

Loihde Plc's Corporate Governance Statement

Loihde Plc's corporate governance complies with valid legislation, the rules and regulations of the Nasdaq First North Growth Market Finland (First North), the company's Articles of Association and the governance principles confirmed by the company's Board of Directors.

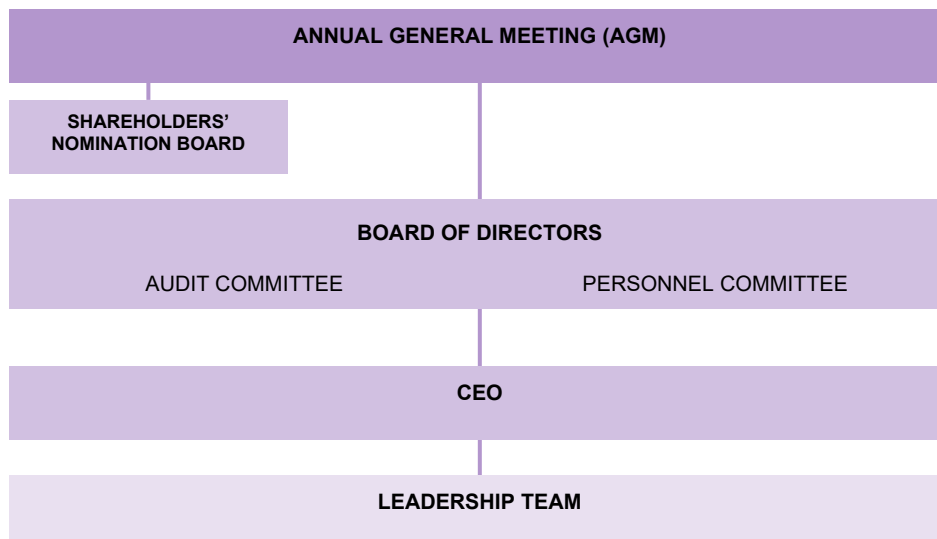
Loihde complies with the Finnish Corporate Governance Code 2025 for listed companies in its entirety (taking into account the transition provision on diversity) as formulated by the Finnish Securities Market Association. The Finnish Corporate Governance Code is publicly available on the Securities Market Association's website <https://www.cgfinland.fi/en>.

Even though compliance with the Finnish Corporate Governance Code is not required of First North companies, Loihde wants to promote good corporate governance and transparency towards shareholders and other stakeholders by complying with its recommendations.

The Corporate Governance Statement is given separately from the company's Report of the Board of Directors.

Loihde's corporate governance structure

In accordance with the Finnish Limited Liability Companies Act and the Articles of Association, the management of the company is divided between the General Meeting, the Board of Directors and the CEO. Shareholders participate in the management and supervision of the company through the decisions made at the General Meetings. In addition to the Articles of Association, the management is regulated by the rules of procedure, which define the central duties of the Board of Directors, the committees and the CEO as well as the meeting policies followed by the company.



General Meeting

The General Meeting is Loihde Plc's highest decision-making body. At the General Meeting, the shareholders' decisions include:

- the adoption of the financial statements and the use of the profit shown on the balance sheet,
- the discharge from liability of the members of the Board of Directors and the CEO,
- the election and remuneration of the members of the Board of Directors,
- the election and remuneration of the auditor,
- changes to the Articles of Association, and
- acquisition and transfer of treasury shares.

The Annual General Meeting (AGM) is held annually before the end of June on a date decided by the Board of Directors and considers matters that according to the Limited Liability Companies Act and the Articles of Association belong to the AGM and other possible proposals mentioned in the notice. An Extraordinary General Meeting is convened if necessary.

A shareholder shall according to the Limited Liability Companies Act have the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting, if he or she so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice.

