general meetings and virtual general meetings virtually. In addition, the auditor shall attend the Annual General Meeting and the virtual Annual General Meeting virtually. At gener-

al meetings where new Board members are elected, the candidates must be present and attend virtually in virtual general meetings. In 2022, the Annual General Meeting was held on 3 March 2022 in Helsinki. An Extraordinary General Meeting was held on 13 October 2022, where the option for attending a general meeting remotely or entirely without a physical meeting place was decided to be added to the Articles of Association.

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 amongst its members for a year at a time. 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 constitutes 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 operating plan and budget, and supervises the execution of these areas. In addition, the Board of Directors directs and supervises the company management, appoints the CEO, decides on the remuneration to be paid to the CEO and other terms and conditions of the CEO contract. The Board of Directors also ensures that the company has set internal control, as well as a risk management and disclosure policy, and that the company operates as it has specified. In addition, the Board of Directors decides on strategically or financial-

ly significant investments, acquisitions and contingent liabilities, approves the company's financial policy and decides on the remuneration and incentive scheme of the company.

As set out in the Corporate Governance Code, the Board of Directors is responsible for assessing 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 significant shareholders of the company.

The Board of Directors annually performs an internal self-assessment of its activities and working methods. Members of the Board of Directors must have sufficient competence and knowledge of the sector, as well as enough time for Board work. The composition of the Board must be sufficiently diverse. Members must have experience and expertise that complement each other. To ensure diverse composition of the Board of Directors, the company seeks to take the age and gender breakdown and the educational background of Board members into consideration in addition to their experience, expertise and knowledge of the sector when preparing the composition of the Board. The aim has been representation of both genders on the Board and the Board feels that this goal has been achieved. The Board continues to assess the diversity principles and objectives.

At the 2022 Annual General Meeting, Harri Tahkola (Chairman), Olli Hyypä, Mikko Siuruainen, Sampsa Laine, Johannes Karjula and Elina Tourunen were re-elected to the Board of Directors. 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 18 times in 2022.

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 2022
Harri Tahkola (Chairman of the Board)	M.Sc. (Econ.), b. 1972	entrepreneur, investor, Board professional	No	No	18/18
Olli Hyyppä (member of the Board)	M.Sc. (Tech.), b. 1969	Senior Vice President & Chief Information Officer, NXP Semiconductors	Yes	Yes	18/18
Mikko Siuruainen (member of the Board)	B.B.A., M.B.A., b. 1975	entrepreneur, investor, Board professional	Yes	Yes	18/18
Elina Tourunen (member of the Board)	M.Sc. (Econ.), C.F.A., b. 1980	CIO, eQ Asset Management Ltd	Yes	Yes	18/18
Johannes Karjula (member of the Board)	M.Sc. (Econ.), b. 1988	CEO and founder, Trustmary Group Oy	Yes	Yes	18/18
Sampsa Laine (member of the Board)	M.Sc. (Econ.), b. 1969	entrepreneur and Board professional	Yes	Yes	17/18

Talenom Plc's Board of Directors 31 Dec. 2022

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 in 1994-2016, most recently as Talenom's CEO in 2003-2016.

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, Omago Oy since 2017, Pitomaalaus Oy since 2020, Matkaparkki.com Oy since 2020, Tukkunet Oy since 2010, as well as Padel Ylivieska Oy, Padel Ni-

vala Oy, Padel Kemi Oy, Padel Ii Oy, and Padel Haapajärvi Oy since 2022. In addition, he has been a Board member of Alfa Finance Oy since 2014, Toivo Group Oyj since 2021, A-Perustus Oy since 2022, Virta Kasvusijoitus Oy since 2021, Clara Nordic Oy since 2021, 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 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 Hyyppä 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 in 2009–2013, in various IT expert and management roles at Elektrobitt Corporation in 1996–2009 and as a designer at

Rautaruukki Corporation in 1992–1996.

Key positions of trust

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

Independence

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

MIKKO SIURUAINEN, BBA, MBA, B. 1975

Finnish citizen

Board member since 2016, and in 2004–2015

Key work experience

Mikko Siuruainen has served as an entrepreneurial partner and Chairman of the Board of Directors of Virta Growth Partners Oy since 2019 and as the Chairman of the Board of Directors at, e.g., Virta Kasvusijoitus Oy. He has also worked as the CEO of Alfa Finance Oy since 2014 and the CEO of Citinvest Oy since 2010. Siuruainen has 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 in 2006–2016.

