

Digia Plc's corporate governance statement 2018

General

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

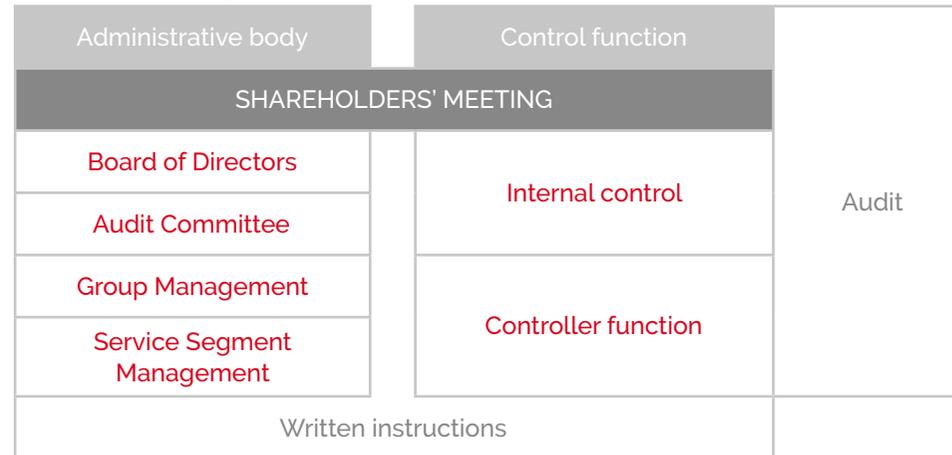
Digia Plc's (hereinafter "Digia") corporate governance system is based on the Companies Act, the Securities Markets Act, general corporate governance recommendations, the company's Articles of Association and its in-house rules and regulations on corporate governance. The company (and this Statement) adheres to the Governance Code for Listed Finnish Companies issued by the Finnish Securities Market Association, which entered into force on 1 January 2016. The Corporate Governance Code can be read on the Finnish Securities Market Association's website www.cgfinland.fi.

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

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

General Overview Of Governance

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



Shareholders' Meeting

Digia's highest decision-making body is the Shareholders' Meeting at which shareholders exercise their voting rights on company matters. The Annual General Meeting (AGM) is held once a year before the end of June on a date set by the Board of Directors. Each company share entitles the holder to one vote at a Shareholders' Meeting.

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

The Finnish Companies Act and Digia's Articles of Association define the responsibilities and duties of the Shareholders' Meeting. Extraordinary General Meetings decide on the matters for which they have been specifically convened.

In order to participate in a Shareholder's Meeting, a shareholder must be entered in the Digia shareholder register maintained by Euroclear Finland Oy on the record date for the Shareholders' Meeting, and must also have registered for the meeting at the latest by the date given in the invitation.

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

The minutes of Shareholders' Meetings are available to shareholders on the company's website, www.digia.com/en/investors/governance/annual-general-meeting within

two weeks after the meeting. The decisions made at Shareholders' Meetings will also be published in a stock exchange release immediately after the meeting.

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

The 2018 Annual General Meeting was held on 15 March 2018. More information about the decisions made at this meeting are available at www.digia.com/en/investors/governance/annual-general-meeting. No Extraordinary General Meetings were held in 2018.

Board Of Directors

Activities and tasks

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

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

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

Board Diversity Policy

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

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

The composition of the 2018 Board of Directors was successfully in line with Digia's diversity policy.

The Board of Directors' rules of procedure

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

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

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

- Defines the Board's annual action plan and provides a preliminary meeting schedule and framework agenda for each meeting;
- Provides guidelines for the Board's annual self-assessment;
- Provides guidelines for distributing notices of meetings and advance information to the Board, and procedures for keeping and approving minutes;
- Defines job descriptions for the Board's Chairperson, members and Secretary (the latter position is held by the General Counsel or, if absent, the CEO); and
- Defines frameworks within which the Board may set up special committees or working groups.

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

The Board convened a total of 14 times during the 2018 financial year with an attendance rate of 95 per cent

Independence of the members of the Board of Directors

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

Board Committees

During the 2018 financial year, Digia's Board of Directors had three (3) committees: the Compensation Committee, the Audit Committee, and the Nomination Committee.