Annual General Meeting (AGM) 2024

Loihde Plc's AGM was held in Vaasa on 7 May 2024. 2,576,228 shares, or approximately 44% of all shares, were represented at the meeting. The members of the Board of Directors, the CEO and the auditor were present at the AGM, either in person or through remote access.

Board of Directors

The Board of Directors has overall responsibility for the management of the company and for the proper organisation of its operations. The Board of Directors has adopted written rules of procedure for the management, which define the matters to be dealt with by the Board, its meeting practices and decision-making procedures.

According to the Articles of Association, the company's Board of Directors consists of five to seven ordinary members, which are elected by the General Meeting for one year at a time. The Chair of the Board of Directors is also elected at the General Meeting. The proposal to the General Meeting on the number of members, the members and the Chair of the Board of Directors as well as their remuneration is prepared by the Shareholders' Nomination Board. The majority of the members of the Board of Directors has to be independent of the company, and at least two members have to be independent of the company's major shareholders as well.

The Board of Directors is convened by the Chair on a regular basis, at least six times a year. A quorum of more than half of the members of the Board of Directors must be present at the meetings.

The Board of Directors regularly assesses their operations and working methods through self-evaluation once a year.

Main duties of the Board of Directors

According to the rules of procedure, the main duties of the Board of Directors are, among other things, to:

- approve the long-term targets and strategies of the Group and its business areas,
- approve the business, financial and investment plans of the Group and its business areas for the financial period,
- ensure that the external financial statements of the Group and its companies are duly made as required by law,
- create the necessary organisational structure for the company's operations,
- appoint and discharge the Group CEO, the EVPs of the Group's business areas and the Directors in charge of the Group's administrative support functions, and decide on their remuneration and benefits,
- decide on the general principles for the Group's incentive schemes,
- approve the Group's values and follow their fulfilment,
- organise internal audits, follow external audits and take measures following from these together with the CEO,
- define the acquisition strategy and approve acquisitions,
- decide on significant investments by Group companies, other long-term expense items, transfers of property and funding vehicles,
- decide on significant expansion and reduction of operations, and
- prepare the matters to be dealt with by the General Meeting and see to their execution.

Diversity of the Board of Directors

Diversity is a central principle when Loihde's Board of Directors is elected. It supports the company's business development and achievement of targets. The diversity of know-how, experience and viewpoints among the members of the Board of Directors enables an open and innovative approach to business development, supports an improvement of customer understanding and promotes good governance.

Essential factors for diversity in the Board of Directors are the members having complementary education, know-how and experience from different industries and different development stages of business management, and the personal qualities of the members of the Board of Directors. Diversity is supported by the Board of Directors having a wide age distribution, well-balanced gender representation and member experience from international business environments and different cultures.

The Shareholders' Nomination Board takes the diversity principles into account when planning the composition of the Board of Directors. As a part of the election and evaluation process, they look for representatives of both genders. Persons that are elected to the company's Board of Directors must, in addition to the required qualifications for the role, also have enough time to take on the role. When preparing the composition of the Board of Directors, long-term needs and succession planning is also acknowledged.

In 2024, 17% of the board members were women and 83% men (1/6 and 5/6 respectively).

Members and meetings of the Board of Directors in 2024

Until 7 May 2024, the Board of Directors of Loihde Plc consisted of Timo Kotilainen (Chair), Kaj Hagros, Juha Murtopuro, Matti Piri, Anni Ronkainen, Matti Vikkula and Stefan Wikman, and from 7 May 2024, the Board consisted of Marko Kauppi (Chair), Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula and Christian Wetterstrand.

All members were independent of Loihde and its major shareholders.

The Board of Directors convened 15 times during the year. In 2024, the Board of Directors focused on strategy work and improving operational efficiency.

Secretary of the Board of Directors was the company's General Counsel Antti Hemmilä.

