

## CORPORATE GOVERNANCE STATEMENT 2021

### 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 OMX Helsinki. Tecnotree Group comprises Tecnotree Corporation and its subsidiaries. The company is registered and domiciled in Espoo Finland.

The company complies with the Finnish Corporate Governance Code 2020 published by the Securities Market Association. 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](http://www.tecnotree.com) and in Tecnotree’s Annual Report for 2021.

### 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

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 2021, the Annual General Meeting was held on 15<sup>th</sup> April 2021. The Annual General Meeting confirmed the financial statements and the consolidated financial statements for the financial year 2020 and unanimously discharged the Board of Directors and the CEO from liability for the year 2020. The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial year 2020, and that the parent company’s profit for the financial year, EUR 8,437,595.58 be transferred to the retained earnings account.

##### Extraordinary General Meeting

In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened when the Board considers such a meeting to be necessary, or when the provisions of the Finnish Companies Act mandate that such a meeting must be held.

In 2021, the Extraordinary General Meeting of the shareholders was held on 30<sup>th</sup> July 2021. The Extraordinary General Meeting of the shareholders authorized the Board of Directors to decide on a directed share issue. The Board of Directors were directed to issue maximum 30,577,778 new shares. The shares were offered in deviation from the Company’s shareholder’ pre-emptive subscription right to be subscribed by Joensuun Kauppa ja Kone Oy and Oy Hammarén & Co Ab at a subscription price of EUR 0.72 per share.

#### 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, 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.

The Board evaluates its operations and working methods once a year through self-assessment. The charter of the Board of Directors is available at [www.tecnotree.com](http://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 2021**

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

At the Annual General Meeting held on 15<sup>th</sup> April 2021, all the directors were re-appointed. There was no change in the composition of the board of directors. 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<sup>th</sup> April 2021 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 Mr. Neil Macleod, Ms. Jyoti Desai, Mr. Anders Fornander, Mr. Conrad Neil Phoenix, and Mr. Markku Wilenius.

### **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 have 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 31.12.2021: -, holding of interest parties as on 31.12.2021: 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, 15.5.2019-

Member of the Board, 24.9.2018-

Main duty: Entrepreneur and consultant

Tecnotree shares as on 31.12.2021: -

Independent of Tecnotree and its significant shareholders.



**Conrad Neil Phoenix**, b. 1944, MBE, FRICS

Member of the Board, 24.9.2018-

Main duty: Director of Harvy Rix Investment Company

Tecnotree shares as on 31.12.2021: -, holding of interest parties as on 31.12.2021: 74,000,000

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

**Anders Fornander**, b. 1957, Master of Science in Management of Technology

Member of the Board, 5.9.2019-

Main duty: Rheinmetall Air Defence AG, Head of System Engineering

Tecnotree shares as on 31.12.2021: -

Independent of Tecnotree and its significant shareholders

**Markku Wilenius**, b. 1961, Doctor of Political Sciences at the University of Helsinki, Futurist, Author & Speaker

Member of the Board, 10.9.2020-

Main duty: Professor of Futures Studies at the Turku School of Economics

Tecnotree shares as on 31.12.2021: 4,489,689

Independent of Tecnotree and its significant shareholders

The Annual General Meeting 2021 decided the following annual remuneration for the Board members:

Chairman- EUR 110,000;

Vice Chairman- EUR 70,000

Other members- EUR 40,000.

Remuneration paid to the Chairman and members of the Board of Directors from 1 January 2021 to 31 December 2021 totaled EUR 274,255. Board members have no share-based incentive schemes.

Tecnotree' s Board of Directors convened Sixteen (16) times in 2021. The average attendance was approximately 100 per cent.