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

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in ensuring that the company's financial reporting, accounting methods, financial statements and any other financial information provided by the company comply with legislation and are balanced, transparent and clear. During the 2018 financial year, the Audit Committee consisted of Seppo Ruotsalainen (Chair), Santtu Elsinen and Martti Ala-Härkönen. The committee convened five times during the 2018 financial year, with full attendance.

Compensation Committee

Digia's Compensation Committee is tasked with preparing and following management remuneration schemes in order to ensure that the company's targets are met, that the objectivity of decision-making is maintained, and that the schemes

are transparent and systematic. In 2018, the Compensation Committee consisted of Päivi Hokkanen (Chair), Robert Ingman and Outi Taivainen. The committee convened four times during the financial year, with full attendance.

Nomination Committee

The Nomination Committee prepares proposals for the Annual General Meeting on the number of members of the Board of Directors, the members of the Board of Directors, the remuneration for the Chair, Vice Chair and members of the Board of Directors, and the remuneration for the Chair and members of the committees of the Board of Directors. During the 2018 financial year, the Nomination Committee consisted of Seppo Ruotsalainen (Chair), Martti Ala-Härkönen and Robert Ingman. The Nomination Committee convened three times during the financial year with full attendance.

President & CEO

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

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

Group Management Team

The Group Management Team supports the President & CEO in the operational management of the company. The Board of Directors approves the appointments of the members of the Group Management Team and decides on the terms and conditions of their service contracts based on the CEO's proposal.

Appointments of the members of the Group Management Team and other appointments in Digia are decided on a one-over-one basis.

The CEO chairs meetings of Digia's Management Team. The Management Team consisted of ten members on 31 December 2018. The Team meets once every two weeks to assist the CEO in strategic planning, strategy implementation, operative management, and preparing items for consideration by the Board of Directors. The Management Team draws up annual action and financial plans, sets their associated targets, and monitors their progress. It also prepares significant investments, mergers and acquisitions. The CEO is responsible for the Management Team's decisions. Members of the Management Team are tasked with implementing these decisions within their own areas of responsibility.

The Members of Digia Plc's Board of Directors in 2018

Member of the Board	Born in	Education	Main occupation	Holding 31 Dec 2018*	Member since
Martti Ala-Härkönen	1965	DSc (Econ.), Lic.Sc. (Tech.)	CFO, Caverion Plc	20,000	2016
Santtu Elsinen as of 15 March 2018	1972	BSc.-level studies in economics	Senior Vice President and Chief Digital Officer, Alma Media Oyj	0	2018
Päivi Hokkanen	1959	DSc (Econ.)	Development Director, SoteDigi Oy	10,833	2012
Robert Ingman, Chair	1961	MSc. (Tech.), MSc. (Econ.)	Chair of the Board, Ingman Group Oy Ab	6,026,000	2010
Pertti Kyttälä Chair until 15 March 2018	1950	MSc. (Econ.)	Managing Director, Peranit Oy	18,978	2005
Seppo Ruotsalainen Vice Chair	1954	Lic.Sc. (Tech.)	Board professional	3,000	2012
Outi Taivainen as of 15 March 2018	1968	MSc. (Econ.)	Partner, Rethink Leadership Oy	0	2018

* Includes related parties and related party holdings

The attendance of Board and Committee members at meetings in 2018

	Board meetings	Audit Committee	Compensation Committee	Nomination Committee
Martti Ala-Härkönen	14/14	5/5	1/1	2/2
Santtu Elsinen	12/13	4/4		
Päivi Hokkanen	14/14		4/4	
Robert Ingman	14/14		4/4	3/3
Pertti Kyttälä	1/1	1/1		1/1
Seppo Ruotsalainen	13/14	5/5		3/3
Outi Taivainen	12/13		3/3	

Management Team members on 31 Dec 2018

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

* Includes related parties and related party holdings

Internal Control and Risk Management related to Financial Reporting

Control functions and control environment

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

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

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

Internal control

Internal control helps to ensure the reliability of the Digia Group's financial reporting. Digia's financial administration unit provides guidance on financial reporting matters.

