

CORPORATE GOVERNANCE STATEMENT 2019

Introduction:

Tecnotree Corporation (“Tecnotree” or “Company”) is a Finnish Public Limited Company. The responsibilities and obligations of the corporate management are based on the Finnish legislation. The company complies in its decision-making and governance the Finnish Companies Act, the regulations for public companies, the Articles of Association of Tecnotree, the rules set for the Board and its committees, as well as the rules and regulations of Nasdaq Helsinki Ltd. Tecnotree Group comprises Tecnotree Corporation and its subsidiaries. The company is registered and domiciled in Espoo Finland.

Tecnotree follows the Finnish Corporate Governance Code for listed companies which has become valid on 1 January 2016. Tecnotree follows all the recommendations of the Corporate Governance Code. This statement has been prepared in accordance with the Finnish Corporate Governance Code and it has been given separately from the Report of the Board of Directors. The Finnish Corporate Governance Code is available at <https://cgfinland.fi/en/corporate-governance-code/>. This statement can be found at Tecnotree’s website www.tecnotree.com and in Tecnotree’s Annual Report for 2019.

Description of the composition and operations of the meeting of shareholders, Board and Board committees and other controlling bodies

Meeting of Shareholders

Annual General Meeting of Shareholders is the highest decision-making body of Tecnotree. The responsibilities of the Annual General Meeting are defined in the Finnish Companies Act and the Articles of Association of the company. The Annual General Meeting is held annually, on a date designated by the Company’s Board of Directors. The most important responsibilities include amending the Articles of Association, approving the financial statements, deciding on the dividend to be paid, discharging the Board members and the CEO from liability, appointing Board members and auditors and deciding on their fees.

In 2019, the Annual General Meeting was held on 15 May 2019. The Annual General Meeting confirmed the financial statements and the consolidated financial statements for the financial year 2018 and unanimously discharged the Board of Directors and the CEO from liability for the year 2018. The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial year 2018, and that the parent company’s loss for the financial year, EUR 6,839,442.02 be transferred to the accrued earnings account.

The Extraordinary General Meeting of Tecnotree was held on 5 September 2019 in Espoo. The Extraordinary General Meeting elected Anders Fornander as a new member of the Board of Directors for a term that expires at in the upcoming Annual General Meeting.

Board of Directors

Formation and term of office of the Board of Directors:

The operations of Tecnotree are managed under the direction of the Board, within the framework set by the Finnish Companies Act and Tecnotree’s Articles of Association as well as any complementary rules of procedure as defined by the Board, such as the Corporate Governance Guidelines and the charters of the Board’s committees, if any.

The Board of Directors is responsible for the appropriate organisation of the company’s administration, business operations, accounting and financial controlling.

Furthermore, the Board is responsible for promoting the interests of the company and all its shareholders by pursuing a business policy that in the long-term ensures the best possible return on capital invested in the company.

Tecnotree’s Board of Directors consists of a minimum of three and a maximum of eight members, as outlined in the Articles of Association. The Annual General Meeting elects the Board and confirms the



number of Board members. The Board of Directors elects the Chairman and Vice Chairman among its members for a term of one year at a time. The term of office of Board members expires at the end of the first Annual General Meeting following election.

Description of the operations of the Board of Directors and the main contents of its charter:

Tecnotree's Board of Directors is responsible for the Company's corporate governance and for the proper organisation of its operations. The members of Tecnotree's Board have no special duties related to being a member of the Board other than those designated by law. Board members are also members of Board Committees.

To support its work, Tecnotree's Board of Directors has confirmed a charter that defines the Board's duties and work methods, as well as meeting and decision-making procedures. In accordance with the charter, the Board deals with and makes decisions on matters that are financially, operationally or fundamentally significant to the Group.

