

## ASIAKASTIETO GROUP PLC CORPORATE GOVERNANCE STATEMENT 2019

Asiakastieto Group Plc (the “Company” or “Asiakastieto”) is a Finnish public limited liability company. The parent company of the Group is Asiakastieto Group Plc, the domicile is Helsinki, Finland. The shares of the Company are listed on Nasdaq Helsinki Ltd starting from 31 March 2015.

The Company’s governance is subject to the Finnish Companies Act, the Finnish Securities Markets Act, the Accounting Act, the rules of Nasdaq Helsinki Ltd as well as the Company’s Articles of Association. In addition, Asiakastieto complies fully with the Finnish Corporate Governance Code issued by the Securities Market Association in 2020 (the “CG Code”). The CG Code is available at [www.cgfinland.fi](http://www.cgfinland.fi).

This Company’s Corporate Governance Statement is published separately from the Board of Directors’ report.

The Company’s governance is organised through the General Meeting, the Board of Directors and the Chief Executive Officer. Further, the Company has an Executive Team led by the Chief Executive Officer.

### General Meeting

The General Meeting is Asiakastieto’s highest decision-making body, which normally convenes once a year. Its tasks and procedures are defined in the Finnish Companies’ Act and the Company’s Articles of Association. Certain important matters, such as amending the Articles of Association, approval of the financial statements, approval of the dividend, election of the members of the Board of Directors and the auditors fall within the sole jurisdiction of the General Meeting.

The General Meeting is convened by the Board of Directors. The Annual General Meeting shall be held within six (6) months of the end of the financial year. An Extraordinary General Meeting shall be held whenever the Board of Directors deems necessary, the auditor of the Company or shareholders with at least 10 % of the shares so demand in writing in order to deal with a given matter, or if this is otherwise required by law.

The General Meeting handles the matters presented on the agenda by the Board of Directors. According to the Finnish Companies Act, a shareholder may also request that his/her proposal be handled at the next General Meeting. Such a request shall be made in writing to the Company’s Board of Directors at the latest on the date specified by the Company on its website. This date shall be published no later than by the end of the financial period preceding the general meeting. The request is always deemed to be on time, if the Board of Directors has been notified of the request no later than four (4) weeks before the delivery of the notice of the General Meeting.

According to the Company’s Articles of Association, notices of the General Meetings shall be published on the Company’s website no more than three months before the record date pursuant to the Limited Liability Companies Act (eight working days before the General Meeting) and at the latest three weeks before the General Meeting, however, always at least nine days before the said record date. In addition, the Board of Directors may decide to publish the notice in full or in part in an alternative manner as it deems appropriate. The notice shall contain information on the Member of the Board of Directors, their remuneration, the matters to be handled at the General Meeting and other information required under the Companies Act and the CG Code.

The notice of the General Meeting, documents to be submitted to the General Meeting (e.g. financial statements, report by the Board of Directors, auditor's report) and the resolution proposals to the General Meeting are made available on the Company's website at least three (3) weeks before the General Meeting.

The minutes of the General Meeting are published on the Company's website within two (2) weeks after the General Meeting. In addition, the decisions of the General Meeting are also published by means of a stock exchange release immediately after the General Meeting. The documents related to the General Meeting are available on the Company's website at least for a period of three (3) months after the General Meeting.

Shareholders may attend a General Meeting either in person or by proxy. Notification regarding the attendance to a meeting must be made by the date mentioned in the notice to the General Meeting.

Only shareholders, who are registered in Asiakastieto's shareholders' register maintained by Euroclear Finland Ltd on the record date (i.e. eight (8) working days before the General Meeting) are entitled to attend a General Meeting. Holders of nominee registered shares may be registered temporarily in said shareholders' register and therefore, they are advised to request from their custodian banks necessary instructions regarding such temporary registration and the issuing of proxy documents. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder.

The Board of Directors may decide that the shareholders may participate in the General Meeting by post or telecommunications or by other technical means.

Asiakastieto has one series of shares. Each share has one vote in all matters dealt with by a General Meeting. A shareholder shall have the right to vote at the General Meeting, if he/she has registered to participate in the meeting by the date specified in the notice to the General Meeting, which date shall not be earlier than ten (10) days before the meeting. A shareholder may at the General Meeting vote with different shares in a different manner and a shareholder may also vote with only part of his/her shares. The Articles of Association of Asiakastieto include no redemption clauses or voting limitations.