The Group's business is divided into areas of responsibility led by Senior Vice Presidents (SVPs) reporting to the CEO. Reporting and supervision are based on annual budgets that are reviewed monthly, on monthly income reporting, and on updates of the latest forecasts.

The SVPs report to the Group Management Team on development matters, strategic and annual planning, business and income monitoring, investments, potential



acquisition targets and internal organisation matters related to their areas of responsibility. Each area of responsibility also has its own management team.

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

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

Risk management and major risks

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

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

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

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

Internal – and as required also external – audits of major projects and continuous services are conducted with a view to enhancing project and service risk management and securing the success of customer deliveries. The Group's certified quality systems are also regularly evaluated.

During 2018, the Group further increased the efficiency of its project delivery reporting practices. During 2018 the project management operating model has been further developed and this work continues also in 2019.

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

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

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

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

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

risk, and funding risk. The general principles of Digia's risk management are approved by the Board of Directors, and the Group's finance function and business divisions are jointly responsible for their practical implementation.

Insider Administration

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

Insiders

Digia's insiders are divided into:

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

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

Management's business transactions

Members of Digia's Management and those in their close circle must report all business transactions that involve Digia's financial instruments and are worth more than EUR 5,000 to both Digia and the Financial Supervisory Authority. The managerial positions covered by this obligation are: the CEO, members of the Management Team, and members of Digia's Board of Directors.

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

also keeps a record of this information on the company's website.

Closed window

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

Reporting misconduct

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

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

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

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

Auditor and Auditor's Fees

Auditor and auditor's fees

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

The Annual General Meeting elects the auditor and decides on their fees.

KPMG Oy Ab, a firm of Authorised Public Accountants, is the Group's auditor. Virpi Halonen, Authorised Public Accountant, has been chief auditor since 2015.

Auditor's fees in 2018

EUR 1,000	2018
Audit	70
Other statutory duties	0
Tax counselling	0
Other services	14
Total	84

Digia's Board of Directors, 31 Dec 2018



Robert Ingman

Chair of the Board of Directors

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

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

Chair of the Board of Directors

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

Member of the Board

Ingman Baltic Sea Finance Ltd, 2015–, PK Oliver Ltd, 2013–, Massby Facility & Services Ltd, 2012–, M-Brain Ltd, 2011–2018, Evli Bank Plc, 2010–

Independent of the company.



Martti Ala-Härkönen

Member of the Board

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

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

Key work experience

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

Member of the Board

Rettig ICC Ltd, 2018–

Independent of the company and its major shareholders.



Santtu Elsinen

Member of the Board

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

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

Key work experience

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

Member of the Board

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

Independent of the company and its major shareholders.



Päivi Hokkanen

Member of the Board

b. 1959, DSc (Econ.)

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

Key work experience

Development Director, SoteDigi Ltd, 2018–

CEO, ITprofs Ltd, 2017–

CIO, A-Katsastus Group, 2012–2017

CIO, Sanoma Plc, 2009–2012

CIO, Stockmann Plc, 2002–2009

Director, SysOpen Plc, 1998–2002

Several positions, Cap Gemini Ltd, 1995–1998

Several positions, Kansallisrahoitus Ltd, 1984–1995

Member of the Board

MPY Palvelut Plc, 2017–, ICT Leaders Finland, 2016–

A Member of the Directors' Institute of Finland.

Independent of the company and its major shareholders.



Seppo Ruotsalainen

Member of the Board

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

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

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

Key work experience

President & CEO, Tekla Plc, 1998–2003

Deputy CEO, F-Secure Plc, 2008–2009

Deputy CEO, LM Ericsson Ltd, 1994–1998

Sales Director, Hewlett Packard, 1982–1993

Chair of the Board of Directors

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

Independent of the company and its major shareholders.



Outi Taivainen

Member of the Board

b. 1968, MSc. (Econ.)

