

Digia Plc's Corporate Governance Statement 2019

General

This Statement has been issued separately from the Report of the Board of Directors.

Digia Plc's (hereinafter "Digia") corporate governance system is based on the Companies Act, the Securities Markets Act, general corporate governance recommendations, the company's Articles of Association and its in-house rules and regulations on corporate governance. The company (and this Statement) adheres to the Governance Code for Listed Finnish Companies issued by the Finnish Securities Market Association, which entered into force on 1 January 2020. The Corporate Governance Code can be read on the Finnish Securities Market Association's website www.cgfinland.fi.

Digia's corporate governance principles are integrity, accountability, fairness, and transparency. This means that:

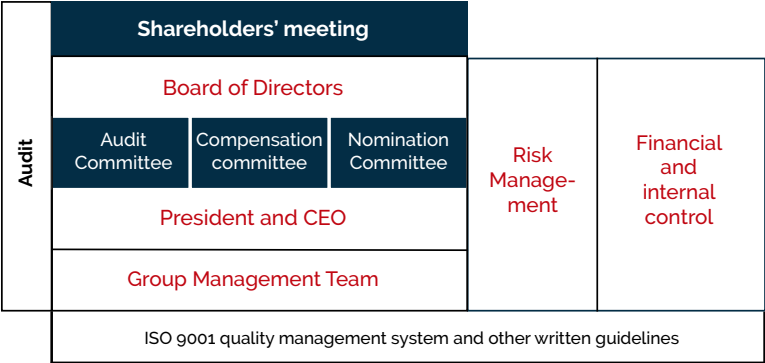
- » The company complies with applicable legislation and regulations.
- » When organising, planning, managing and running its business operations, the company abides by the applicable professional requirements that have been generally approved by its Board members, who demonstrate due care and responsibility in performing their duties.
- » The company is prudent in the management of its capital and assets.
- » The company's policy is to keep all parties in the market actively, openly and equitably informed of its businesses and operations.
- » The company's management, administration and personnel are subject to the appropriate internal and external audits and supervision.

Shareholders' Meeting

Digia's highest decision-making body is the Shareholders' Meeting at which shareholders exercise their voting rights on company matters. The Annual General Meeting (AGM) is held once a year before the end of June on a date

General Overview of Governance

Responsibility of Digia's operations is held by the Shareholder's meeting, Board of Directors, and the President & CEO assisted by the Group Management Team.



set by the Board of Directors. Each company share entitles the holder to one vote at a Shareholders' Meeting.

The Annual General Meeting should convene annually within three months of the date on which the fiscal year ends. An Extraordinary General Meeting must be held if the Board of Directors deems it necessary or if requested in writing by a company auditor or shareholders holding a minimum of 10 per cent of the company's shares, for the purpose of discussing a specific issue.

The Finnish Companies Act and Digia's Articles of Association define the responsibilities and duties of the Shareholders' Meeting. Extraordinary General Meetings decide on the matters for which they have been specifically convened. In order to participate in a Shareholders' Meeting, a shareholder must be entered in the Digia shareholder register maintained by Euroclear Finland Oy on the record date for the Shareholders' Meeting, and must also have registered for the meeting at the latest by the date given in the invitation.

The Chair of the Board, Members of the Board, auditor, anyone nominated for the Board, and the President & CEO should be present at Shareholders' Meetings.

The minutes of Shareholders' Meetings will be available for shareholders to read on the company's Internet site at www.digia.com/en/investors/governance/annual-general-meeting/ within two weeks of the meeting. The decisions made at Shareholders' Meetings will also be published in a stock exchange release immediately after the meeting.

Shareholders have the right to add a relevant item (as specified in the Companies Act) to the agenda for the Shareholders' Meeting, as long as the request is made in writing to the Board of Directors in time for the item to be added to the notice of meeting. Digia will announce the date by which shareholders must present a requested AGM agenda item to the company's Board of Directors. This deadline will be published on Digia's website. The date will be announced at the latest by the end of the fiscal year preceding the Annual General Meeting.

The 2019 Annual General Meeting was held on 15 March 2019. More information about the decisions made at this meeting are available at www.digia.com/en/investors/governance/annual-general-meeting/agm-2019/. No Extraordinary General Meetings were held in 2019.

Board of Directors

Activities and tasks

The Board of Directors is elected by the Shareholders' Meeting, and is in charge of Digia's administration and the appropriate organisation of the company's operations. Under the Articles of Association, the Board of Directors must consist of a minimum of four and a maximum of eight members. The Nomination Committee will present the Shareholders' Meeting with its proposal for the composition of the new Board of Directors to be appointed.

The majority of Board members must be independent of the company and a minimum of two of those members must also be independent of the company's major shareholders. Neither the CEO nor other company employees working under the CEO's direction may be elected members of the Board.