Board attendance to meetings and remuneration 2021:

Members of the Board	Attendance	Remuneration (EUR)
Neil Macleod	16/16	98,100
Jyoti Desai	16/16	63,000
Conrad Neil Phoenix	16/16	37,750
Anders Fornander	16/16	37,750
Markku Wilenius	16/16	37,655
Total:		274,255

**Board Committees**

At the Annual General Meeting of the Company held on 15<sup>th</sup> April 2021, the Company decided to establish the below committees:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Strategy Committee
- Investment 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 financial position of the Company;
- Supervise the financial reporting process and risk management process;
- Ensure the proper functioning of the corporate governance of the Company;
- Evaluate the use and presentation of alternative performance measures;
- Approve the operating instructions for internal audit;
- Handle the plans and report of the internal audit function;
- Evaluate the processes aimed at ensuring compliance with laws and regulations;
- Communicate with the auditor in addition to the duties required by regulation;
- Monitor the Company's funding and tax position;
- Monitor the significant financial, funding, and tax risks;
- Monitor the processes and risks relating to IT security;
- Handle the Company's corporate governance statement and non-financial report;
- Work with the CEO and CFO of the Company, and further direct the CEO and CFO in relation to taking any necessary steps as felt appropriate by the Committee; and
- Pass resolutions and monitor any special issues allocated by the Board and falling within the competence of the Committee (such as issues relating to the Company's procedures and/or specific risks).

At the end of the financial year the Audit Committee comprised of three members of the Board: Neil Macleod (Chairman), Jyoti Desai and Conrad Neil Phoenix. The Audit convened five (5) times during the period. The average attendance was 100 per cent.

Committee members	Attendance
Jyoti Desai	5/5
Neil Macleod	5/5
Conrad Neil Phoenix	5/5

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:

- Develop the remuneration policy and remuneration report for the Company's management team;
- Present the remuneration policy and the remuneration report at the general meeting of the Company and respond to questions related thereto;
- Preparation of the appointment of core management and the rest of the management team, along with successor planning;
- Prepare and assess the remuneration of the CEO and the rest of the management of the Company;



- Plan matters pertaining to the remuneration of other personnel and the development of the organization. Work with the CEO and CFO of the Company, and further direct the CEO and CFO in relation to taking any necessary steps as felt appropriate by the Committee; and
- Pass resolutions and monitor any special issues allocated by the Board and falling within the competence of the Committee (such as issues relating to the Company's procedures and/or specific risks).

At the end of the financial year the Remuneration Committee comprised of three members of the Board - Jyoti Desai, Neil Macleod and Anders Fornander as the members of the Remuneration Committee. The Remuneration Committee meetings were convened seven (7) times during the period. The average attendance was 100 per cent.

Committee members	Attendance
Jyoti Desai	7/7
Neil Macleod	7/7
Anders Fornander	7/7

### **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:

- Prepare a proposal to be presented to the general meeting of the Company regarding the composition of the Board (including information on the number of candidates and their details);
- Prepare a proposal to be presented to the general meeting concerning the remuneration of the Board in accordance with the remuneration policy prepared by the Remuneration Committee;
- Present the proposal to the shareholders at the general meeting;
- Prepare the Board of Directors' diversity principles;
- Prepare plans regarding succession planning for the members of the Board;
- Evaluate the processes aimed at ensuring compliance with laws and regulations;
- Work with the CEO and CFO of the Company, and further direct the CEO and CFO in relation to taking any necessary steps as felt appropriate by the Committee; and
- Pass resolutions and monitor any special issues allocated by the Board and falling within the competence of the Committee (such as issues relating to the Company's procedures and/or specific risks).

At the beginning of the year 2021 the Nomination Committee comprised of three members of Board: Neil Macleod, Jyoti Desai and Conrad Phoenix as the members of the Nomination Committee.

At the General meeting held on 15<sup>th</sup> April 2021, the Company re-elected Conrad Neil Phoenix (Chairman), Neil Macleod, Jyoti Desai as the members of the Nomination Committee. The Nomination Committee meeting convened only once during the period. The average attendance was 100 per cent.