According to the elementary tasks listed in the charter, the Board shall among others:

- decide upon the group strategy and approve the business strategy
- approve the values of the company and its subsidiaries
- approve the annual business plan and supervise its implementation
- decide upon the central organization structure and management system of the company
- discuss and approve the accounts and interim reports
- define the dividend policy of the company and make a proposal to the annual general meeting as to the amount of dividend paid
- appoint the managing director of the company and the deputy managing director, and decide upon their remuneration and employment terms
- decide on the appointment of the members of the company's management group and their remuneration
- decide on the remuneration systems of the company's executives and the principles of the remuneration systems for other personnel
- decide on strategically or economically important investments and the acquisitions and divestments of companies or similar arrangements
- approve the significant principles of risk management
- decide upon the capital structure of the company
- confirm the principles of internal control
- annually assess its activities and working methods
- be responsible for the other duties assigned to it under the Finnish Companies Act or other regulation
- establish an audit, a remuneration and/or nomination committee, or another committee, when needed.

The Board evaluates its operations and working methods once a year through self-assessment. The full charter of the Board of Directors is available at www.tecnotree.com.

The principles of Board diversity:

In proposing and deciding the number of the members and the composition of the Board, the diversity of the Board, the requirements of the company's operations and the development phase of the company shall be taken into account, with the aim of ensuring an efficient management of the Board tasks. The persons elected as members of the Board shall have the competence required in this duty and the



possibility to devote sufficient time to attend to their duties. When preparing its proposal concerning the composition of the Board, the Board shall consider the age, gender, education and experience of the members to ensure the diversity of the Board.

The objective of the company is that expertise from various industries and markets, varied professional and educational backgrounds, a balanced age distribution as well as both sexes are all diversely represented in the Board.

Monitoring of the principles of Board diversity in 2019:

At the beginning of the year the Board comprised of seven directors, which consisted of one female member and six male members.

At the Annual General Meeting held on 15 May 2019 the composition of the board changed to four male members and one female member.

After the Annual General Meeting held on 15 May 2019, one male director resigned, and one male director was appointed. Board diversity remained unchanged post these changes.

The experience of the Board members is versatile and diverse. The age of the Board members is between 49 and 75 years. In the current situation of the company, continuity is deemed important, but the Board will strive to improve diversity further.

Composition of the Board & Its Independence:

The Annual General Meeting of 15 May 2019 confirmed that the Board of Directors will consist of five (5) members, and the Board members were elected for a period of office expiring at the end of the first Annual General Meeting following the election. The Annual General Meeting re-elected as Board Members Ms. Jyoti Desai, Mr. Neil Macleod, Mr. Conrad Neil Phoenix, Mr. Priyesh Ranjan and appointed Mr. Kaj Hagros as a new member of the Board.

On date 1 July 2019 Mr. Priyesh Ranjan was appointed as CFO of the Company. Due to this appointment, Priyesh resigned from the post of director on 1 July 2019.

The Extraordinary General Meeting on 5 September 2019 appointed Anders Fornander as a new director. It was confirmed that the Board will consist of five (5) members, and the Board members were elected for a period of office expiring at the end of the first Annual General Meeting following the election. The Extraordinary General Meeting elected as Board Members Jyoti Desai, Anders Fornander, Kaj Hagros, Neil Macleod and Conrad Neil Phoenix.

Independence:

As per the Corporate Governance Code, Majority of Board Members must be independent of the company. In addition to that at least two members of mentioned majority must be independent of the company and its significant shareholders.

Tecnotree' s Board of Directors has assessed the Board members' independence of the company and shareholders in compliance with the Finnish Corporate Governance Code. Based on the assessment, three Board members are independent of the company and of significant shareholders and two Board members are independent of the company but non-independent of the significant shareholders.

Members of the Board

Neil Macleod, b. 1971, HND, Engineering Systems (Napier University), Diploma in Agriculture and Farm Business (Royal Agricultural College) ja M.Sc. Property Development and Planning Law (Southbank University)

Executive Chairman of the Board, 15.5.2019

Member of the board, 24.9.2018 -

Main duty: Phoenix Macleod Ltd.

Tecnotree shares as on 31.12.2019- Nil, holding of interest parties 74,000,000

Independent of Tecnotree and non-independent of its significant shareholders.