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

Key work experience

Partner, Rethink Leadership Ltd, 2019–

Executive Vice President, HR, OP Financial Group, 2015–2018

Area HR Director, Central and North Europe, KONE Plc, 2011–2015

CEO, HR House Ltd, 2008–2011

Vice President, Human Resources, Nokia Plc, 2001–2008

Managerial and Executive level positions, Nokia Plc, 1998–2001

Chair of the Board of Directors

OP Pension Fund, 2015–2018

Member of the Board

Helsinki Chamber of Commerce, 2009–2011

Henry ry, 2006–2008

Finnish Enterprise Agencies, 2006–2008

Other positions of trust

EVA Business Fellows, member, 2010–

Helsinki Chamber of Commerce, HR Committee member, 2012–

Independent of the company and its major shareholders.

Digia's Management Team on 31 Dec 2018



Timo Levoranta

President & CEO

s. 1965, DI, KTK

b. 1965, MSc. (Tech.), MSc. (Econ.)

President & CEO, and Group Management Team Member since 1 May 2016

Key work experience

Senior Vice President, Digia Plc, 2016
 CEO, TDC Ltd Finland, 2011–2015
 SVP, Sales & Marketing, Outokumpu Plc, 2008–2011
 Managerial positions, TeliaSonera Plc, 2002–2008
 Managerial positions, Sonera Plc, 1995–2002
 Various positions, Consumer Mobile Communication Division, Telecom Finland Ltd, 1991–1995



Pia Huhdanmäki

Director, Human Resources

b. 1969, LLM

Digia Management Team member since 1 February 2018

Key work experience

Leading specialist (industrial policy & lobbying), RadioMedia and Finnish Media Federation, 2017–2018
 HR Director/CHRO, Sanoma Media Finland Ltd, 2012–2016
 Director: HR, legal and communications, Sanoma News and Sanoma Entertainment Ltd, 2010–2011
 Director: HR, legal and communications, Sanoma Entertainment Ltd, 2007–2010
 Legal Counsel & Management positions, Sanoma Group Plc, 1996–2006



Juhana Juppo

CTO and Senior Vice President, Horizontal Services

b. 1971, MSc. (Computer Science)

Digia Management Team member since 19 September 2016

Key work experience

Director, Business Development, Finansi-Kontio Ltd, 2013–2016
 Service Director, CGI Suomi Ltd, 2011–2013
 CTO, Cap Gemini Finland Ltd, 2005–2011
 Systems Architect, IT Optimo/Itella Plc, 2003–2005
 Vice President, Development, Eigenvalue Ltd, 2000–2003
 Project Manager, Cap Gemini Finland Ltd, 1999–2000
 Project Manager, Nokia Networks Ltd, 1995–1999



Mika Kervinen

General Counsel

b. 1968, LL.M., Master of Laws with court training

Digia Management Team member since 1 May 2016

Key work experience

Senior Legal Counsel, Fondia Ltd, 2015–2016
 Director, Business Support, TDC Finland Ltd, 2012–2014
 Senior Legal Counsel & Management and expert positions, Nokia Networks Ltd, 2004–2012
 Senior Legal Counsel & Management and expert positions, TeliaSonera Plc, 1998–2004
 Legal Counsel & expert positions, Kesko Plc, 1996–1998



Jukka Kotro

Senior Vice President, Industrial Solutions

b. 1961, Vocational Qualification in Business Information Technology

Digia Management Team member since 9 August 2018

Key work experience

Senior Vice President, various responsibilities, Digia Plc, 2018

Management Team member, various responsibilities, CGI Suomi Ltd, 2010–2018

Sales Director, Central Government, Logica Suomi Ltd, 2006–2010

Sales Director, Healthcare, WM-Data Ltd, 2004–2006

Account Manager, Public Sector, Novo Group Plc, 1999–2004



Tuomo Niemi

Senior Vice President, Financial Sector

b. 1962, MSc. (Econ.), MSc. (Tech.)

Digia Management Team member since 1 June 2017

Key work experience

Managing Director, Accenture Ltd, 2003–2017

Leading Consultant, Accenture Ltd, 1996–2003

Managerial positions in IT management, ICL Personal Systems Ltd, 1992–1996

Consultant, Andersen Consulting Ltd, 1989–1991

Product Manager, Nokia Data Ltd, 1988–1989



Ari Rikkilä

Senior Vice President, Sales and Marketing

b. 1967, MSc. (Tech.)