He also worked at Fortum Plc as a Financial Planner in 1999–2000.

Key positions of trust

Mikko Siuruainen has served as a Board member of the following companies: Suuntakivi Oy since 2016, Virta Growth Partners Oy since 2019 and Virta Kasvusijoitus Oy since 2021.

Independence

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

ELINA TOURUNEN, M.SC. (ECON.), CFA, B. 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. In 2015–2020, 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 has been a Board member at Tornator Oyj in 2012–2015 and Futurice Oy in 2012–2014. She has also served several Boards as a silent observer, incl. Hydroline Oy and Staffpoint Oy.

Independence

Elina Tourunen 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 been CEO of the Manna&Co Group since 2022. Laine 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 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 Board member of Privanet Group Oyj since 2020. Sampsa Laine has been the founder and Chairman of the Board of Growroad Oy since 2013.

Independence

Sampsa Laine 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 CEO of Turstmary Group Oy which he founded since 2016. In addition, Johannes Karjula was the CEO of LeadFlow Oy in 2014–2016 and a private entrepreneur in 2010–2015

companies: Trustmary Group Oy since 2016, Sesonkia Oy since 2015, Molarum Salaojat Oy since 2015, and Trustmary Finland Oy since 2017, as well as a Board member of Markkinointitoimisto WDS Oy since 2017 and Chairman of the Board since 2022. He previously served as a Board member of LeadFlow Oy in 2014–2016.

Independence

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

Key positions of trust

Johannes Karjula has served as the Chairman of the Board of Directors of Eeroplan Oy since 2016 and a Board member of Satokausi Media Oy since 2018. He also serves as a Board member at the following

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 legislation and that its financial management is organised 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. Huhtala has worked in various positions at Talenom since 2002. Prior to his appointment as CEO, he served the company for a long time as a member of the Executive Board and head of accounting services, with responsibility for accounting service production and development of the bookkeeping production line. He graduated from the University of Vaasa with a Master's degree in economics, majoring in industrial engineering.

OTHER MANAGEMENT

The Executive Board assists the CEO in preparing, among other things, the strategy, operating principles and company-wide issues. The Executive Board is chaired by Talenom's CEO.

In 2022, 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, Executive Vice President, (M.Sc. (Econ.), accounting degree, b. 1979), employed by the company since 2003 and on the Executive Board since 2017
- Tuomas Iivanainen, CMO, (M.Sc. (Tech.), b. 1970), employed by the company since 2016 and on the Executive Board since 2019
- Juho Ahosola, COO & CHRO (BBA, M.Sc.A. (financial law), b. 1988), employed by the company since 2013 and on the Executive Board since 2019
- Matti Eilonen, CFO (Bachelor's Degree in Accounting and Finance, b. 1976), employed by the company since 2013 and on the Executive Board since 2022
- Olli Lätti, Commercial Director, (M.Sc. (Tech.), b. 1979), employed by the company since 2020 and on the Executive Board since 2022
- Juha Jutila, Director, Business Development, (M.Sc. (Econ.), B.Sc. (Tech.), b. 1970), employed by the company since 2015 and on the Executive Board in 2019-2022.

All members of the Executive Board are Finnish citizens.

DIRECT AND INDIRECT SHAREHOLDINGS OF BOARD MEMBERS, 31 DEC. 2022

Name	Number of shares held, 31 Dec. 2022	Proportion of total share capital, 31 Dec. 2022
Harri Tahkola (Chairman of the Board)	7,940,015	17.67%
Olli Hyyppä (Board member)	60,000	0.13%
Mikko Siuruainen (Board member)	604,716	1.35%
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 can establish committees if the scope of Talenom's business or efficient handling of the Board of Directors' tasks so requires. The Board of Directors did not establish any committees in 2022.

DIRECT AND INDIRECT SHAREHOLDINGS OF THE CEO AND EXECUTIVE BOARD, 31 DEC. 2022

Name	Number of shares held, 31 Dec. 2022	Number of shares earnable under the option and share-based incentive scheme (maximum)	Proportion of total share capital, 31 Dec. 2022	Shares earnable under the option and share-based incentive scheme as a proportion of the total share capital
Otto-Pekka Huhtala	387,160	199,000	0.86%	0.44%
Antti Aho	129,433	142,000	0.29%	0.32%
Juho Ahosola	20,614	121,000	0.05%	0.27%
Tuomas Iivanainen	72,296	163,000	0.16%	0.36%
Matti Eilonen	91,392	56,000	0.20%	0.12%
Olli Lätti	0	35,000	0.00%	0.08%

3. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT

Risk management is part of Talenom's internal control and auditing process. The company has a risk management policy, approved by the Board, which supports achieving 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 that 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 management.