Jyoti Desai, b. 1957, BA (Hons), B Com Economics and Law, CAIB (SA), Financial Services qualification
 Vice Chairman of the Board of Directors, 15.05.2019
 Main duty: Entrepreneur and consultant
 Tecnotree shares as on 31.12.2019: Nil
 Independent of Tecnotree and its significant shareholders.

Conrad Neil Phoenix, b. 1944, MBE, FRICS
 Member of the Board, 24.09.2018 -
 Main duty: Shareholder and a Member of the Board at Solargise (UK) Ltd.
 Tecnotree shares as on 31.12.2019- Nil, holding of interest parties 74,000,000
 Independent of Tecnotree and non-independent of its significant shareholders.

Kaj Hagros, b. 1970, MSc. (Eng.), MBA
 Member of the Board, 15.05.2019 -
 Main Occupation: Managing Partner, Redstone Nordics
 Tecnotree shares as on 31.12.2019: 104,271
 Independent of Tecnotree and its significant shareholders

Anders Fornander, b. 1957, Master of Science in Management of Technology
 Member of the Board, 5.9.2019 -
 Rheinmetall Air Defence AG, Head of System Engineering
 Tecnotree shares as on 31.12.2019: -
 Independent of Tecnotree and its significant shareholders

Priyesh Ranjan, b.1980, Bachelor's in Technology, Indian Institute of Technology.
 Member of the Board, 24.9.2018-01.07.2019

Harri Koponen, b. 1962, eMBA, Phd. Econ. h.c.
 Member of the Board, 2008 - 15.5.2019

Pentti Heikkinen, b. 1960, M.Sc. (Econ.) Stanford Graduate School of Business
 Member of the Board, 2009 - 15.5.2019

Christer Sumelius, b. 1946, M.Sc. (Econ.)
 Member of the Board, 2001 - 15.5.2019

The Annual General Meeting 2019 decided the following remuneration for the Board members: Chairman of the Board EUR 50,000, Vice-chairman of the Board EUR 30,000 and members of the Board EUR 23,000 in a year. The Chairman shall receive an attendance fee of EUR 800 and the members EUR 500 per meeting, respectively the members of committees shall receive an attendance fee of EUR 500 per meeting. In accordance with the decision of the Annual General Meeting, reasonable travel expenses shall also be reimbursed to Board members.

Remuneration paid to the Chairman and members of the Board of Directors from 1 January 2019 to 31 December 2019 totalled EUR 215,457. Board members have no share-based incentive schemes. Tecnotree's Board of Directors convened eighteen (18) times in 2019. The average attendance was approximately 85 per cent.

Board attendance to meetings and remuneration for 2019:

Board Member	Attendance	Remuneration (euro)
Neil Macleod	18/18	55,133
Jyoti Desai	18/18	38,438
Conrad Neil Phoenix	8/18	27,938
Kaj Hagros	10/11	19,407



Anders Fornander	5/8	9,438
Priyesh Ranjan (till 01.07.2019)	9/9	15,938
Harri Koponen (till 15.05.2019)	7/9	23,481
Pentti Heikkinen (till 15.05.2019)	9/9	13,093
Christer Sumelius (till 15.05.2019)	9/9	12,593
Total Remuneration		215,457

Committees of the Board of Directors:

At the Annual General Meeting of the Company held on 15 May 2019, the board decided to establish an Audit Committee, a Remuneration Committee and a Nomination Committee. Prior to this the Company had an Audit committee, a Remuneration, a Nomination Committee and a Strategy and Investment Committee.

Thereafter the Company held an Extraordinary General Meeting on 5 September 2019 and established Strategy Committee. After the above meeting the Company has the below committees:

- Audit Committee;
- Remuneration Committee;
- Nomination Committee; and
- Strategy Committee

Audit Committee

The Audit Committee's duty to assist the company's Board of Directors in ensuring that the company has sufficient internal control system encompassing all of its operations. In addition, the Committee assists the Board of Directors in ensuring that the monitoring of the company's accounting and asset management have been organised in an appropriate manner. It is also the Audit Committee's duty to monitor that the operations and internal control of the company have been arranged in a manner required by legislation, valid regulations and a good management and administration system, and to monitor the activities of internal auditing.