Digia Management Team member since 16 May 2017

Key work experience

Senior Sales Director, Accenture Ltd, 2017

Managerial positions, Tieto Plc, 2016–2017

Managerial positions, ALSO Group, 2014–2016

CEO, Nervogrid Ltd, 2013–2014

CEO, Efecte Plc, 2010–2013

Country Manager, CA Technologies Inc., 2006–2010

Sales Director, Cisco Systems Inc., 1999–2006

Sales Manager, Elisa Plc, 1995–1999



Kristiina Simola

CFO

b. 1965, MSc. (Econ.),

Digia Management Team member since 14 August 2017

Key work experience

CFO, Digitalist Group Oyj, 2015–2017

Deputy Managing Director & CFO, Mirasys Ltd, 2012–2015

Senior Manager, Finance Transformation, Deloitte Finland, 2010–2012

CFO, Profit Software Ltd, 2007–2010

CFO, Foster Wheeler Energia Plc, 2005–2007

CFO, SysOpen Plc, 2001–2005

Consultant, Accenture Finland Ltd, 2000–2001

Business Controller, IKEA Finland Ltd, 1998–2001



Harri Vepsäläinen

Senior Vice President, Digital Services

b. 1974, BBA

Digia Management Team member since 1 April 2018

Key work experience

Vice President, Consulting Services, CGI Finland Ltd, 2017–2018

Business Unit Director (various units), Management Team Member, Affecto Plc, 2009–2017

Business Director: Business Intelligence and Analytics in Finland, IBM Global Business Services, 2006–2009

Business Development Manager, IBM Global Business Services, 2005–2006

Business development and managerial positions, Elisa Plc, 2001–2005

Consultant/Project Manager, Affecto Ltd, 2000–2001

Consultant/Project Manager, ICL Data Ltd, 1998–2000



Teemu Virtanen

Senior Vice President, Information Management Services

b. 1978, BSc.

Digia Management Team member since 1 May 2016. Member of the Domestic segment's management team (2015–2016)

Key work experience

Director, Integration, Digia Plc, 2013–2017
Managerial positions, Digital Services, Digia Plc, 2010–2012

Managerial positions, Integration Solutions, Digia Plc, 2009–2010

Project management and supervisory duties, Industry and Trade Division, Digia Plc, 2007–2008

Team Manager, Sentera Plc, 2005–2006

Project Manager, TJ Group/Key Partners Ltd, 2005–2008

Project management and expert positions, Casdev Active Ltd, 2001–2004

Digia's salary and remuneration report 2018

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

A) Decision-making procedures concerning remuneration

Board of Directors

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

CEO and other executives

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

Digia has an agreement with Evli Awards Management Ltd for the coordination of the company's share-based incentive schemes, their associated share management, and the payment of incentives to individuals in accordance with the terms and conditions of the schemes. During the 2018 financial year, no share-based incentives were paid to the CEO or other executives.

B) Key remuneration principles

Board remunerations

The 2018 Annual General Meeting decided on the payment of monthly remunerations of EUR 2,500 to Board members, EUR 3,500 to the Vice Chair and EUR 5,500 to the Chair for their work on the Board for the duration of the term expiring at the end of the 2019 Annual General Meeting. In addition, remunerations of EUR 1,000 to the chair and EUR 500 to other members are paid per each Board and Board Committee meeting.

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

Management incentives

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

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

These targets are based on the company's net sales and earnings per share (EPS). There are three earnings periods for the EPS indicator, 2017, 2018 and 2019, and the Board of Directors will set the criteria for each at the beginning of each period. The earnings period for the net sales indicator is 2017–2019. The target for net sales is the net sales target set for 2019. During the bonus period, the company's CEO and other scheme participants are entitled to a bonus equivalent to a maximum of 524,900 new Digia Plc shares. If the terms

are met, the bonuses based on the scheme will be paid after the end of the reward period, in 2020, for both indicators. All bonuses under this scheme will be paid as a 50/50 combination of shares and cash. The cash portion of the bonus will primarily be used to cover taxes and other comparable costs arising from the scheme.

