



Corporate Governance Statement 2023



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1. Overview

Siili Solutions Plc (Siili, the Company) is a Finnish public limited liability company listed on Nasdaq Helsinki Ltd (the Helsinki Stock Exchange). Siili's corporate governance is based on legislation in force in Finland, the rules and regulations issued for listed companies by the Helsinki Stock Exchange and the Finnish Financial Supervisory Authority (FIN-FSA) as well as Siili's Articles of Association. Corporate governance in Siili's subsidiaries is also governed by the laws of the country of their domicile, and by each subsidiary's Articles of Association. Siili's governance and control are based on honesty, accountability, equality and transparency.

In 2023, Siili complied fully with the Corporate Governance Code 2020 published by the Securities Market Association.

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

This Corporate Governance Statement has been prepared separately from the report of the Board of Directors, and it has been reviewed by both Siili's Audit Committee and Board of Directors. The Statement is published on the Company website at: <https://sijoittajille.siili.com/en>.

2. Descriptions concerning corporate governance

The Company's statutory governing bodies are the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO). The General Meeting appoints the members of the Board of Directors, and the Board of Directors appoints the

CEO. The Board of Directors' work is enhanced by two (2) Board committees whose members are elected by the Board of Directors among its members. In the operative management of the Company, the CEO is assisted by the Management Team, which is appointed by the Board of Directors at the CEO's proposal.

General Meeting

Siili's shareholders exercise their decision-making power at the General Meeting of Shareholders. The shareholders' rights and duties of the General Meeting of Shareholders are determined in the Limited Liability Companies Act.

The Annual General Meeting (AGM) is held annually before the end of June, usually at the end of March. The matters on the agenda of the Annual General Meeting are determined in the Limited Liability Companies Act. In the Annual General Meeting of 30 March 2023, 19 shareholders were represented personally or by proxy, representing 3,107,569 shares and votes (approximately 63.51% of shares outstanding). The Annual General Meeting was held in Helsinki, Finland, in the event venue Eliel at Sanomatalo, Töölönlahdenkatu 2. The shareholders also had the opportunity to exercise their voting right by voting in advance.

In accordance with the Limited Liability Companies Act, Siili will hold an Extraordinary General Meeting (EGM) if the Board of Directors considers it necessary, or if the auditor or shareholders together holding one tenth of all shares so demand in writing in order for a given matter to be dealt with. In 2023, no Extraordinary General Meetings were held.

The minutes of the AGM are available on the Company website at <https://sijoittajille.siili.com/en>.

Shareholders' Nomination Board

The Shareholders' Nomination Board consists of five (5) members, of whom the Company's four (4) largest shareholders are each entitled to nominate one (1). The Chair of the Board of Directors serves as the fifth member of the Board in the role of an expert.

The members of the Board are appointed annually, and the term of office of the members ends when new members have been appointed to the Board. The largest shareholders are determined as at 31 August.

In the period from 15 September 2023 to 31 December 2023, the Shareholders' Nomination Board of the Company consisted of the following members:

Heikki Westerlund, Lamy Oy, (Chair)
Timo Luhtaniemi, Erina Oy
Jukka Vähäpesola, Elo Mutual Pension Insurance Company
Esko Torsti, Ilmarinen Mutual Pension Insurance Company
Harry Brade, Chair of the Board of Directors of Siili Solutions Plc

The duties of the Nomination Board are:

- preparing and presenting to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal on i) the number of members of the Board of Directors; ii) the Chair and Deputy Chair of the Board of Directors; iii) the remuneration of the members, Chair and Deputy Chair of the Board of Directors
- seeking prospective successors for the members of the Board of Directors
- responding to questions posed by shareholders in a General Meeting, particularly regarding the performance of the duties of the Nomination Board and its proposals
- providing a report on its activities to the Annual General Meeting on an annual basis.

The members of the Nomination Board are not entitled to remuneration for their duty, unless the General Meeting decides otherwise. The Company will compensate reasonable costs and expenses incurred by the members against receipts approved by the Company.

The Nomination Board Committee convened four (4) times in 2023. The average rate of attendance of the members at Nomination Board meetings was 100%.

BOARD OF DIRECTORS

Composition

In accordance with the Articles of Association, the Board of Directors of the Company has three to six ordinary members. The Board of Directors elects the Chair from among its members. The term of office of a Board member begins at the end of the election meeting and lasts until the closing of the following Annual General Meeting. The Annual General Meeting of 30 March 2023 elected five (5) members to the Board of Directors. The members elected at the AGM were the following: Harry Brade, Anu Nissinen, Kati Hagros, Tero Ojanperä and Jesse Maula.