Most resolutions by the General Meeting require a simple majority of the votes cast at the meeting. In an election, the person receiving the highest number of votes shall be deemed elected. The General Meeting may, however, prior to an election, decide that to be elected, a person shall receive more than half of the votes cast. However, there are several matters, which according to the Companies Act require a two-third (2/3) majority of the votes cast and of the shares represented at the meeting.

All Members of the Board of Directors, the auditor and CEO shall attend the General Meeting.

The Annual General Meeting was held on 28 March 2019.

### **Shareholders' Nomination Board**

Based on the proposal by the Board of Directors, the sole shareholder of the Company resolved on 10 March 2015 to establish a Shareholders' Nomination Board for an indefinite period to prepare proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the Board Committees and the Nomination Board. According to the Charter of the Shareholders' Nomination Board, it shall comprise representatives of the Company's three largest shareholders who, on 30 September preceding the next Annual General Meeting, hold the largest number of votes calculated of all shares in the Company and, in addition, of

the Chairperson of the Board of Directors and a person nominated by the Company's Board of Directors as expert members.

The right to nominate the shareholder representatives lies with those three shareholders whose share of all the voting rights in the Company is on 30 September preceding the next Annual General Meeting the largest on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd. However, holdings by a shareholder who, under the Finnish Securities Market Act, has the obligation to disclose its shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that such shareholder presents a written request to that effect to the Chairperson of the Company's Board of Directors no later than on 29 September preceding the next Annual General Meeting.

The aforementioned shareholders appoint, in accordance with the Charter of the Nomination Board, from the request of the Chairperson of the Company's Board of Directors their representatives to the Nomination Board after 30 September.

Shareholders' Nomination Board submits its proposal to the Board of Directors of the Company at the latest on 31 January preceding the next Annual General Meeting. Shareholders' Nomination Board reviews its performance and procedures once a year and gives out a report of its actions annually. The report is published in the Corporate Governance Statement.

### **Principles concerning the diversity of the Board of Directors**

The Company has defined the principles concerning the diversity of the Board of Directors in the following way:

In Asiakastieto Group Plc, the proposal concerning the composition of the Board of Directors is prepared and made to the Annual general Meeting by the Shareholders' Nomination Board, which consists of the representatives of the Company's three largest shareholders and of the chairperson of the Board of Directors and a representative nominated by the Board of Directors amongst them as expert members. When making their proposal for the composition of the Board of Directors, the Shareholders' Nomination Board applies these diversity principles defined by the Company or the assessment of diversity.

Diversity of the Board of Directors supports the development of the Company's business and the achievement of strategic objectives as well as the promoting of customer insight. The complementing expertise of the members and experience in the lines of business essential for the Company (financing, commerce, information technology) are considered important. From the point of view of diversity, experience in international operational environment and international representation are considered essential. The objective is that both genders be represented in the Board of Directors. Long-term needs and adequate turnover shall be taken into account when electing the members of the Board of Directors.

### **Realization of diversity of the Board of Directors**

At the moment (2019), the Company's Board of Directors consists of six members, two of whom are foreign nationals. The members are experienced in Board duties in various types of companies. Of the members of the Board of Directors, one have acted in the Board of Directors of the Company or its subsidiary already before the Company's listing in 2015; two persons became members of the Board of Directors in connection with the listing or were nominated in the general meeting in 2016; and one person became members of the Board of Directors in connection with the completion of the

acquisition of UC AB in 2018. Two persons have been nominated by the general meeting in 2019. Both genders are represented in the Company's Board of Directors.

These principles and the realization of diversity are presented as part of the Company's corporate governance.

## Report of the actions of the Shareholders' Nomination Board in 2019

### *General*

The Company's sole shareholder (before the Company's listing on the stock exchange) decided on 10 March 2015 to found the Shareholders' Nomination Board to prepare the proposals to the Annual General Meeting for the selection and remuneration of Board members and the remuneration of the Board committees and the Nomination Board. The term of the Nomination Board is until next Annual General Meeting.

The three largest shareholders according to the share register as at 30 September 2019 were Sampo Plc, Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ).