To execute its duties, the Audit Committee shall:

- monitor the reporting process of financial statements
- supervise the financial reporting process
- monitor the efficiency of the company's internal control, internal audit, if applicable, and risk management systems
- review the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in the company's Corporate Governance Statement
- monitor the statutory audit of the financial statements and consolidated financial statements
- evaluate the independence of the statutory auditing or audit firm, particularly the provision of related services to the company
- prepare the proposal for resolution on the election of the auditor
- monitor the financial position of the company
- contact with the auditor and revision of the reports that the auditor prepares for the Audit Committee; and
- make recommendations to the Board in matters requiring a Board resolution.

At the end of the financial year the Audit Committee comprised of three members of the Board: Jyoti Desai (Chairman), Neil Macleod and Conrad Neil Phoenix. The Audit convened four (4) times during the period. The average attendance was 100 per cent.

Committee members	Attendance
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Jyoti Desai	2/4
Neil Macleod	2/4
Conrad Neil Phoenix	2/4
Harri Koponen	2/4
Pentti Heikkinen	2/4
Priyesh Ranjan	2/4

Board has confirmed a written procedure to Audit Committee.

Remuneration Committee

The Remuneration Committee shall prepare matters pertaining to the appointment and remuneration of the CEO and other executives of the company as well as remuneration principles observed by the company and make recommendations to the Board of Directors in these matters.

The main duties of the Remuneration Committee are as follows:

- the preparation of matters pertaining to the remuneration and other financial benefits of the CEO and the other executives;
- the preparation of matters pertaining to the remuneration schemes of the company;
- the evaluation of the remuneration of the CEO and the other executives as well as ensuring that the remuneration schemes are appropriate; and
- answering questions related to the Remuneration Statement at the general meeting;
- the preparation of matters pertaining to the appointment of the CEO and the other executives as well as the identification of their possible successors.

At the beginning of the year i.e. as on 01.01.2019 the Remuneration Committee comprised of three members of Board: Jyoti Desai, Pentti Heikkinen and Priyesh Ranjan.

At the Extra ordinary General meeting of held on 5 September 2019, the Company elected Neil Macleod, Jyoti Desai and Conrad Phoenix as the members of the Remuneration Committee. The Remuneration Committee meetings were convened Four (4) times during the period. The average attendance was 100 per cent.

Committee members	Attendance
Neil Macleod	1/1
Jyoti Desai	4/4
Conrad Neil Phoenix	1/1
Pentti Heikkinen	3/3
Priyesh Ranjan	3/3

Nomination Committee

The Nomination Committee assists the Board of Directors in the preparations of the matters pertaining to the appointment and remuneration of members of the Board of Directors and makes recommendations to the Board of Directors in these matters.

The main duties of the Nomination Committee are as follows:

- the preparation of the proposal for the appointment of directors to be presented to the general meeting
- the preparation of the proposal to the general meeting on matters pertaining to the remuneration of the directors;
- the presentation of the proposal on the directors to the general meeting; and
- identification of prospective successors for the directors.

At the beginning of the year i.e. as on 01.01.2019 the Nomination Committee comprised of three members of Board: Christer Sumelius, Neil Macleod and Conrad Phoenix.



At the Extra ordinary General meeting held on 5 September 2019, the Company elected Neil Macleod, Jyoti Desai and Conrad Phoenix as the members of the Nomination Committee. The Nomination Committee meetings were convened two (2) times during the period. The average attendance was 100 per cent.

Committee members	Attendance
Neil Macleod	2/2
Jyoti Desai	1/1
Conrad Neil Phoenix	2/2
Christer Sumelius	1/1

Strategy Committee

The Strategy and Investment Committee shall prepare matters pertaining to key strategic choices of the company and make recommendations to the Board of Directors in such matters.