The term of all Board members expires at the end of the Annual General Meeting following their election. A Board member can be re-elected without limitations on the number of successive terms. The Board of Directors elects its Chair and Vice Chair from amongst its members.



Board Diversity Policy

The Board of Directors has defined a Board diversity policy. It states that the requirements of the company's size, market position and industry should be duly reflected in the Board's composition. The Board should include members of both genders. It should be ensured that the Board as a whole will always have sufficient expertise in the following areas in particular:

- » the company's field of business;
- » managing a company of similar size;
- » the nature of a listed company's business operations;
- » management accounting;
- » risk management;
- » mergers and acquisitions; and
- » board work.

The composition of the 2019 Board of Directors was successfully in line with Digia's diversity policy.

The Board of Directors' rules of procedure

The Board has prepared and approved written rules of procedure for its work. In addition to the Board duties prescribed by the Companies Act and other rules and regulations, Digia's Board of Directors is responsible for the items in its rules of procedure, observing the following general guidelines:

- » Good governance requires that, instead of needlessly interfering in routine operations, the Board of Directors should concentrate on furthering the company's short- and long-term strategies;
- » The Board's general task is to steer the company's business with a view to maximising shareholder value over the long term, while taking account of the expectations of various stakeholder groups; and
- » Board members are required to act on the basis of sufficient, relevant and up-to-date information in a manner that serves the company's interests.

The Board of Directors' rules of procedure cover the following tasks:

- » Defines the Board's annual action plan and provides a preliminary meeting schedule and framework agenda for each meeting;
- » Provides guidelines for the Board's annual self-assessment;
- » Provides guidelines for distributing notices of meetings and advance information to the Board, and procedures for keeping and approving minutes;

- » Defines job descriptions for the Board's Chairperson, members and Secretary (the latter position is held by the General Counsel or, if absent, the CEO); and
- » defines frameworks within which the Board may set up special committees or working groups.

The Board evaluates its activities and working methods each year, employing an external consultant to assist when necessary.

The Board convened a total of 13 times during the 2019 fiscal year, with an attendance rate of 98.7 per cent.

Independence of the members of the Board of Directors

The Board of Directors assesses the independence of its members on an annual basis. Of the current members of the Board, Martti Ala-Härkönen, Santtu Elsinen, Päivi Hokkanen, Seppo Ruotsalainen and Outi Taivainen are independent of the company and its major shareholders. Robert Ingman is independent of the company. Robert Ingman is not independent of the company's major shareholders due to his holdings in related parties.

Committees of the Board of Directors

During the 2019 fiscal year, Digia's Board of Directors had three (3) committees: the Compensation Committee, the Audit Committee, and the Nomination Committee.

These committees do not hold powers of decision or execution; their role is to assist the Board in decision-making concerning their areas of expertise. The committees report regularly on their work to the Board, which has decision-making and collegial responsibility over their actions.

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in ensuring that the company's financial reporting, accounting methods, financial statements and any other financial information provided by the company comply with legislation and are balanced, transparent and clear. In addition, the Audit Committee monitors and assesses the effectiveness of the risk management systems and the internal control and audit as well as how agreements and other legal matters between the company and its related parties comply with the requirements set for market terms and normal business operations. The Audit Committee monitors and assesses the independence of the auditor and particularly its provision of non-audit services. The Audit Committee also monitors the company's audit and prepares the selection of the company's auditor. During the 2019 fiscal year, the Audit

Committee consisted of Seppo Ruotsalainen (Chair), Santtu Elsinen and Martti Ala-Härkönen. The committee convened four times during the fiscal year, with full attendance.

Compensation Committee

Digia's Compensation Committee is tasked with preparing and following the remuneration policy for governance bodies and management remuneration schemes in order to ensure that the company's targets are met, that the objectivity of decision-making is maintained, and that the schemes are transparent and systematic. In 2019, the Compensation Committee consisted of Päivi Hokkanen (Chair), Robert Ingman and Outi Taivainen. The committee convened four times during the fiscal year, with full attendance.

Nomination Committee

The Nomination Committee prepares proposals for the Annual General Meeting on (a) the number of members of the Board of Directors, (b) the members of the Board of Directors, (c) the remuneration for the Chair, Vice Chair and members of the Board of Directors, and (d) the remuneration for the Chair and members of the committees of the Board of Directors. During the 2019 fiscal year, the Nomination Committee consisted of Seppo Ruotsalainen (Chair), Martti Ala-Härkönen and Robert Ingman. The committee convened three times during the fiscal year, with full attendance.

CEO

The company's Chief Executive Officer is appointed by the Board of Directors. The CEO is in charge of Digia's business operations and administration in accordance with the instructions and regulations issued by the Board of Directors, and as defined by the Finnish Limited Liability Companies Act. The CEO may take exceptional and far-reaching measures, in view of the nature and scope of the company's activities, only if so authorised by the Board of Directors. The CEO chairs the Group Management Team's meetings. The CEO is not a member of the Board of Directors, but attends Board meetings.