The companies appointed Petri Niemisvirta (Sampo Plc), Hugo Preutz (Nordea Bank AB (publ)) and Mats Torstendahl (Skandinaviska Enskilda Banken AB (publ)) as members of the Nomination Board. Patrick Lapveteläinen is a member of the Nomination Board as the Chairman of the Board of Directors and Petri Carpén as a member appointed by the Board of Directors.

*Personal details on the Shareholders Nomination Board members are set forth in the table below:*

Name	Occupation
Niemisvirta Petri	Mandatum Life Insurance, CEO
Preutz Hugo	Nordea Bank AB (publ.), Head of Group Mergers & Acquisitions
Torstendahl Mats	Skandinaviska Enskilda Banken AB, Head of Corporate & Private Customers

The Board elected Petri Niemisvirta as Chairman. The Board assembled one time in 2019. All members of the Nomination Board participated to these meeting.

### *Shareholders' Nomination Board's proposal to Annual General Meeting 2020*

The Nomination Board proposes that the number of Board members be six (6).

The Board proposes that Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson, Martin Johansson, Petri Nikkilä and Tiina Kuusisto be reelected as members of the Board of Directors.

The Board proposes that the remuneration payable to the Board of Directors Chairperson be EUR 51 000 per year and to other Board members EUR 36 000 per year. An attendance fee of 500 euros shall be paid per Board of Directors meeting.

The chairpersons of Board of Directors committees shall be paid an attendance fee of EUR 500 and the committee members shall be paid an attendance fee of EUR 400 per committee meeting.

The Board proposes that no remuneration will be paid to the Nomination Board members.

The Board proposes that reasonable travelling expenses for the attendance to the meetings shall be paid to members.

The Board proposes that the aforementioned proposed remuneration will become effective immediately after the next Annual General Meeting of the Company.

### Board of Directors

The Board's role is to manage the Company's business in the best possible way and in their work protect the interests of the Company and its shareholders. In accordance with the Articles of Association of Asiakastieto, the Board of Directors shall consist of a minimum of four (4) and a maximum of eight (8) members elected by the General Meeting. The members of the Board of Directors shall be appointed for one year at a time. The Shareholders' Nomination Board prepares a proposal on the composition of the Board to the Annual General Meeting for its decision.

Asiakastieto's Board members shall be professionally competent and as a group have sufficient knowledge of and competence, inter alia, in the Company's field of business and markets. A new Member of the Board must have induction of the activities. The majority of the directors shall be independent of the Company. In addition, at least two of the directors, representing the aforementioned majority, shall be independent of significant shareholders of the Company. Independency from the Company is determined based on the fact whether a person has been employed by any of the Asiakastieto Group companies within the last 5 years. Independency from the shareholders is determined based on the fact whether a person has either directly or through controlling interest company owned Asiakastieto's shares during the last year.

The Board has general authority to decide on and act in any matters not reserved by law or under the provisions of the Articles of Association to any other governing body of the Company. The Board of Directors is responsible for the management of the Company and its business operations. Additionally, the Board is responsible for the appropriate arrangement of the bookkeeping and financial administration.

The operating principles and main duties of the Board of Directors have been defined in the Charter for the Board of Directors and include, among other things, to:

- establish business objectives and strategy,
- appoint, continuously evaluate and, if required, remove the CEO from office,
- ensure that there are effective systems in place for monitoring and controlling the Group's operations and financial position compared to its stated objectives,
- ensure that there is satisfactory control of the Company's compliance with laws and other regulations applicable to the Company's operations, and
- ensure that the Company's external disclosure of information is marked by openness and is correct, timely, relevant and reliable, by way of, among other things, adopting a disclosure policy.

By the resolution of Annual General Meeting on 28 March 2019, Petri Carpén, Martin Johansson, Tiina Kuusisto, Patrick Lapveteläinen, Carl-Magnus Månsson and Petri Nikkilä, were appointed as members to the Board of Directors.

## Independence of the Board of Directors

Under the Finnish Corporate Governance Code 2020, the majority of directors shall be independent of the Company. In addition, at least two directors of this majority shall be independent of the Company's major shareholders. The Board shall evaluate the independence of directors and report which directors it determines to be independent of the Company and which directors it determines to be independent of major shareholders.