Board of Directors, 31 December 2023

Harry Brade, Chair of the Board

- B. 1969
- Education: M.Sc. (Tech.), MBA
- Principal occupation: Managing Director, Lamy Oy
- On the Board of Directors since 2016
- Independent of the Company
- Number of shares: 0*

*Harry Brade's controlled entity Lamy Ltd held a total of 1,301,267 shares as at 31 December 2023.

Anu Nissinen, Deputy Chair of the Board

- B. 1963
- Education: M.Sc. (Econ.)
- Principal occupation: Managing Director, Viestimedia Oy
- On the Board of Directors since 2014
- Independent of the Company and its significant shareholders
- Number of shares: 3,888

Kati Hagros

- B. 1970
- Education: M.Sc. (Tech.)
- Principal occupation: CDO, Aalto University
- On the Board of Directors since 2016
- Independent of the Company and its significant shareholders
- Number of shares: 2,000

Tero Ojanperä

- B. 1966
- Education: D.Sc. (Tech.)
- Principal occupation: Entrepreneur, Board Professional
- On the Board of Directors since 2020
- Independent of the Company and its significant shareholders
- Number of shares: 875

Jesse Maula

- B. 1976
- Education: M.Soc.Sc.
- Principal occupation: CEO, Avidly Plc
- On the Board of Directors since 2021
- Independent of the Company and its significant shareholders
- Number of shares: 0

Activities

The duties of the Board of Directors are determined in the Limited Liability Companies Act, according to which the Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations and ensure the appropriate arrangement of the control of the Company accounts and finances. Siili's Articles of Association do not provide additional duties for the Board of Directors.

According to its Charter, Siili's Board of Directors convenes at least eight (8) times annually. In 2023, the Board of Directors convened fourteen (14) times, in addition to which it made resolutions in writing without holding a meeting. The average rate of attendance of the members in meetings of the Board of Directors was 100%. The Chief Executive Officer and the Chief Financial Officer attend to the Board's meetings.

Member	Attendance per meeting	Attendance
Harry Brade, Chair	14/14	100%
Anu Nissinen, Deputy Chair	14/14	100%
Kati Hagros	14/14	100%
Tero Ojanperä	14/14	100%
Jesse Maula	14/14	100%

The Charter of the Board of Directors

The Board of Directors has adopted a Charter for itself. According to the Charter, the Board of Directors handles and decides on matters that are significant for the Group financially, from a business perspective or as a matter of principle.

According to the Charter, the main duties of the Board of Directors are:

- adopting the Company's strategy, plan of operations and budget as well as monitoring operative activities and materialisation of budgets
- reviewing and approving the consolidated financial statements, half-year report, Board of Directors' report and related stock exchange releases
- deciding on the Company's structure and core organisational structure
- deciding on investments, corporate transactions, contingent liabilities and other significant resolutions
- ensuring the appropriateness of the Company's accounting and financial management
- preparing the dividend policy
- adopting the Company's funding policy
- appointment and dismissal of the CEO and deciding on related contracts
- appointment and dismissal of the deputy to the CEO and deciding on related contracts
- ensuring and supervising the functioning of the management system
- approving proposals concerning the members of the Management Team and their remuneration
- approving and supervising internal controls as well as risk management and reporting processes
- adopting the HR policy and remuneration schemes
- preparing matters to be resolved by the General Meeting of Shareholders
- deciding on values followed in the Company's activities
- adopting the Board of Directors' diversity principles.

Diversity of the Board of Directors

A person elected as a member of the Board of Directors (director) must have the competence required by the position and the possibility to devote a sufficient amount of time to attending to the duties. The proposals shall reflect, in addition to the candidates' competence, the aim to ensure the diversity of the Board of Directors. The number of directors and the composition of the Board of Directors must be such that they enable the Board of Directors to see to its duties efficiently. Both genders must be represented in the Board of Directors.

As at 31 December 2023, Siili's Board of Directors had five (5) members. All members of the Board of Directors have experience of various management duties, and they have served or serve as board members in both listed and unlisted companies. The directors have an education either in technology or business studies, and they possess diverse expertise in the Company's industry. The proportion of women on the Board of Directors is 40% (2/5). The longest term of office among the directors has lasted over nine (9) years and the shortest less than three (3) years. The members of the Board of Directors are 47–60 years old.

Evaluation of the Board of Directors' work

The Board of Directors evaluates its activities on an annual basis. The purpose of the evaluation of the Board's activities is to examine the Board's success during the year and to function as a basis in assessing the way of operation and composition of the Board and the election of potential new directors. In 2023, the evaluation of the Board was assigned to an external service provider.