The Board of Directors approves the CEO's service contract, which contains a written definition of the key terms and conditions of the CEO's employment. Timo Levoranta has been President & CEO of Digia Plc since 1 May 2016.

Group Management Team

The Group Management Team supports the President & CEO in the routine management of the company. The Compensation Committee approves the appointments of the members of the Group Management Team and decides on the terms and conditions of their service contracts on the basis of the CEO's proposal. Digia follows the one-over-one principle in Group Management Team and other appointments.

The CEO chairs meetings of Digia's Management Team. The Management Team consisted of ten members on 31 December 2019. The Team meets once every two weeks to assist the CEO in the preparation and implementation of strategy, operative management, and preparing items for consideration by the Board of Directors. The Team draws up annual action and financial plans, sets their associated targets, and monitors their progress. It also prepares significant investments, mergers and acquisitions. The CEO is responsible for the Management Team's decisions. Members of the Management Team are tasked with implementing these decisions within their own areas of responsibility.

Members of Digia Plc's Board of Directors in 2019

Member of the Board	Born	Education	Main occupation	Holding on 31 Dec 2019 *	Member since
Martti Ala-Härkönen	1965	DSc (Econ.), Lic.Sc. (Tech.)	CFO, Caverion	20,000	2016
Sanftu Elsinen	1972	BSc.-level studies in economics	Senior Vice President & Chief Digital Officer, Alma Media	0	2018
Päivi Hokkanen	1959	DSc (Econ.)	CEO, ITprofs Oy	10,833	2012
Robert Ingman, Chair	1961	MSc. (Tech.), MSc. (Econ.)	Chair of the Board, Ingman Group	7,026,000	2010
Seppo Ruotsalainen, Vice Chair	1954	Lic.Sc. (Tech.)	Board professional	6,000	2012
Outi Taivainen	1968	MSc. (Econ.)	Partner, Rethink Leadership	289	2018

* Includes related parties and related party holdings

The attendance of Board and Committee members at meetings in 2019

	Board Meetings	Audit Committee	Compensation Committee	Nomination Committee
Martti Ala-Härkönen	12/13	4/4		3/3
Sanftu Elsinen	13/13	4/4		
Päivi Hokkanen	13/13		4/4	
Robert Ingman	13/13		4/4	3/3
Seppo Ruotsalainen	13/13	4/4		3/3
Outi Taivainen	13/13		4/4	

Management Team members on 31 Dec 2019

Name	Born	Education	Area of responsibility	Holding on 31 Dec 2019 *	Member since
Timo Levoranta	1965	MSc. (Tech.), MSc. (Econ.)	President & CEO	48,607	2016
Pia Huhdanmäki	1969	LL.M.	Senior Vice President, HR and Culture	0	2018
Juhana Juppo	1971	MSc. (Computer Science)	Chief Technology Officer (CTO)	0	2016
Mika Kervinen	1968	LL.M., with court training	General Counsel	2,255	2016
Jukka Kotro	1961	Vocational Qualification in Business Information Technology	Senior Vice President, Digia Business Platforms	200	2017
Tuomo Niemi	1962	MSc. (Econ.), MSc. (Tech.)	Senior Vice President, Digia Financial Platforms	0	2017
Ari Rikkilä	1967	MSc. (Tech.)	Senior Vice President, Sales and Marketing	20	2017
Kristiina Simola	1965	MSc. (Econ.)	CFO	1,650	2017
Harri Vepsäläinen	1974	BBA	Senior Vice President, Digia Digital	0	2018
Teemu Virtanen	1978	BSc.	Senior Vice President, Digia Business Connect	6,371	2016

* Includes related parties and related party holdings

Internal control and risk management related to financial reporting

Control functions and control environment

The company has a controller function that reports to the CFO and is tasked with ensuring the accuracy of monthly financial reporting. The CFO reports on the financial performance of the company and its divisions to Management, the Board of Directors, and the Board's Audit Committee.

The company uses a reporting system that compiles subsidiaries' reports into consolidated financial statements. There are also written directives for completing the financial reports of subsidiaries. The company's CFO monitors compliance with these instructions. The company also has the separate reporting facilities required for monitoring business operations and asset management.

The Group's financial administration compiles interim financial statements and consolidated financial statements. This financial administration unit has centralised control over the Group's funding and asset management, and is in charge of managing interest rate risks.

Internal control

Internal control helps to ensure the reliability of the Digia Group's financial reporting. Digia's financial administration unit provides guidance on financial reporting matters. The Group's business is divided into areas of responsibility led by Senior Vice Presidents (SVPs) reporting to the CEO. Reporting and supervision are based on annual budgets that are reviewed monthly, on monthly income reporting, and on updates of the latest forecasts.