Based on an evaluation by the Board of Directors pursuant to the Finnish Corporate Governance Code, all members of the Company's new Board of Directors are considered to be independent of the Company. In addition, all members of the Board, except for Patrick Lapveteläinen and Martin Johansson who have employment relationship with a major shareholder, are independent of the significant shareholders. Patrick Lapveteläinen and Martin Johansson are not independent of the company's significant shareholders as they have employment relationships with significant shareholders.

The Company is in compliance with recommendation 10 of the Corporate Governance Code.

### Personal details of the Board members:

#### **Carpén Petri**

b. 1958

Board member (from 22 December 2014)

**Education:** Master's Degree in Law (LL.M.)

**Occupation:** Director of Nets Oy

**Positions of trust:** -

#### **Harald Bo**

b. 1948

Member (from 22 December 2014 until 28 March 2019)

**Education:** Master of Arts (Pol. Sc.)

#### **Ilebrand Nicklas**

b. 1980

Member (from 29 June 2018 until 28 March 2019)

**Education:** Master's Degree in Science (Comp. Sc.)

#### **Johansson Martin**

b. 1962

Board member (from 29 June 2018)

**Education:** Master's Degree in Science (Econ.)

**Occupation:** Senior Advisor for CEO, Skandinaviska Enskilda Banken AB (publ.)

**Positions of trust:**

Chairman of the Board of Directors: Repono Holding AB, Försäkrings AB Suecia, Försäkringsaktiebolaget Skandinaviska Enskilda Captive

Member of the Board of Directors of several other companies belonging to the SEB Group

#### **Kuusisto Tiina**

b. 1968

Board member (from 28 March 2019)

**Education:** Master's Degree in Science (Econ.)

**Occupation:** Director (Chief Customer Officer) of Kojamo Plc

**Positions of trust:**

Member of the Board of Directors: Auron Oy

**Lapveteläinen Patrick**

b. 1966

Chairman (from 1 April 2016)

**Education:** Master's Degree in Science (Econ.)

**Occupation:** Chief Investment Officer of Sampo Group

**Position of trust:**

Chairman of the Board of Directors: Leviathan Oy

Member of the Board of Directors: If P&C Insurance Holding Ltd, If P&C Insurance Ltd (publ.),

Mandatum Life Insurance Company Limited (Sampo Life Insurance Company)

**Månsson Carl-Magnus**

b. 1966

Board member (from 1 April 2016)

**Education:** Master's Degree in Science (Eng.)

**Occupation:** CEO of Iver Group

**Positions of trust:** -

**Nikkilä Petri**

b. 1971

Board member (from 28 March 2019)

**Education:** Master's Degree in Science (Econ.)

**Occupation:** Director (Chief Commercial and Digital Officer) of Nordea Group

**Positions of trust:**

Member of the Board of Directors: Nordea Funds Oy, Automatia Pankkiautomaatit Oy

**Ronkainen Anni (Anna-Maria)**

b. 1966

Member (from IPO 31 March 2015 until 28 March 2019)

**Education:** Master's degree in Science (Econ.)

1/6 of the Members of the Board are women at the end of year 2019. The age distribution is 48-61 years. Members present two nationalities and they have gained experience from various industries.

The performance of the Board is evaluated annually. In 2019 the Board evaluated time allocation in meetings, the frequency and length of the meetings, practicalities of the meetings, the material received by the Board and the material distribution, the culture of the Board, the role and actions of the Chairman as well as gave proposals to make performance more efficient.

Meetings of the Board of Directors are convened by its Chairperson. The Board of Directors constitutes a quorum when more than half of the members appointed by the General Meeting are present at the meeting. When votes are cast, the majority opinion will be the Board's decision and, in the case of a tie, the Chairperson will have the casting vote.

The Board of Directors is always obliged to act in the Company's interests and in such a way that its acts or measures are not likely to produce unjustified benefit to any shareholder or other third party at the cost of the Company or another shareholder.

A Board member is disqualified from participating in the handling of a matter pertaining to a contract or other transaction between the Board member and the Company or of such matter where the member is to derive an essential benefit and that benefit may be contrary to the interests of the Company. In principle, a Board member may not participate in the handling of a matter if the Board member is involved in the matter under assessment in another capacity.