The main duties of the Strategy- and investment Committee are as follows:

- reviewing significant strategic initiatives proposed by management and making recommendations to the Board regarding the same;
- reviewing the Tecnotree product strategy and roadmaps planned on and providing the necessary advice on competitive positioning of products and technologies; and
- attending from time to time customer meetings and events as needed to support management in explaining Tecnotree's strategy and convincing customers that it has the Board buy in etc.

At the beginning of the year i.e. 01.01.2019 the Company had Strategy- and investment Committee which comprised of Harri Koponen (Chairman), Jyoti Desai and Priyesh Ranjan.

At the Extra ordinary General meeting of held on 5 September 2019, the board renamed the committee name to "Strategy Committee" and elected Jyoti Desai, Kaj Hagros and Anders Fornander as the members of the committee. The Strategy committee convened one meeting during the period. The average attendance was 100 per cent.

Committee members	Attendance
Jyoti Desai	1/1
Kaj Hagros	1/1
Anders Fornander	1/1

CEO

The Chief Executive Officer is responsible for managing and developing the company's operations as defined in the Finnish Companies Act and, in the guidelines, and instructions issued by the Board of Directors. The CEO may undertake actions that are unusual or far-reaching in view of the scope and quality of the company's operations only if authorised by the Board of Directors. The CEO ensures that the company's accounting complies with legislation and that its assets are managed reliably. The CEO is also responsible for investor relations, corporate communication, long-term strategic and financial planning, as well as major operative decisions and the supervision of their implementation. The CEO prepares matters to be handled at Board meetings and reports to the Board.

Padma Ravichander, b. 1959, Computer Science and IT (Dip), Concordia University, Montreal Canada, Graduate of Executive Management School Stanford University, California, USA
Chief Executive Officer, CEO, 9 May 2016 -.

Management Board

Management Boards main duty is to assist CEO in operative management, monitor and develop business activities according to strategy and targets, create group level policies, support risk management



procedures, follow coherent human resources policy and remuneration as well as manage stakeholder relations. Management Board convenes at least once a month.

At the end of 2019 Tecnotree Group Management Board had eight (8) members: CEO, CFO, Senior VP Product Creation, VP Product Engineering, VP Quality & India Head, VP Digital Transformation Global Human Resources Head and VP, Regional LATAM. CEO acted as Chairman of the Management Board.

Management team members, responsibilities and period of membership:

Padma Ravichander, b. 1959, Computer Science and IT (Dip), Concordia University, Montreal Canada, Graduate of Executive Management School Stanford University, California, USA

Main duty: Chief Executive Officer, 9 May 2016-

Tecnotree shares as on 31.12.2019: 197,303

Priyesh Ranjan, b. 1980, Bachelor of Technology (IIT Delhi)

Main duty: Group Chief Financial Officer, CFO, 1 July 2019.

Tecnotree shares as on 31.12.2019: -

Indrajit Chaudhuri, b. 1970, Master of Computer Science and Eng.

Main duty: Senior Vice President, Product Creation and Consulting, 1 June 2016.

Tecnotree shares as on 31.12.2019: -

Sanjay Ketkar, b. 1956, Master of Engineering (Automation), Indian Institute of Science

Main duty: Vice President, Product Engineering, 1 June 2016.

Tecnotree shares as on 31.12. 2019: -

Sheela Singh, b. 1960, Bachelor of Engineering (Electronics)

Main duty: Vice President – Quality & India Center head, 1 March 2017

Tecnotree shares as on 31.12.2019: -

Leena Koskelainen, b. 1965, Diploma in Business Information Technology

Main duty: Vice President, Global Managed Operations, 1 Feb 2018

Tecnotree shares as on 31.12.2019: 19, 275; holding of interest parties 23,961

Anil Peter Monteiro, b. 1976, Human Resources Management, XLRI

Main duty: Global Head, Human Resources, 13 Dec. 2018.