The SVPs report to the Group Management Team on development matters, strategic and annual planning, business and income monitoring, investments, potential acquisition targets and internal organisation matters related to their areas of responsibility. Each area of responsibility also has its own management team.

Digia's operational management and supervision adhere to the corporate governance system described above.

Digia has not yet established a separate function responsible for internal auditing. The need for an internal audit function is regularly assessed. With the company's current business volume, its legal and financial management functions are able to handle internal auditing tasks.

Risk management and major risks

The purpose of the company's risk management process is to identify and

manage risks in a way that enables the company to attain its strategic and financial targets. Risk management is a continuous process by which the major risks are identified, listed and assessed, the key persons in charge of risk management are appointed, and risks are prioritised according to an assessment scale that compares the effects and mutual significance of risks. Part of this process involves identifying, planning and implementing risk management measures, and then monitoring their impact.

The main operational risks monitored under Digia's risk management are related to customers, personnel, deliveries, IT, data security and protection, immaterial rights, and goodwill.

The company manages customer risks by actively developing its customer portfolio structure and avoiding any potential risk positions.

Personnel risks are evaluated and managed using a quarterly performance review and development discussion process in which key personnel participate. To enhance personnel commitment, the company strives to systematically improve the efficiency of internal communications via regular personnel events and by increasing the management's visibility. Two major personnel-related risks are competence development and finding the correct expertise. These risks are systematically managed by developing our personnel's competence and through continual recruitment management and subcontractor management.

Internal – and as required also external – audits of major projects and continuous services are conducted with a view to enhancing project and service risk management and securing the success of customer deliveries. The Group's certified quality systems are evaluated regularly. Delivery reporting practices and project management operating models have become an established part of quality operations in 2019. Digia uses an ISO 9001-certified quality management system (Core Process Model) whose processes are utilised in all operations with a view to providing an optimal customer experience.

Audits are carried out to manage data security and protection risks, and the company also continually develops working models, practices and processes that promote data security and protection. Security training for all personnel is organised as required.

The Management Team is tasked with systematically managing risks associated with business integration, shared operating models and best practices, as well as their integrated development. The typical risk in the software business relates to appropriate protection for the company's own immaterial property rights (IPRs) and violation of third parties' IPRs. These are managed through extensive internal policies, standard contracts, and appropriate supervision and analysis.

With respect to IFRS-compliant accounting policies, the Group actively monitors goodwill and its associated impairment tests as a part of prudent and proactive risk management practices within financial management.

Digia has assessed the corporate liability risks associated with its own operations and business relations, and has adequate and appropriate processes in place to predict and take precautions against these risks.

In addition to operational risks, the company is subject to financial risks. Digia Plc has centralised internal and external financing and the management of financial risks within the finance function of the Group's parent company. This function is responsible for the Group's liquidity, the sufficiency of financing, and the management of interest rate and currency risks. The Group is exposed to several financial risks in the normal course of business. The Group's risk management seeks to minimise the adverse effects of changes in financial markets on the Group's earnings. The primary types of financial risks are interest rate risk, credit risk, and funding risk. The general principles of Digia's risk management are approved by the Board of Directors, and the Group's finance function and business divisions are jointly responsible for their practical implementation.

Insider issues

Digia complies with the current Guidelines for Insiders issued by Nasdaq Helsinki. Digia also adheres to its own insider guidelines, which supplement Nasdaq Helsinki's guidelines. Digia's General Counsel is responsible for insider issues.

Insiders

Digia's insiders are divided into:

- 1. permanent insiders, which include the CEO and members of Digia's Board of Directors and Management Team;
- 2. project-specific insiders, which include those who receive insider information relating to a specific project due to their position or tasks;
- 3. a list of those who receive financial information.

Permanent insiders are not listed in project-specific insider registers.

Management's business transactions

Members of Digia's Management and those in their close circle must report all business transactions that involve Digia's financial instruments and are worth more than EUR 5,000 to both Digia and the Financial Supervisory Authority.



The managerial positions covered by this obligation are: the CEO, members of the Management Team, and members of Digia's Board of Directors.

Digia will issue a stock exchange release on all personal business transactions made by members of Digia's Management and those in their close circle. These releases will be issued within three (3) days of the transaction. Digia also keeps a record of this information on the company's website.

Closed window

Anyone working in a managerial position at Digia, or who otherwise receives financial information, may not trade in the company's securities during a period of 30 days before the publication of one of the company's business reviews, half-year reports or financial statement bulletins. Project-specific insiders may not trade in the company's securities whilst the project is ongoing.

Reporting misconduct

Digia Plc has a 'whistle blowing' channel for reporting suspected market abuse. This channel seeks to promote compliance with good governance in the company's routine activities, and to prevent and detect misconduct.

It can be used to report market abuse and the violation of operating principles, regulations and instructions, either confirmed or suspected.