The Board of Directors shall convene as frequently as necessary to discharge its responsibilities. The Chief Executive Officer ensures that the Board is provided with sufficient information to assess the operations and financial situation of the group.

The secretary of the Board of Directors is Legal Council Juuso Jokela.

### **Board meetings 2019**

The Board of Directors convened altogether 9 times during year 2019. Average attendance was 95 per cent. In addition, the Board made one separate resolution in accordance with Chapter 6, Section 3 of the Finnish Companies Act without convening a meeting.

### **Board Committees**

The Board annually appoints an Audit Committee and may also appoint other permanent Committees if considered necessary at its organization meeting following the Annual General Meeting. The Board did not appoint Nomination and Remuneration Committee in its organizational meeting 28 March 2019. The Board has deemed, in particular taking into consideration the size and composition of the Board, it more efficient to prepare and discuss matters pertaining to amongst other things the development of remuneration schemes as well as remuneration principles in its full composition. In addition, the Board has assessed that it fulfils the independence requirements set out for a Nomination and Remuneration Committee. The composition, duties and working procedures of the Committees shall be defined by the Board in the Charters confirmed for the Committees. The Committees regularly report on their work to the Board.

#### *Audit Committee*

The Audit Committee consists of at least three (3) members, the majority of which must be independent of the Company. The members shall have the qualifications necessary to perform the responsibilities of the Committee. At least one (1) member shall be independent of the significant shareholders and at least one (1) member shall have expertise specifically in accounting, bookkeeping or auditing. All members of the Committee shall be versed in financial matters.

According to its Charter, the Audit Committee assists the Board in fulfilling its supervisory responsibilities and also prepares certain accounting and auditing matters to be handled by the Board. In addition, the Audit Committee makes recommendations for the election and removal of the external auditors and for their compensation and approves the external auditors' audit plan based on the auditors' proposal. Among its other duties, the Audit Committee reviews and monitors the financial reporting process, the efficiency of the system of internal control and risk management, and the audit process.

Petri Carpén serves as the Chairperson of the Audit Committee and Carl-Magnus Månsson and Martin Johansson serve as members of the Audit Committee.

Audit Committee convened 6 times during 2019. Average attendance was 94 per cent.

In accordance with its financial calendar, the Audit Committee discussed matters relating to internal control and auditing and reviewed the audit plan and remarks from auditing during the financial year. The Audit Committee reviewed IFRS changes and especially paid attention to analysis performed by the Company about IFRS16 implications. The Audit Committee also reviewed financial actual amounts and forecasts for the financial year, budget for the next financial year and impairment testing. The Audit Committee also discussed calculations relating to a corporate acquisition.

#### *Attendance to Board and Committee Meetings*

Name	Board meeting	Audit committee
Carpén Petri	8/9	5/6
Harald Bo	1/1	
Ilebrand Nicklas	1/1	
Johansson Martin	8/9	6/6
Kuusisto Tiina	8/8	
Lapveteläinen Patrick	9/9	
Månsson Carl-Magnus	9/9	6/6
Nikkilä Petri	7/8	
Ronkainen Anni (Anna-Maria)	1/1	

### **Chief Executive Officer**

The Chief Executive Officer (“CEO”) of Asiakastieto is appointed by the Board. The CEO is in charge of the day-to-day management of the Company. The duties of the CEO are governed primarily by the Finnish Companies Act. The CEO leads the operational activities and prepares information and decisions to support the Board and presents his findings at Board meetings.

In accordance with the Finnish Companies Act, the CEO has a right to decide himself on certain urgent matters which otherwise would require a Board decision. Jukka Ruuska is the CEO of the Company.

Jukka Ruuska (born 1961) has been an Executive Team member since 2011 and was appointed as Asiakastieto Group Plc’s CEO as of 2012. He currently serves as Chairman of the Board of Suomen Asiakastieto Oy, Emaileri Oy, UC AB, UC Affärsinformation AB, Proff AS, Proff AB and Proff Aps as a member of the board Suomen Kansallisteatterin Osakeyhtiö and Nordic Morning Oyj. He has served as a member of the Board of Asiakastieto Group Plc, Affecto Oyj, B10 Asset Management Oy, AB Lindex and Destia Oy. His previous positions also include President of Nordic Exchange Oyj, Deputy CEO of OMX Abp, Senior Partner at CapMan and Head of Corporate Planning at Elisa Corporation. He holds a LL.M. from University of Helsinki and MBA degrees from Helsinki University of Technology.