Risk management is coordinated by the Chief Compliance Officer who reports to the Group's CEO. The company's Board of Directors is provided, at least once a year, with an analysis of risks and uncertainties separate from ongoing risk management based on which the Board of Directors defines risk management measures. The company presents the key risks identified in the context of the financial statements.

INTERNAL CONTROL AND AUDIT

Together with risk management, internal control ensures that the company operates efficiently, publishes up-to-date and reliable information and complies with the regulations in force. The objective of internal control is 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 improve 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 controlling the company's financial position and financial management. The Executive Board and Board of Directors monitor Talenom's financial position monthly and the 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 relatively 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.

The basis for financial control is that any deviations are detected in time. In addition, internal control of financial reporting aims to ensure that Talenom's operations are effective and decision-making is based on correct and reliable information, and adequate identification of business risks. Internal control also ensures that financial reporting complies with generally accepted accounting principles and existing legislation and regulations. The Board of Directors is responsible for ensuring that the internal control of accounting and financial management is 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 Group Financial Controller and Accounting Manager. Therefore, the CFO, Group Financial Controller and Accounting Manager 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. Responsibility for the tasks of the audit committee and internal audit organisation lies with the Board of Directors that also assesses the need for them annually. In connection with annual audit planning, the Board of Directors defines the appropriate key areas for the audit to focus on.

4. OTHER INFORMATION

INSIDERS

In insider matters, Talenom complies with 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 fund 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 disclose arises when the total amount of transactions reaches the EUR 5,000 threshold during a calendar year. Each individual is always responsible for complying with their obligation to disclose, even if they have assigned the management of the financial instruments to 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 with managerial responsibilities at Talenom (members of the Board of Directors, the CEO or their deputies and members of the Executive Board) or 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 also comply with this trading restriction. In addition, the company recommends that its managers should make long-term investments in securities and other financial instruments issued by the company.

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 en-

sure 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 considered appropriately in the company's decision-making. Disqualification regulations and the appropriate decision-making parties must be considered 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 transactions, i.e., any agreements or other legal actions with related parties that are not part of the company's ordinary business or are not carried out under customary commercial terms. The principles of the related-party guidelines are applied throughout the Group and in decision-making concerning all Group companies. Talenom's related parties include its subsidiaries, key persons in company 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 key terms and conditions. The information included in the list is collected annually from persons related to the company. The company reports related-party activities regularly in its annual financial statements. The company discloses information as required by law in the Board of Directors' report 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

The aim of Talenom's communications is to ensure that all market participants have relevant and sufficient information at their disposal, simultaneously and without delay, to determine the price of Talenom's financial instruments, such as its share. The company's objective is to continuously produce consistent, reliable, sufficient, and up-to-date information to the market to ensure that the parties to the capital markets have the most transparent and clear view of the company that can be used to assess the company's financial situation and the prices of financial instruments. The information provided by the company is published to the capital markets and other key stakeholders simultaneously.

In its communications, Talenom applies the principle of equal access to information under the Securities Markets Act and the Limited Liability Companies Act, as well as the rules of the Nasdaq Helsinki Stock Exchange. Talenom's communication is based on facts: communication gives a truthful picture of the company's operations, operating environment, strategy, objectives, and financial performance. The general principles of communication are transparency, openness, honesty, impartiality, and being active. Talenom consistently communicates on both positive and negative issues simultaneously to all its stakeholders.

Talenom publishes its stock exchange releases through Nasdaq Helsinki to key media in Finnish and English, and if necessary, in other languages. All releases are also published simultaneously on the company's website. In addition to the releases, Talenom's investor site investors.talenom.com/en is the main communication channel for information on the company's operations and finances to communicate up-to-date information to all stakeholders.

AUDIT

According to the Articles of Association, the General Meeting elects one regular auditor, which must be an auditing firm approved by the Central Chamber of

Commerce. The term of the auditor ends at the close of the next Annual General Meeting after the election. The 2022 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 company's shareholders with the auditor's report in accordance with legislation in connection with the company's annual financial statements. 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 EUR 184,136 in audit fees, EUR 11,800 for certificates and statements and EUR 41,773 for other services in 2022.