Tecnotree shares as on 31.12. 2019: -

Armando Martinez, b.1968, master's degree (MBA) and Bachelor of Communications and Electronics Engineering (BCEE), Specialization: Digital Electronics and Telecommunications

Main duty: Vice President Regional LATAM, 1 January 2019

Tecnotree shares as on 31.12.2019: -

Description of the main features of the internal control and risk management systems pertaining to the financial reporting process

Company's general objectives for internal control and risk management

The objective of the internal control and reporting methods is to ensure that the company's operations are efficient, and that information is reliable, and that official regulations and internal operating principles are followed. The Group's management is responsible for performing and guiding the internal control.

The task of risk management is to identify, manage and track the major risks in the company's business and business environment to enable the company to achieve its strategic and financial goals in the best possible way. The company's management Board is responsible for risk management.



Control activities

The company mainly uses a common finance system for its financial reporting, and the information in this system for the different companies can also be viewed at head office. Similarly, where necessary the parent company accounts can also be examined at the other offices. Group reporting is performed using a separate system on monthly basis. Actual figures are compared to the budget, and at the highest level also to the previous forecast. Major deviations are cleared up.

The main control activities include preparing up-to-date forecasts, analysing deviations in actual data versus forecast and previous periods, performing transaction and process level controls and internal audits. The company does not have an own internal audit function. The Finance department in head office is responsible for control activities.

Annual budgets are prepared, and detailed targets are set based on the strategic plans in October-December. A preliminary budget proposal is presented to the Board of Directors in November and the final budget is drawn up based on the feedback received, and this is examined at the Board meeting in December. It also includes plans of action. These are then used as the basis for defining individual targets for each person.

The operating result forecast is updated and presented at the monthly Board meeting. Monthly reporting shows the latest forecast for the period that has ended, the actual figure and the forecast for the following period.

Forecasts for sales, revenues to be recognised and cash flow are examined on monthly basis or more often, if needed, region by region in telephone conferences. The forecasts are graded in different categories according to their probability, and this information is used by the Management Board to decide on the forecast to be presented to the Board. The company has also a vigilant cash monitoring system in place with weekly assessment reporting.

The company's financial management together with the relevant levels of management aims at ensuring the correctness in the monthly reporting. Line organisation is responsible for budgets and forecasts. The role of Group's financial management is to collect these plans according to accepted timetables and to control their reliability. Substantial deviations and eventual errors with corrective actions are reported to the Board of Directors.

The Group's financial department performs controls pertaining to the correctness of external and internal reporting. Due to the nature of business a lot of emphasis is put into controlling revenue recognition and receivables.

Risk management

Tecnotree's general annual assessments of external risks assessed by the Management Board define the biggest risks. These assessments are made by evaluating the probability and the impact of the different risks and based on this a risk map is comprised. Actions and a person in charge are defined for each significant risk. The most significant risks have been described in the Board of Directors' Report. The Board approves the significant principles of risk management.

The Espoo District Court confirmed 15 November 2016 the amended restructuring programme and along with the confirmation the restructuring programme ended. The reimbursements of payment plan will end 20 June 2025.

Corporate governance is implemented through documented policies. The main policies are policy for making sales agreements, credit policy, cash management policy, policy for hedging against currency risks, policy for making purchase agreements and approval policy.

Major part of Tecnotree's risks is related to sales. These risks can be mitigated by reviewing offers systematically. Tecnotree has uniform principles and practices in bid reviews.

The subsidiaries and foreign offices of the parent company have issued guidelines and policies for their own specific purposes that are in line with the Group level policies. The company has defined its Code of Conduct.



The company's financial management is responsible for managing foreign exchange, interest rate and liquidity risks and for taking out insurance against operational risks.

The Management Board of the company handles risks and risk management in its meetings on a regular basis. The CEO reports these to the Board of Directors.

The risks pertaining to the financial reporting are mitigated by the methods in financial reporting and control of the Group. Majority of the sales transactions are at the parent company level. The companies have a common chart of accounts and IFRS principles applied, common systems with comprehensive database, centralised treasury and financing, and an easy-to-access archive for contracts and policies. Fund management and financing have been centralised in the Group, and the contracts and policies are available in an easy-to-access archive.