Anyone can make an anonymous report using the form on Digia's intranet. All reports are directed to Digia's legal unit.

All reports will be processed confidentially and professionally in accordance with the Personal Data Act, with regard to both the informant and suspect.

Related party transactions

According to the Corporate Governance Code, the company must assess and monitor its business transactions with related parties and ensure that any conflicts of interest are taken appropriately into consideration in the company's decision-making. The company's related parties are defined in accordance with the Companies Act as the related parties of a listed company (IAS 24). Digia has issued related party guidelines to the CEO and the members of the Board of Directors and Management Team. The company maintains an up-to-date register of related party companies and persons and the grounds of the related party relationships in order to enable the monitoring of related party transactions.

Business managers are tasked with identifying related parties and related party transactions prior to undertaking them. Managers and the legal department together assess whether the related party transactions are part of

the company's normal business operations and whether ordinary commercial terms apply to them.

If the intended related party transactions are of material significance to Digia and deviate from Digia's normal business operations, or would be carried out in deviation from ordinary market terms, the decision on whether to go ahead with the transaction must be made by the company's Board of Directors.

Digia's related party transactions are disclosed in the notes to the consolidated financial statements. The related party transactions are not material from the perspective of the company, do not deviate from the normal business operations of the company and have been made under ordinary market terms.

Auditor and auditor's fees

Digia has one official auditor, who must be a KHT auditor or KHT audit firm approved by the Auditing Board of the Central Chamber of Commerce. The auditor is elected until further notice.

The Annual General Meeting elects the auditor and decides on their fees. KPMG Oy Ab, a firm of Authorised Public Accountants, is the Group's auditor. Virpi Halonen, Authorised Public Accountant, has been chief auditor since 2015.

Auditor's fees in 2019

EUR 1,000	2019
Audit	88
Other statutory duties	10
Tax counselling	2
Other services	11
Total	111

Digia's Board of Directors on 31 Dec 2019

Robert Ingman

Chair of the Board of Directors

b. 1961, MSc. (Tech.), MSc. (Econ.)

Digia Board Member since 2010, Vice Chair of the Board 2012–2018, Chair of the Board since 2018. Member of the Board's Nomination Committee and Compensation Committee.

Chair of the Board of Directors

M-Brain Ltd, 2018– (member of the board 2011–2018)
Qt Group Plc, 2016–
CRI Invest & Consulting Ltd, 2014–
Etteplan Plc, (2009), 2013–
Ingman Development Ltd, 2013–
Halti Ltd, 2012–
Ingman Group Ltd, 2009–
Oy Ingman Finance Ltd, 2009–

Member of the Board

Ingman Baltic Sea Finance Ltd, 2015–, PK Oliver Ltd, 2013–, Massby Facility & Services Ltd, 2012–, Evli Bank Plc, 2010–
Independent of the company.



Martti Ala-Härkönen

Member of the Board

b. 1965, DSc (Econ.), Lic.Sc. (Tech.)

Digia Board Member since 2016. Member of the Board's Audit Committee and Nomination Committee.

Key work experience

CFO (Finance, Strategy & IT), Caverion Corporation, 2016–
CFO, Cramo Plc, 2006–2016
CFO, WM-data Ltd, 2004–2006
CFO & Senior Vice President, Business Development, Novo Group Plc, 1998–2004
Manager, Corporate Finance & Finance Manager, Postipankki Plc, 1995–1998

Member of the Board

Purmo Group Ltd, 2018–
Independent of the company and its major shareholders.



Santtu Elsinen

Member of the Board

b. 1972, B.Sc.-level studies in economics

Digia Board member since 2018. Member of the Board's Audit Committee.

Key work experience

Senior Vice President, Chief Digital Officer, Alma Media Plc, 2016–
CEO, Winterfell Capital Ltd, 2014–
Director, Business Development, Talentum Plc, 2012–2015
CEO, Quartal Ltd, 2011–
Director, Business Development, Trainers' House/Satama Interactive Plc, 2005–2012
Creative Director & Business Development Director, Quartal Ltd, 1997–2005

Member of the Board

Etua Ltd, 2018–
Alma Mediapartners Ltd, 2017–
Arena Interactive Ltd, 2017–
Media Industry Research Foundation of Finland, 2016–
Fondia Tools Ltd, 2011–2012
Quartal Ltd, 1997–

Independent of the company and its major shareholders.



Päivi Hokkanen

Member of the Board

b. 1959, DSc (Econ.)

Digia Board member since 2012. Chair of the Board's Compensation Committee.