Board Committees

The Board of Directors of Siili has two (2) committees: the Audit Committee and the HR Committee. The Committees assist the Board of Directors in the preparation of various matters. The Board of Directors has adopted charters for the Committees, which include the main duties and operating principles of the Committees. After the closing of the Annual General Meeting of Shareholders, the Board of Directors elects the chairs and members of the Committees.

The Committee does not have any independent decision-making authority, but the Board of Directors makes decision on matters prepared by the Committees. The Chair of each Committee reports on the activities of the Committee in the Board meeting following a Committee meeting.

Audit Committee

In 2023, the Audit Committee had three (3) members. The majority of the members of the Audit Committee must be independent of the Company and at least one (1) member must be independent of the Company's significant shareholders. In electing the members of the Audit Committee, the competence requirements posed for the members are taken into consideration.

Siili's Audit Committee assists the Board of Directors in performing its supervisory duty regarding financial reporting and control, risks management as well as internal and external audit. The Chair of the Committee together with the members of the Committee decides on the number and schedule of the Committee's meetings. The Committees convenes at least three (3) times a year.

In its constitutive meeting on 30 March 2023, the Board of Directors elected Anu Nissinen as the Chair of the Audit Committee and Kati Hagros and Jesse Maula as its other members.

The Audit Committee convened four (4) times in 2023. The average rate of attendance of the members in the meetings of the Audit Committee was 100%.

Member	Attendance per meeting	Attendance
Anu Nissinen, Chair	4/4	100%
Kati Hagros	4/4	100%
Jesse Maula	4/4	100%

According to the Charter of the Audit Committee, the duties of the Audit Committee are, among other things:

- monitoring the economic conditions, financial position and the accounting process
- supervising the financial reporting process
- monitoring the efficiency of the Company’s internal control and risk management systems
- reviewing the accuracy of the Company’s financial result on a half-yearly basis together with the Company’s financial management and auditors
- monitoring and discussing significant financial risks as well as management actions to monitor and manage the risks and report on them
- examining significant findings by auditors and management responses to them
- monitoring transactions by the Company’s management and their closely associated persons and any potential conflicts of interest related to them
- discussing the Company’s Corporate Governance Statement
- assessing the processes aimed at ensuring compliance with laws and regulations
- assessing the impartiality of the statutory auditor or audit firm and, in particular, the offer of ancillary services to the company being audited
- preparing a proposal on the election of the auditor for the General Meeting of Shareholders.

In addition, the Audit Committee may have other tasks which are appropriate to fulfil its duty.

HR Committee

The HR Committee prepares material and provides advice concerning the personnel of the Company as well as matters related to the remuneration and incentives of the Company management.

The Chair of the Committee together with the members of the Committee decides on the number and schedule of the Committee’s meetings. The Committee convenes at least two (2) times a year.

In 2023, the HR Committee had three (3) members. In its constitutive meeting on 30 March 2023, the Board of Directors elected among its members Harry Brade as the Chair of the HR Committee and Anu Nissinen and Tero Ojanperä as its members.

The HR Committee convened four (4) times in 2023. The average rate of attendance of the members in the meetings of the HR Committee was 100%.

Member	Attendance per meeting	Attendance
Harry Brade, Chair	4/4	100%
Anu Nissinen	4/4	100%
Tero Ojanperä	4/4	100%

Duties related to human resource practices:

- assessment of the compatibility of the HR strategy and business strategy
- assessment of the results of the employee satisfaction survey in a regular basis
- assessment of the functioning of the organisational structure and successor plans for key managerial positions on a regular basis
- assessment of the status, actions and targets of employment relationship matters
- assessment of the status, actions and targets of occupational safety matters
- assessment of the achievement of diversity within the company (incl. women’s share in various positions) and related plans
- assessment of matters related to corporate responsibility and ethics from the perspective of the duties of the HR Committee
- other themes related to human resources considered necessary to highlight by the Committee or executive management.