### **Executive Team**

The Company had an Executive Team at the end of year 2019 consisting of Jukka Ruuska Heikki Koivula, Mikko Karemo, Heikki Ylpekkala, Siri Hane, Victoria Preger, Eleonor Öhlander, Karl-Johan Werner, Jörgen Olofsson and Elina Stråhlman. The members of the Executive Team are appointed by the Board based on a proposal by the CEO. The members of the Executive Team report to the CEO.

The Executive Team members handle the issues that concern managing of the group in their respective areas and on the basis of the guidance provided by the Board of Directors. The Executive Team meets

one to two times per month, or as required, and supports the CEO in, for example, the preparation and execution of strategic matters, operating plans, matters of principle and any other significant matters. The Executive Team also assists the CEO in ensuring the flow of information and sound internal cooperation.

*The following table presents details of the management team members:*

Name	Birth year	Position	Appointed
Ruuska Jukka	1961	CEO	2011
Stråhlman Elina	1979	CFO	2019
Hane Siri	1984	Director, SME and Consumers	2018
Karemo Mikko	1971	Director, Sales and Customer Operations	2012
Koivula Heikki	1974	Director, Risk Decisions	2010
Olofsson Jörgen	1965	CIO	2019
Preger Victoria	1976	Director, Marketing and Communications	2018
Werner Karl-Johan	1973	Director, Customer Data Management	2019
Ylpekkala Heikki	1967	Director, Digital Processes	2016
Öhlander Eleonor	1970	Director, HR	2018

*Board of Directors' and management's share ownership 31 December 2019*

Board members	Number of shares
<b>Lapveteläinen Patrick</b>	10 000
Chairman of the Board	
Related party's ownership	8 000
<b>Carpén Petri</b>	0
Related party's ownership	0
<b>Johansson Martin</b>	0
Related party's ownership	0
<b>Kuusisto Tiina</b>	0
Related party's ownership	0
<b>Månsson Carl-Magnus</b>	0
Related party's ownership	0
<b>Nikkilä Petri</b>	0
Related party's ownership	0
<b>Total</b>	<b>18 000</b>

CEO and Executive Team	Number of shares
<b>Ruuska Jukka</b>	80 244
CEO	
Related party's ownership	0
<b>Stråhlman Elina</b>	1 500
Related party's ownership	0
<b>Hane Siri</b>	1 450
Related party's ownership	0
<b>Karemo Mikko</b>	11 423
Related party's ownership	0
<b>Koivula Heikki</b>	23 429
Related party's ownership	0
<b>Olofsson Jörgen</b>	800
Related party's ownership	0
<b>Preger Victoria</b>	1 500
Related party's ownership	0
<b>Werner Karl-Johan</b>	1 500
Related party's ownership	0
<b>Ylpekkala Heikki</b>	4 250
Related party's ownership	0
<b>Öhlander Eleonor</b>	1 500
Related party's ownership	0
<b>Total</b>	<b>127 596</b>

## Auditor

The main function of the statutory audit is to verify that the financial statements provide true, accurate and sufficient information on the Asiakastieto Group's performance and financial position for the financial year. The Asiakastieto Group's financial year is the calendar year. The auditor's responsibility is to audit the correctness of the Group's accounting in the respective financial year and to provide an auditor's report to the General Meeting. In addition, Finnish law requires that the auditor also monitors the lawfulness of the Company's administration. The auditor reports to the Board of Directors at least once a year.

The Audit Committee prepares a proposal on the appointment of Asiakastieto's auditors, which is then presented to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the Audit Committee.

Pursuant to Article 8 of the Company's Articles of Association, the Company must have one auditor that is a company of public accountants approved by the Central Chamber of Commerce of Finland. The term of the Auditor of the Company shall end at the close of the Annual Meeting following the election.

The Annual General Meeting 28 March 2019 has appointed PricewaterhouseCoopers Oy, Authorised Public Accountants as its auditor. PricewaterhouseCoopers Oy has appointed Martin Grandell, Authorised Public Accountant, as the principal responsible auditor.