Key work experience

CEO, ITprofs Ltd, 2017–
Development Director,
SoteDigi Ltd, 2018–2020
CIO, A-Katsastus Group,
2012–2017
CIO, Sanoma Plc, 2009–2012
CIO, Stockmann Plc, 2002–2009
Director, SysOpen Plc, 1998–2002
Several positions, Cap Gemini Ltd, 1995–1998
Several positions, Kansallisrahoitus Ltd, 1984–1995

Chair of the Board of Directors

MPY Yrityspalvelut Plc, 2019–

Member of the Board

ICT Leaders Finland, 2016–,
MPY Palvelut Plc, 2017–2019
A Member of the Directors' Institute of Finland, 2016–2018,
Deputy Member 2019–

Independent of the company and its major shareholders.



Seppo Ruotsalainen

Member of the Board

b. 1954, Lic.Sc. (Tech.)

Digia Board member since 2012. Vice Chair of the Board and Chair of the Board's Audit Committee and Nomination Committee.

Seppo Ruotsalainen currently works as a Board professional, Board chair, Board member and investor, and in strategic advisor roles in various technology and software companies. He is a member of the Directors' Institute of Finland and the Finnish Business Angels Network (FiBAN) and a founding member of Startup Foundation.

Key work experience

Executive Director, Vigo Startup Accelerator Program, 2010–2016
President & CEO, Tekla Plc, 1998–2003
Deputy CEO, F-Secure Plc, 2008–2009
Deputy CEO, LM Ericsson Ltd, 1994–1998
Sales Director, Hewlett Packard, 1982–1993
Head of Division, Teollisuuden Voima Ltd, 1977–1982

Chair of the Board of Directors

Softera Ltd, 2015–, Osuuskunta MPY, 2013–, AniLinker Ltd, 2003–2007,
Commit Ltd, 2003–2008, Finnish Information Processing Association
(TIVIA), 2004–2006, Viabile Ltd, 2003–, Fountain Park Ltd, 2003–2013

Independent of the company and its major shareholders.



Outi Taivainen

Member of the Board

b. 1968, MSc. (Econ.)

Digia Board member since 2018. Member of the Board's Compensation Committee.

Key work experience

HR Director, Aava
Terveyspalvelut Ltd, 2019–
Partner, Rethink Leadership
Ltd, 2019–
Executive Vice President, HR,
OP Financial Group, 2015–2018
Area HR Director, Central and North Europe, KONE Plc, 2011–2015
CEO, HR House Ltd, 2008–2011
Vice President, Human Resources, Nokia Plc, 2001–2008
Managerial and Executive level positions, Nokia Plc, 1998–2001

Chair of the Board of Directors

OP Pension Fund, 2015–2018

Member of the Board

Helsinki Chamber of Commerce, 2009–2011
Henry ry, 2006–2008
Finnish Enterprise Agencies, 2006–2008

Other positions of trust

EVA Business Fellows, member, 2010–
Helsinki Chamber of Commerce, HR Committee member, 2012–
Independent of the company and its major shareholders.





Digia's Management Team on 31 Dec 2019

Tuomo Niemi, Juhana Juppo, Mika Kervinen, Ari Rikkilä,
Harri Vepsäläinen, Teemu Virtanen, Jukka Kotro,
Kristiina Simola, Timo Levoranta, Pia Huhdanmäki

Digia's Management Team on 31 Dec 2019

<div>1</div> <div> <div>Timo Levoranta</div> <div>President & CEO</div> <div> b. 1965, MSc. (Tech.), MSc. (Econ.) President & CEO, and Group Management Team Member since 1 May 2016. <div>Key work experience</div> Senior Vice President, Digia Plc, 2016 CEO, TDC Ltd Finland, 2011–2015 SVP, Sales & Marketing, Outokumpu Plc, 2008–2011 Managerial positions, TeliaSonera Plc, 2002–2008 Managerial positions, Sonera Plc, 1995–2002 Various positions, Consumer Mobile Communication Division, Telecom Finland Ltd, 1991–1995 </div> </div>	<div>2</div> <div> <div>Pia Huhdanmäki</div> <div>Senior Vice President, HR and Culture</div> <div> b. 1969, LL.M. Digia Management Team member since 1 February 2018. <div>Key work experience</div> Leading specialist (industrial policy & lobbying), RadioMedia and Finnish Media Federation, 2017–2018 HR Director/CHRO, Sanoma Media Finland Ltd, 2012–2016 Director: HR, legal and communications, Sanoma News and Sanoma Entertainment Ltd, 2010–2011 Director:HR, legal and communications, Sanoma Entertainment Ltd, 2007–2010 Legal Counsel & Management positions, Sanoma Group Plc, 1996–2006 </div> </div>	<div>3</div> <div> <div>Juhana Juppo</div> <div>Chief Technology Officer</div> <div> b. 1971, MSc. (Computer Science) Digia Management Team member since 19 September 2016. <div>Key work experience</div> Director, Business Development, Finanssi-Kontio Ltd, 2013–2016 Service Director, CGI Suomi Ltd, 2011–2013 CTO, Capgemini Finland Ltd, 2005–2011 Systems Architect, IT Optimo/Itella Plc, 2003–2005 Vice President, Development, Eigenvalue Ltd, 2000–2003 Project Manager, Capgemini Finland Ltd, 1999–2000 Project Manager, Nokia Networks Ltd, 1995–1999 </div> </div>	<div>4</div> <div> <div>Mika Kervinen</div> <div>General Counsel</div> <div> b. 1968, LL.M., Master of Laws with court training Digia Management Team member since 1 May 2016. <div>Key work experience</div> Senior Legal Counsel, Fondia Ltd, 2015–2016 Director, Business Support, TDC Finland Ltd, 2012–2014 Senior Legal Counsel & Management and expert positions, Nokia Networks Ltd, 2004–2012 Senior Legal Counsel & Management and expert positions, TeliaSonera Plc, 1998–2004 Legal Counsel & expert positions, Kesko Plc, 1996–1998 </div> </div>	<div>5</div> <div> <div>Jukka Kotro</div> <div>Senior Vice President, Digia Business Platforms</div> <div> b. 1961, Vocational Qualification in Business Information Technology Digia Management Team member since 9 August 2018 <div>Key work experience</div> Senior Vice President, various responsibilities, Digia Plc, 2018 Management Team member, various responsibilities, CGI Suomi Ltd, 2010–2018 Sales Director, Central Government, Logica Suomi Ltd, 2006–2010 Sales Director, Healthcare, W/M-data Ltd, 2004–2006 Account Manager, Public Sector, Novo Group Plc, 1999–2004 </div> </div>
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Digia’s salary and remuneration system for management