Duties related to appointment and remuneration matters:

- preparation of the CEO’s remuneration and other benefits as well as the CEO contract for the Board of Directors
- development of the remuneration schemes for the CEO and the rest of the Management Team for the Board of Directors, including the assessment of remuneration and ensuring its appropriateness
- preparation of principles of the performance and result criteria of the remuneration schemes and monitoring their achievement
- preparation of any share remuneration schemes or share-based remuneration schemes
- review of the Remuneration Report
- monitoring the evaluation and remuneration of performance of senior executive management
- ensuring that the Company has functioning systems and practices in place for successor planning and talent management, incl. systematic definition, assessment, development and engagement of key personnel
- evaluation of the appropriateness and effectiveness of remuneration on a regular basis
- preparation of proposals to the Board of Directors on the development of remuneration as a whole and on the renewal of incentive schemes or pension schemes
- monitoring and evaluation of risks related to the remuneration policy and practices in a versatile manner and recommending how to mitigate these risks
- preparing and executing a successor planning process for the CEO and rest of the Management Team. In addition, the HR Committee may have other tasks which are appropriate to fulfil its duty.

Managing Director

In accordance with the Limited Liability Companies Act, the CEO shall see to the executive management of the Company in accordance with instructions and orders given by the Board of Directors and ensure that the accounts of the Company are in

compliance with the law and that its finances have been arranged in a reliable manner. The CEO steers and supervises the Company, its businesses and is responsible for the day-to-day operational management of the Company as well as strategy implementation, and prepares items for Board review and bears responsibility for their execution.

Mr Tomi Pienimäki serves as the Company’s CEO.

Management Team

In the operative management of the Company, the CEO is assisted by the Management Team. The Management Team assists the CEO in the operative administration of the Company in accordance with guidelines and instructions given by the Board of Directors for example in the preparation and execution of the strategy, policies and other matters concerning both the businesses and the Company as a whole. The Management Team meets on a regular basis, at least eleven (11) times a year. The CEO leads the operation of the Management Team.

As at 31 December 2023, the Management Team had six (6) members:

Tomi Pienimäki, CEO

- B. 1973
- Education: D.Sc (Tech.), M.Sc. (Econ.)
- Number of shares: 16,320

Aleksi Kankainen, CFO

- B. 1977
- Education: M.Sc. (Econ.)
- Number of shares: 3,036

Kenneth Lindfors, VP, Digital Experience

- B. 1971
- Education: MBA (Helsinki School of Economics and Business Administration)
- Number of shares: 1,103

Kari Pirttikangas, COO

- B. 1970
- Education: M.Sc. (Tech.)
- Number of shares: 16,340

Taru Salo, CPO

- B. 1980
- Education: M.Sc. (Econ.)
- Number of shares: 1,748

Andras Tessenyi, CEO, Supercharge Kft

- B. 1986
- Education: B.Sc (Tech)
- Number of shares: 0

3. Internal control and risk management

Internal control

The purpose of the Company's internal control is to ensure that the Company operates efficiently, information published by it up-to-date and reliable, and that valid regulation is complied with. Internal control seeks to enhance the implementation of the Board of Directors' control function. The Board of Directors bears the main responsibility for the supervision of accounting and finance. The cornerstones of internal control within the Company are group-level guidelines, defined controls in operational processes, and the regular assessment of deviations.

Internal control of financial reporting

Financial reporting processes are an integral part of the Company's internal control system. The objective of the internal control of

financial reporting is to ensure that Siili's operations are productive and that decision-making is based on accurate and reliable information as well as an adequate identification of business risks. Internal control also helps ensure that financial reporting, including financial statements and half-yearly reports, are compliant with generally accepted standards as well as valid laws and regulations.

The Board of Directors is responsible for ensuring that the internal control of accounting and financial management is arranged appropriately. The Audit Committee of the Board of Directors supervises the financial reporting process and the effectiveness of related control measures. The Chief Financial Officer is responsible for reporting observations to the members of the Board of Directors.

Business directors are responsible for reporting on matters concerning their own unit's development, strategy and annual plans as well as business and profit developments and internal organisation of the unit. The CFO reports the operational result on a monthly basis to the Board of Directors and the Management Team. Reporting as well as related analyses and comparisons are a key part of control and supervision conducted using financial reporting. The Board of Directors and the Management Team of the company review financial reports regularly and monitor the materialisation of the most recent forecasts and budgets on a monthly basis. If actual results deviate from them, the members of the Management Team are responsible for initiating corrective actions.

The Group's Accounting and Controller function is responsible for defining uniform accounting and reporting principles, providing instructions and developing the reporting system on a continuous basis. Siili's subsidiaries have their own accounting, and they report external reporting figures on a monthly basis to the parent company as instructed by it. The Group's accounting department takes care of the Group's internal and external accounting and validates external reporting before it is submitted to the Board of Directors. Accounting and related support functions for the subsidiaries

of the Siili Group have mainly been outsourced to external service providers, which report directly to Group Accounting in accordance with defined reporting models. All group companies apply a uniform reporting model and chart of accounts. The Group Accounting department instructs the subsidiaries in the compilation of half-yearly reports and financial statements and prepares the Consolidated Financial Statements.