Related party transactions

Tecnotree monitors and assesses any transactions with its related parties and ensures that potential conflicts of interest are appropriately considered in the company's decision-making. The company maintains a list of its related parties. The company is responsible for determining and identifying the parties and transactions included in related party transactions.

Certain related party transactions are published as required by the stock exchange rules. In 2019, Tecnotree did not have any material related party transactions that would not be in line with its regular business operations or market conditions.

Insider issues

Tecnotree Group complies with the currently valid insider dealing regulations and the Nasdaq Helsinki Guidelines for Insiders. The Group also has its own Insider Guidelines complementing Nasdaq Helsinki Guidelines for Insiders and it is updated when necessary. The Insider Guidelines are available on the company's website.

The person in charge of insider issues (insider issues officer) and insider register manager in Tecnotree is the CFO. The duties of the insider issues officer include internal communication and training and the monitoring of insider issues (including the whistleblowing system). The insider issue officer is also responsible for managing the closed periods and ensuring that executives and their related parties meet their obligations related to the notification and publication of related party transactions.

Tecnotree has opted to maintain a separate list of permanent insiders who, on the basis of their position or duties, have permanent access to all inside information concerning the company. Tecnotree has defined the following persons as permanent insiders:

- members of the Tecnotree Board of Directors, the CEO and the CFO, and
- the secretary of the Board of Directors.

A project-specific insider list is maintained of all insider projects in line with the stock exchange's Guidelines for Insiders.

In accordance with the applicable legislation, persons in managerial positions in Tecnotree Corporation (the Board of Directors, the CEO and the Management Board) and their related parties report any transactions conducted on their own account to the company and to the Finnish Financial Supervisory Authority within three days of the completion of such transactions. According to the company's Insider Guidelines, executives shall, however, notify the transactions on the following working day. The company publishes a stock exchange release of the transactions of the executives and their related parties in accordance with the applicable legislation.

Tecnotree executives shall schedule their transactions with Tecnotree's financial instruments to avoid the transactions undermining confidence in the securities market. Tecnotree executives shall not trade in Tecnotree's financial instruments during the period starting 30 days before the publication of each financial statements bulletin, half year financial report or three- or nine-month financial report and ending



on the day following the publication of such data. The closed period also covers the persons participating in the preparation, drafting and publication of Tecnotree' s financial reports.

Auditing of accounts

The principal purpose of auditing is to verify that the financial statements provide correct and sufficient information on the company's result and financial position. In addition, the auditor verifies the legality of the company's administration.

The auditor is appointed annually in the Annual General Meeting for a term ending at the end of the following Annual General Meeting. A proposal of the auditor made by the Board of Directors or any shareholder holding at least 10% of the voting rights shall be published in the invitation to the Annual General Meeting, provided that the candidate has given his or her consent to be appointed and that the company has been informed of the proposal sufficiently early for it to be included in the invitation. If the auditor candidate is not known by the Board of Directors at the time of submitting the invitation, the name of the candidate, who has been presented in this manner, shall be published separately.

The fees of the auditor and any remuneration for services not related to the audit for the financial period shall be published in the annual report and on the company's website.

The Annual General Meeting 2019 appointed the auditing firm Tietotili Audit Oy as the auditors of the company till the end of the first Annual General Meeting following the election. In 2019, the auditor was paid EUR 142 thousand for the audit services.

Communication

In its disclosure policy the company complies with Finnish and European Union legislation and with the instructions and regulations of Nasdaq Helsinki Ltd, the Financial Supervisory Authority and the European Securities and Markets Authority (ESMA) and the provisions of the Finnish Corporate Governance for Finnish listed companies as well as other rules concerning listed companies.

The central principles Tecnotree follows in its communication are openness, integrity, consistency, and clarity. It is the company's objective to give all stakeholder groups correct and up-to-date information about the company's operations in a balanced and timely manner

Tecnotree Corporation
The Board of Directors