This salary and remuneration report contains a summary of the financial benefits, remuneration system and associated decision-making procedures pertaining to members of Digia Plc's Board of Directors, CEO and other executives.

A) Decision-making procedures concerning remuneration

Board of Directors

Digia Plc's Nomination Committee draws up a proposal for the emoluments to be paid to Board members and the grounds for reimbursement of expenses. The Shareholders' Meeting decides on the emoluments payable to Board members and the grounds for reimbursement of expenses.

CEO and other executives

Digia Plc's Compensation Committee draws up a proposal for the CEO's salary, emoluments and other benefits. The Compensation Committee works with the CEO to draw up a proposal for the salaries, emoluments and other benefits payable to other senior executives. External experts and market analyses are employed whenever necessary. The Board of Directors decides on the salary, emoluments and other benefits payable to the CEO. The Compensation Committee decides on the salaries, emoluments and other benefits payable to other senior executives on the basis of the CEO's proposal.

Digia has an agreement with Evli Awards Management Ltd for the coordination of the company's share-based incentive schemes, their associated share management, and the payment of incentives to individuals

in accordance with the terms and conditions of the schemes. During the 2019 fiscal year, no share-based incentives were paid to the CEO or other executives.

B) Key remuneration principles

Board remunerations

The 2019 Annual General Meeting decided on the payment of monthly remunerations of EUR 3,000 to Board members, EUR 4,000 to the Vice Chair and EUR 5,500 to the Chair for their work on the Board for the duration of the term expiring at the end of the 2020 Annual General Meeting. In addition, remunerations of EUR 1,000 to the Chair and EUR 500 to other members are paid per each Board and Board Committee meeting.

The company does not grant stock options or share-based remuneration for work on the Board.

Management incentives

On 3 February 2017, Digia Plc's Board of Directors decided to establish a new long-term share-based incentive scheme. In principle, the target group consists of the CEO and the company's senior executives. The scheme is designed to conjoin the goals of the company's shareholders and management, in order to increase the company's value and to commit executive management to the

company and its long-term objectives. The new scheme replaced the previous share-based incentive scheme, which ran until 2017.

This long-term incentive scheme covers the calendar years 2017–2019. It offers participants the chance to earn company shares if the targets set by the Board of Directors for the three-year bonus period are achieved.

These targets are based on the company's net sales and earnings per share (EPS). There are three earnings periods for the EPS indicator, 2017, 2018 and 2019, and the Board of Directors will set the criteria for each at the beginning of each period. The earnings period for the net sales indicator is 2017–2019. The target for net sales is the net sales target set for 2019. During the bonus period, the company's CEO and other scheme participants are entitled to a bonus equivalent to a maximum of 524,900 new Digia Plc shares. If the terms are met, the bonuses based on the scheme will be paid after the end of the reward period, in 2020, for both indicators. All bonuses under this scheme will be paid as a 50/50 combination of shares and cash. The cash portion of the bonus will primarily be used to cover taxes and other comparable costs arising from the scheme.

As a rule, the bonus is not paid if a member resigns or the member's employment or post is terminated prior to the date of payment of bonuses in accordance with the incentive scheme. Under certain conditions, the Board has the option to decide on possible bonuses already received and on bonuses for the current earnings period in accordance with the pro-rata principle.