Risk management

Siili's Board of Directors is responsible for the appropriate and effective organisation of risk management. Siili's Board of Directors has adopted a risk management policy used to identify the Group's strategic, operational, financial and hazard risks. In the course of its activities, the Company takes risks related to its strategy and the implementation of the objectives, balanced with its risk capacity. The objective of risk management is proactive and comprehensive management of these risk areas, which enables the achievement of the Company's strategy and financial targets in a controlled manner. Risk management is included as part of the Company's business processes. Risks at Siili are categorised into strategic, operational, financial and hazard risks.

Siili's most significant risks, material changes therein, and the management measures are reported to the audit committee of Siili's Board of Directors in connection with the review of the half-yearly report and financial statements. The Chair of the Audit Committee reports on risk management to the Board of Directors as part of Audit Committee reporting. Siili's Board of Directors reviews the most significant risks and their management measures, and evaluates the effectiveness and operability of risk management.

4. Other information

Internal audit

The Company has a group internal audit function. The CFO is responsible for organising it. An external audit firm is employed in the practical audit activities. The function reports to the Company's Audit Committee and the Board of Directors. The Audit Committee is briefed on the results of internal audit by the audit firm carrying out internal audit, and it monitors and supervises the implementation of corrective actions within the Company.

Related party transactions

The Legal function of the Company maintains a list of related parties and keeps it available to Group Accounting. Related parties are regularly briefed on their obligation to disclose any related-party transactions. Related-party transactions are allowed insofar as they are in line with the purpose and interests of the Company and are commercially justified. Related-party transactions are conducted in compliance with valid legislation and the Corporate Governance Code. Related-party transactions are concluded at arm's length and decisions are made in accordance with the Company's approval guidelines and established decision-making practices. Group Accounting and the Legal function identify, assess and monitor related-party transactions as part of the Company's normal processes. Group Accounting also monitors related-party transactions as part of the Company's usual reporting and control processes. Matters related to the Company's related-party transactions are reported to the Audit Committee at least on an annual basis. Information on the Company's related party-transactions are disclosed annually in the notes to the Consolidated Financial Statements.

The Board of Directors decides on related party transactions that are not conducted in the ordinary course of business of the Company or are not implemented on arm's-length terms.

Transactions with related parties are prepared carefully, and with a view to rules on conflicts of interests.

Insider management

In addition to applicable legislation and authorities' regulations, Siili complies with the guidelines for insiders issued by the Helsinki Stock Exchange. The Company's insider guideline adopted by the Board of Directors describes and details the Company's insider management practices. The Company's General Counsel is in charge of insider issues and insider management within the Company.

The Company maintains a permanent insider list. In addition, Siili maintains a project-specific insider list of projects constituting inside information. Each person receiving inside information pertaining to a project is recorded in the project-specific insider list. Persons included in an insider list are notified in writing about their inclusion in the insider list, related obligations and the consequences of insider dealing and unlawful disclosure of inside information.

At Siili, persons discharging managerial functions within the meaning of the Market Abuse Regulation (MAR) include the members of the Board of Directors, the CEO and the rest of the Management Team (Managers). Managers and their closely associated persons must notify Siili and the FIN-FSA of any transactions on Siili's shares, debt instruments or derivatives or other financial instruments related to them without delay and at the latest two (2) business days after the execution of the transaction.

At Siili, Managers and certain personnel participating in the preparation of financial reporting or receiving information on its content before publication may not trade in securities issued by the Company or conduct certain other transactions related to the Company's financial instruments in the 30 days preceding the publication of the Company's half-yearly report or financial statements bulletin (so-called closed window). The closed window ends at the closing of the publication date.

Audit

The duty of the auditor is to verify that the financial statements give a true and fair view of the Company's result and financial position during the financial year. The Company's auditor provides the shareholders with the statutory auditor's report in connection with the Company's annual financial statements. The auditor is elected in the Annual General Meeting and the auditor's term of office covers the current financial year and ends at the close of the next Annual General Meeting following the election.

The Company's Annual General Meeting of 31 March 2023 re-elected KPMG Oy Ab (business ID: 1805485-9) as the auditor, with Authorised Public Accountant Leenakaisa Winberg as the principal auditor. Fees paid to KPMG in the Consolidated Financial Statements 2023 amounted to EUR 220,8 thousand for statutory auditing and EUR 21 thousand for services unrelated to auditing.