Members of the Board of Directors in 2024

Name	Gender	Year of birth	Education	Main occupation	Ownership 31 December 2023	Member since
Timo Kotilainen¹ (Chair)	Male	1959	M.Sc.Eng.	Founding Partner, KASIN Consulting Oy, Board Professional	6,596	2019
Kaj Hagros¹	Male	1970	M.Sc.Eng., MBA	Equity Investor, Managing Partner of Redstone Nordics Oy	10,600	2021
Juha Murtopuro	Male	1972	M.Sc.Econ	CEO, Alltime Oy	557	2023
Matti Piri¹	Male	1969	M.Sc.Econ	CFO, Accountor Group	1,387	2021
Anni Ronkainen	Female	1966	M.Sc.Econ	Board Professional	557	2023
Matti Vikkula	Male	1960	M.Sc.Econ	Board Professional	6,000	2023
Stefan Wikman¹	Male	1956	LLM (with court training)	Senior Advisor, Stewicon Ltd	1,765	2021
Marko Kauppi² (Chair)	Male	1970	M.Sc.Econ	CEO, Tenendum Oy, 2009–	79,000 (Tenendum Oy)	2024
Jari Niska²	Male	1971	M.Sc.Econ	Board Professional	46,000 (Atilos Capital Oy and Hidalgo Oy)	2024
Christian Wetterstrand²	Male	1971	M.Sc.Econ	Director, CapMan Wealth	56,365 (personal shareholding, Ab C. Wetterstrand Oy and Asedin Capital Oy)	2024

¹ Member of the Board of Directors until 7 May 2024

² Member of the Board of Directors as of 7 May 2024

Committees of the Board of Directors

In 2024, the Audit Committee and the Personnel Committee, working under the Board of Directors, have prepared matters that fall under the responsibility of the company's Board of Directors.

Audit Committee

It is the duty of the Audit Committee to among other things monitor the financial reporting process for the interim financial statements, the financial statements and the consolidated financial statements and oversee the accuracy of Loihde Group's financial statements, the financial reporting process and the statutory audit. The committee monitors the efficiency of Loihde Group's internal control, internal audit and risk management systems and oversees the Group's risks and the quality and scope of risk management. In addition, it is the duty of the Audit Committee to prepare proposals to the Board of Directors on matters relating to the development of corporate governance.

The Audit Committee consists of members that are appointed by the Board of Directors and that are not part of the company's management. The members must be independent of the company and at least one of them must be independent of the company's major shareholders.

In 2024, the Audit Committee consisted of Matti Piri (Chair), Stefan Wikman, Timo Kotilainen and Matti Vikkula until 7 May 2024 and Matti Vikkula (Chair), Marko Kauppi and Christian Wetterstrand from 7 May 2024. The committee convened a total of six times during the year. Each member's attendance at meetings is shown in the table below. Secretary of the Audit Committee was Group CFO Pirjo Suhonen.

Personnel Committee

It is the duty of the Personnel Committee to among other things prepare proposals for Loihde's Board of Directors on the appointment of the CEO and other Directors that are members of Loihde Group's Leadership Team and to chart their successors when required. Additionally, the Personnel Committee prepares proposals on the principles of remuneration and compensation of the personnel and the Leadership Team and on share-based incentive schemes. The committee prepares the remuneration policy and remuneration report for Loihde's governing bodies.

The Personnel Committee consists of members that are elected by the Board of Directors. In 2024, the members of the Personnel Committee consisted of Kaj Hagros (Chair), Juha Murtopuro and Anni Ronkainen until 7 May 2024 and Anni Ronkainen (Chair), Juha Murtopuro and Jari Niska from 7 May 2024. The committee convened a total of five times during the year. Secretaries of the Personnel Committee were Group CPO Kristiina Aaltonen and HR Partner Jaana Mäkinen.