In 2019 auditor Company was paid EUR 302 thousand for auditing and for other services EUR 56 thousand.

## Risk management and Internal control

### Risk management

Asiakastieto is exposed to a number of risks and uncertainties related to, among other factors, the market conditions, the Company's industry, the Company's strategy, business operations of the Company and financial risks. The materialisation of any such risks could have a material adverse effect on Asiakastieto's business, financial condition, results of operations and future prospects.

The objective of Risk Management is to secure profitable performance of the Asiakastieto Group and to ensure the continuity of the business by executing risk management in a cost-effective and systematic manner in the different functions of the Company. Risk management is part of Asiakastieto's strategic and operative planning, daily decision-making process and internal control.

#### *Main Principles for Organizing Risk Management*

The Company complies with a policy approved by the Company's Board of Directors for the management of risks. Risk Management covers all activities that are related to the objectives being achievable and consistent with the strategy, to the identification, measuring, assessment, processing, reporting and control of risks and to the reaction to risks.

#### *Main Features of Risk Management Process*

In conjunction with the strategy process and annual planning, the Company's CEO and members of the management group evaluate the business risks which may prevent or endanger the achieving of the group's strategic and result objectives. The units provide risk assessments of their own operations for the support of the strategy process. The directors of the units have to provide assessments of the risks of their own area of responsibility and present action plans for the management of risks. Changes taking place in the strategic and operative risks are discussed in the management group.

Asiakastieto's CEO reports the identified risks as well as planned and implemented actions for the risk mitigation to the Audit Committee and the Board of Directors. In accordance with the recommendation 26 of the Finnish Corporate Governance Code, the Company shall disclose the major risks and uncertainties that the Board is aware of and the principles along which risk management is organised. The Audit Committee shall assure that the Corporate Governance Statement published by the Company shall contain an appropriate description of the main features of the internal control and risk management systems in relation to the financial reporting process.

The report by the Board of Directors contains an evaluation of the major risks and uncertainties. In addition, the interim reports and financial statements releases shall describe major short-term risks and uncertainties related to the business operations.

## Internal control

The objective of the internal control in Asiakastieto Group is to ensure that business operations are efficient and profitable, financial reporting is reliable, and that applicable laws and regulations for the Company's business, as well as Company's internal instructions are followed. The specific objective of the internal control over financial reporting is to ensure that interim reports, financial statement releases and other financial reporting made available to the public, and financial statements and annual reports are reliable and are prepared in accordance with the accounting and reporting principles adopted by the Company.

The Audit Committee of Asiakastieto is responsible for, according to its working order, the monitoring of the financial statement preparation and financial reporting processes, and it monitors the effectiveness of the Company's internal control and risk management processes.

CEO is operationally responsible for the organization of the internal control. It includes that the Company has designed and implemented adequate internal control mechanisms as stipulated in the operating principles approved by the Board. CEO, supported by the Management Team, is responsible to ensure that the Company operates in accordance with the agreed and defined principles, follows laws and regulations, and reacts towards identified exceptions and takes adequate corrective actions.

The duty of the CFO is to make sure and control that the bookkeeping and financial reporting practices of the group are in accordance with the law and that the financial and management reporting is reliable.

An integral part of the internal control is the document indicating the Company's delegation of authority, as defined by the Board (Delegation of Authority Summary). The guideline defines authorisations of the Board, the CEO and other management team members. The guideline deals with the situations where authorisations may be required for annual financial accounts, budget, remuneration, investments, acquisitions, financing and one-off transactions. Asiakastieto Code of Ethics is applicable for all the group employees. It has been published in the Company's intranet and is also introduced to all new employees.

Asiakastieto's minimum internal control requirements are aimed at preventing, detecting and correcting material accounting and disclosure errors and irregularities and are performed on all company levels. They include a range of activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance, the security of assets and the separation of duties as well as general computer controls. In Finland, Asiakastieto has also adopted the ISO 9001-based quality system. This describes the Company's principal processes and related controls, by means of which the units can control and develop their process risk management.