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

President & CEO

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

- On the basis of the 2018 bonus scheme, the CEO will be paid an annual bonus equivalent to three times his monthly base salary upon the attainment of annual targets tied to net sales and operating profit budgets set by the Board of Directors. 55 per cent of the bonus is tied to net sales targets, 35 per cent to operating profit targets, five per cent to customer satisfaction targets, and five per cent to personnel satisfaction targets. If these targets are exceeded, the bonus increases to a maximum amount equivalent to nine times his monthly base salary. The maximum bonus is payable if the net sales target is exceeded by at least five per cent, the operating profit target by at least 16.1 per cent, the NPS target index (which measures customer satisfaction) by at least 23.4 per cent, and the personnel satisfaction target index by at least 1.8 per cent. All targets are evaluated biannually, independently and irrespective

of each other. However, if operating profit falls below 70.1 per cent of the set target, no bonus will be paid.

- The long-term incentive scheme is described above.

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

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

Group Management Team

As of 31 December 2018, the Group Management Team consisted of ten members: the CEO, CFO, General Counsel, HR Director, SVP Sales and Marketing, SVP Horizontal Services, and the four Senior Vice Presidents of our business segments. Further information on the senior management can be found on the company's website: www.digia.com/en/investors/governance/ceo-and-management.

The total remuneration package for these executives comprises a monthly salary and a bonus payable on the attainment of annually set targets. The earnings criteria and terms and conditions governing the bonus for members of Digia's Group Management Team in 2018 are the same as those governing the bonus for the CEO, except that the maximum annual bonus for Management Team members is equivalent to six (6) months' base salary. Senior executives are also included in the long-term incentive scheme described above.

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

C) Remuneration report

Board remunerations

The following emoluments were paid to members of Digia's Board of Directors for Board and Committee work during the 2018 financial year:

EUR	2018
Martti Ala-Härkönen	43,500
Santtu Elsinen	30,300
Päivi Hokkanen	44,500
Robert Ingman	82,500
Pertti Kyttälä (until 15 March 2018)	26,500
Seppo Ruotsalainen	55,500
Outi Taivainen	30,300
Total	313,200

CEO's remuneration

The CEO was paid the following as salary and other benefits during the 2018 financial year:

EUR	2018
Salary (including fringe benefits)	252,200
Bonuses	44,300
Total	296,500

Remunerations of other executives

Other executives were paid the following as salary and other benefits during the 2018 financial year:

EUR	2018
Salary (including fringe benefits)	1,152,100
Bonuses	154,400
Total	1,306,500

As of 31 December 2018, this team included the following members:

- Pia Huhdanmäki, HR Director, Group Management Team Member since 1 February 2018
- Juhana Juppo, CTO & Senior Vice President, Horizontal Solutions, Group Management Team Member since 19 September 2016
- Mika Kervinen, General Counsel, Group Management Team Member since 1 May 2016
- Jukka Kotro, Senior Vice President, Industry Solutions, Group Management Team Member since 10 August 2018
- Tuomo Niemi, Senior Vice President, Financial Operations, Group Management Team Member since 1 June 2017
- Ari Rikkilä, Senior Vice President, Sales and Marketing since 16 May 2017
- Kristiina Simola, Chief Financial Officer, Group Management Team Member since 14 August 2017
- Harri Vepsäläinen, Senior Vice President, Digital Services, Group Management Team Member since 1 April 2018
- Teemu Virtanen, Senior Vice President, Integration and Information Management, Group Management Team Member since 1 May 2016

Membership in the Group Management Team ended during 2018 for the following:

- Heikki Honkala, Senior Vice President, Industry Solutions, Group Management Team Member until 9 August 2018

Auditor and auditor's fees

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

The Annual General Meeting elects the auditor and determines their fees.

KPMG Oy Ab, a firm of Authorised Public Accountants, is the Group's auditor. Virpi Halonen, Authorised Public Accountant, has been chief auditor since 12 March 2015.

EUR 1,000	2018
Audit	70
Other statutory duties	0
Tax counselling	0
Other services	14
Total	84