Committee members	Attendance
Neil Macleod	1/1
Jyoti Desai	1/1
Conrad Neil Phoenix	1/1

### **Strategy Committee**

The Strategy 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 and providing the necessary advice on competitive positioning of products and technologies;
- Attending from time-to-time customer meetings and events as needed to support Management in explaining Tecnotree's strategy;
- Work with the CEO and CFO of the Company, and further direct the CEO and CFO in relation to taking any necessary steps as felt appropriate by the Committee; and
- Pass resolutions and monitor any special issues allocated by the Board and falling within the competence of the Committee (such as issues relating to the Company's procedures and/or specific risks).

At the beginning of the 2021 the Company had Strategy Committee which comprised of Jyoti Desai, Markku Wilenius and Anders Fornander as the members of the committee.

At the General meeting held on 15<sup>th</sup> April 2021, the Company re-elected Jyoti Desai (Chairman) Anders Fornander and Markku Wilenius as the member of the committee. The Strategy committee convened twice during the period. The average attendance was 100 per cent.

Committee members	Attendance
Jyoti Desai	2/2
Anders Fornander	2/2
Markku Wilenius	2/2

### **Investment Committee**

The Investment Committee evaluates the investment options and determine its feasibility and impact on the long-term goals and vision of the Company, and to update the Board of Directors of (the "Board") of the Company only upon the finalization of a proposed transaction.

The main duties of the Investment Committee are as follows:

- Discuss matters and issues solely pertaining to the investment options;
- Prepare reports and other relevant documents for recording the developments in the matters pertaining to the investment options received by the Company;
- Work independently from the broader Board in making decisions relating to the investment options;
- Answer questions related to the investment options at the general meeting;
- Work with the CEO and CFO of the Company, and further direct the CEO and CFO in relation to taking any necessary steps as felt appropriate by the Committee; and
- Pass resolutions and monitor any special issues allocated by the Board and falling within the competence of the Committee.

At the General meeting held on 15<sup>th</sup> April 2021 the Company formed an Investment Committee. Jyoti Desai (Chair) and Anders Fornander were elected as members of the Committee. The Investment Committee did not convene any meeting during the period.

### **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 authorized 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.

The Chief Executive Officer has been **Mrs. Padma Ravichander** since 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 2021 Tecnotree Group Management Board had Eight (8) members: CEO, CFO, Vice President Managed Services and Support Operations, Vice President Quality, Vice President Global Managed Operations, Chief People Officer, Vice President Regional LATAM, Vice President Product Office and Vice President Value Engineering. 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, 9.5.2016-  
Tecnotree shares as on 31.12.2021: 17,127,835

**Priyesh Ranjan**, b. 1980, Bachelor of Technology (IIT Delhi)  
Main duty: Group Chief Financial Officer, CFO, 1.7.2019-  
Tecnotree shares as on 31.12.2021: 1,084,928

**Sanjay Ketkar**, b. 1956, Master of Engineering (Automation), Indian Institute of Science  
Main duty: Vice President, Managed Services and Support Operations  
Tecnotree shares 31 Dec 2021: 148,528

**Leena Koskelainen**, s. 1965, Diploma in Business Information  
Main duty: Vice President, Global Managed Operations, 1.2.2018-  
Tecnotree shares as on 31.12.2021: 247,315 ; holding of interest parties as on 31.12.2021: 38,968

**Savitha NK**, b. 1973, Chief People Officer, (Global Head-HR)  
Main duty: Global Head- HR, 19.07.2021-  
Tecnotree shares as on 31.12.2021: 11,500

**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, 1.1.2019-  
Tecnotree shares as on 31.12.2021: 413,767

**Sajan Joy Thomas**, b.1978, degree in Business Management from IIMC and Bachelor of Commerce from Delhi University  
Main duty: Vice President, Product Office, 1.6.2020-  
Tecnotree shares as on 31.12.2021: 359,875

**Subramanian Ramaseshan** b. 1970, M. Sc (computer Science)  
Main duty: Vice President, Value Engineering 1.12.2020-  
Tecnotree shares as on 31.12.2021:87,533



## **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, analyzing 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 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 recognized 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.



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, centralized treasury and financing, and an easy-to-access archive for contracts and policies.

### **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 2021, 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
- 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 2021 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 2021, the auditor was paid EUR 274 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