### *General Description of Internal Control and Operational Principles*

Internal control is carried out by the Board of Directors, management and the Company's entire personnel so that it can reasonably be asserted that:

- the operations are functioning, efficient and in compliance with the strategy
- the financial reporting and information given to the management is reliable, sufficient, and timely
- applicable laws and regulations as well as the Company's internal instructions and ethical values are complied with at Asiakastieto

Asiakastieto's internal control contain the following structural elements:

- instructions and principles set by the Board of Directors for internal control, risk management and administration
- the implementation and application of instructions and principles under the supervision of the management
- control of the efficiency and functionality of operations as well as the reliability of the financial and management reporting by the financial department
- the Company's risk management process, the purpose of which is to identify, assess and reduce risks threatening the achievement of objectives
- compliance processes, the purpose of which is to ensure that all applicable laws, regulations, internal instructions and ethical values are complied with common ethical values and strong internal control culture amongst all employees

Asiakastieto has no specific internal audit organisation. This has been taken into consideration in the content and extent of the annual audit plan. The Audit Committee of the Board shall, according to its working order, evaluate on a yearly basis whether such function should be established. The Audit Committee may use either internal or external resources to carry out specific internal audit assignments. The Group Finance of the Company monitors adherence of the approval limits as defined in the Delegation of Authority guidelines.

#### *Focus areas in 2019 for internal control development*

Areas of focus for the internal control in 2019 were to continue development of Nordic processes and to improve and standardise controls in the entire group.

### **Related party transactions**

The Company has procedures in place to identify and define its related parties and assesses and monitors related party transactions to ensure that all conflicts of interest and the Company's decision-making process are appropriately taken into account. The Group's financial management monitors and supervises related party transactions as part of the Company's normal reporting and monitoring procedures and reports to the Board of Directors on regular basis.

The Board of Directors monitors related party transactions on a regular basis. All the material related party transactions that deviate from the company's normal business operations are to be approved by the Board of Directors. Asiakastieto has not conducted related party transactions that are material from the perspective of the company and where such transactions deviate from the company's normal business operations or are not made on market or market equivalent terms.

### **Compliance with laws and regulation**

It is the policy of Asiakastieto to comply throughout the organization with all applicable laws and regulations and to maintain an ethical workplace for its officers and employees as well as an ethical relationship with its customers, suppliers and other business partners.

In its insider administration Asiakastieto follows the Guidelines for Insiders issued by Nasdaq Helsinki Ltd complemented by the Company's own Insider Guidelines approved by the Board. The Company maintains the list of persons discharging managerial responsibilities and persons closely associated to them and project specific insider registers in the SIRE system of Euroclear Finland Ltd. In accordance

with MAR regulation persons discharging managerial responsibilities include the members of the Board (and their deputies, if any) and in addition, based on a decision made by Asiakastieto's Board of Directors, the CEO, the Deputy CEO and the CFO. Asiakastieto has no company-specific permanent insider register.

According to Asiakastieto's Insider Guidelines, persons discharging managerial responsibilities shall always obtain a prior approval for trading in the Company's securities from the Company's Insider Officer. Persons discharging managerial responsibilities may not in any event trade in the Company's securities during the period of 30 days before the publication of the (quarterly) interim report or annual result (Closed Window). According to the Insider Guidelines approved by the Board also the persons who participate in the financial reporting of the Company are concerned by this prohibition to trade during the Closed window.

A project-specific insider register is also maintained when required by law or regulations. Project specific insiders are prohibited from trading in the Company's securities until the termination of the project.

### **Shareholders' Agreement and Articles of Association relating to the Credit Register and the Credit Register Information**

The Company and UC AB's former owners Skandinaviska Enskilda Banken AB (publ), Nordea Bank AB (publ), Svenska Handelsbanken AB (publ), Swedbank AB (publ), Danske Bank A/S Swedish branch and Länsförsäkringar Bank AB (publ) (together, the "Sellers") have entered into a shareholders agreement relating to the governance of UC AB's Credit Register and Credit Register Information, as a company jointly owned by the Sellers received as part of the acquisition of UC AB a small number of UC AB's Class B shares that grant their holders certain governance related rights. The purpose of these arrangements has been to secure the maintenance of the Credit Register and the management of Credit Register Information provided by the Sellers.

The Company is not aware of any other shareholders' agreements regarding the shares of the Company.

### **Board of Directors' report**

Board of Directors published in 5.3.2020 its report for financial year 2019. Board of Directors report is published at the same time with Corporate Governance Statement.