President & CEO

The remuneration package for Timo Levoranta comprises a monthly salary (in accordance with his service contract), a bonus payable on the attainment of annually set targets, and potential share bonuses payable to the CEO in accordance with approved share-based incentive schemes.

- » On the basis of the 2019 bonus scheme, the CEO will be paid a bonus that at the target level amounts to 40 per cent of the CEO's base salary for twelve (12) months (bonus equal to the base salary for 4.8 months) and at the maximum level to 75 per cent (bonus equal to the base salary for nine months). The bonus is tied to annual targets set by the Board of Directors, mainly connected to net sales and operating profit budgets. 45 per cent of the bonus is tied to net sales targets, 45 percent to operating profit targets, five per cent to customer satisfaction targets, and five per cent to personnel satisfaction targets. If these targets are exceeded, the bonus increases such that the maximum bonus (75 per cent of the base salary for 12 months) is payable if the net sales target

is exceeded by at least 5.5 per cent, the operating profit target by at least 15.9 per cent, the NPS target index (which measures customer satisfaction) by at least 15.4 per cent, and the personnel satisfaction target index by at least 2.3 per cent. All targets are evaluated biannually, independently and irrespective of each other. However, if operating profit falls below 75.2 per cent of the set target, no bonus will be paid.

» The long-term incentive scheme is described above.

The company may terminate the CEO's service contract with six (6) months' notice. Upon such termination, the CEO will receive remuneration for the notice period and severance pay equalling six (6) months' regular monthly salary. The CEO's retirement age is as stipulated by law, and the CEO is not covered by any separate pension agreements with the company.

The share bonus paid to the CEO therefore involves no vesting periods limiting the sale of shares.

Group Management Team

As of 31 December 2019, the senior management consisted of ten members: the CEO, CFO, General Counsel, SVP HR and Culture, SVP Sales and Marketing, CTO, and the four Senior Vice Presidents of our business segments. Further information on the senior management can be found on the company's website: www.digia.com/en/investors/governance/ceo-and-management.

The total remuneration package for these executives comprises a monthly salary and a bonus payable on the attainment of annually set targets. The earnings criteria and terms and conditions governing the bonus for members of Digia's Group Management Team in 2019 are the same as those governing the bonus for the CEO, except that at the target level the bonus amounts to 25 per cent of the base salary for twelve (12) months (bonus equal to base salary for three months) and at the maximum level to 50 per cent (bonus equal to the base salary for six months). Senior executives are also included in the long-term incentive scheme described above.

The retirement age of all executives is as stipulated by law, and no one has a supplementary pension agreement with the company.

C) Remuneration report

Board remunerations

The following emoluments were paid to members of Digia's Board of Directors for Board and Committee work during the 2019 fiscal year:

EUR	2019
Martti Ala-Härkönen	38,500
Santtu Elsinen	38,000
Päivi Hokkanen	40,000
Robert Ingman	80,500
Seppo Ruotsalainen	53,000
Outi Taivainen	38,000
Total	288,000

CEO's remuneration

The CEO was paid the following as salary and other benefits during the 2019 fiscal year:

EUR	2019
Salary (including fringe benefits)	271,704
Bonuses	159,478
Total	431,182

Remunerations of other executives

Other executives were paid the following as salary and other benefits during the 2019 fiscal year:

EUR	2019
Salary (including fringe benefits)	1,233,658
Bonuses	445,217
Total	1,678,875

As of 31 December 2019, this included the following persons:

- » Pia Huhdanmäki, Senior Vice President, HR and Culture, Group Management Team member since 1 February 2018
- » Juhana Juppo, Chief Technology Officer (CTO), Group Management Team member since 19 September 2016
- » Mika Kervinen, General Counsel, Group Management Team member since 1 May 2016
- » Jukka Kotro, Senior Vice President, Digia Business Platforms, Group Management Team member since 10 August 2018
- » Tuomo Niemi, Senior Vice President, Digia Financial Platforms, Group Management Team member since 1 June 2017
- » Ari Rikkilä, Senior Vice President, Sales and Marketing, Group Management Team member since 16 May 2017
- » Kristiina Simola, CFO, Group Management Team member since 14 August 2017
- » Teemu Virtanen, Senior Vice President, Digia Business Connect, Group Management Team member since 1 May 2016
- » Harri Vepsäläinen, Senior Vice President, Digia Digital, Group Management Team member since 1 April 2018

Auditor and auditor's fees

Digia has one official auditor, who must be a KHT auditor or KHT audit firm approved by the Auditing Board of the Central Chamber of Commerce. The auditor is elected until further notice.

The Annual General Meeting elects the auditor and determines their fees. KPMG Oy Ab, a firm of Authorised Public Accountants, is the Group's auditor. Virpi Halonen, Authorised Public Accountant, has been chief auditor since 12 March 2015.

EUR 1,000	2019
Audit	88
Other statutory duties	10
Tax counselling	2
Other services	11
Total	111