Participation in meetings

Name	Position	Board of Directors	%	Audit Committee	%	Personnel Committee	%
Timo Kotilainen¹	Chair of the Board until 7 May 2024	5	100	2	100		
Kaj Hagros¹	Member, Chair of the Personnel Committee until 7 May 2024	5	100			3	100
Juha Murtopuro	Member	15	100			5	100
Matti Piri¹	Member, Chair of the Audit Committee until 7 May 2024	5	100	2	100		
Anni Ronkainen²	Member	15	100			5	100
Matti Vikkula	Member, Chair of the Audit Committee from 7 May 2024	15	100	6	100		
Stefan Wikman¹	Member, Vice-Chair of the Board until 7 May 2024	5	100	2	100		
Marko Kauppi²	Chair of the Board from 7 May 2024	10	100	4	100		
Jari Niska²	Member, Vice-Chair of the Board from 7 May 2024	8	80			2	100
Christian Wetterstrand²	Member	10	100	4	100		

¹ Member of the Board of Directors until 7 May 2024

² Member of the Board of Directors as of 7 May 2024

Shareholders' Nomination Board

On 6 May 2021, the AGM of Loihde Plc resolved to establish a Shareholders' Nomination Board to prepare proposals on the election and remuneration of the members of the Board of Directors for the General Meeting and confirmed the rules of procedure for the Nomination Board.

The Shareholders' Nomination Board is the governing body of the company's shareholders or their representatives, the duty of which it is to annually prepare the proposals regarding the election and remuneration of the Chair and members of the Board of Directors for the AGM, and for the Extraordinary General Meeting when required. It is the main duty of the Nomination Board to ensure that the Board of Directors and its members have sufficient expertise, know-how and experience that correspond to the company's needs and to prepare well-founded proposals on the matter to the General Meeting.

According to the rules of procedure of the Nomination Board, the five largest shareholders of the company are each entitled to appoint one member to the Nomination Board. The largest shareholders are determined based on the company's shareholder register on the last day of August each year. When determining the largest shareholders, so-called proxy shareholders who are entitled to represent one or more other shareholders of the company at the company's general meetings and who have submitted a written request to this effect to the Chair of the Board of Directors by the end of August are also taken into account in this context. The term of office of the members of the Nomination Board ends annually when new members have been appointed to the Nomination Board.

In September 2023, the following members were appointed to the Shareholders' Nomination Board:

- Jussi Hattula, appointed by Finnish Industry Investment Ltd ("Tesi"),
- Matti Kulmakorpi, appointed by Tuulia Holkkola by proxy,
- Tuulia Holkkola, appointed by Matti Kulmakorpi by proxy,
- Vesa Puttonen, appointed by Vesa Puttonen by proxy, and
- Petri Tuutti, appointed by Petri Tuutti by proxy.

In September 2024, the following members were appointed to the Shareholders' Nomination Board:

- Jussi Hattula, appointed by Tesi,
- Tuulia Holkkola, appointed by Tuulia Holkkola by proxy,
- Matti Kulmakorpi, appointed by Matti Kulmakorpi by proxy,
- Vesa Puttonen, appointed by Christian Wetterstrand by proxy, and
- Petri Tuutti, appointed by Petri Tuutti by proxy.

Throughout the year, the Nomination Board was chaired by Vesa Puttonen. Women accounted for 20% and men for 80% of the members of the Nomination Board.

The Chair of Loihde's Board of Directors, Timo Kotilainen or Marko Kauppi, participated in the work of the Nomination Board as an expert without the right to participate in the decision-making. Secretary of the Nomination Board was the Group's Director of Communications Tiina Nieminen.

The Shareholders' Nomination Board convened four times during the year. The combined meeting attendance rate of the members were 100 per cent.

CEO

It is the duty of the CEO to be in charge of the day-to-day management of the company in accordance with the law and the instructions and orders issued by the Board of Directors. The Board of Directors appoints and discharges the CEO, decides on the salary and remuneration of the CEO and other terms of the employment relationship, and supervises the operations of the CEO. The CEO ensures that the company's accounting practices are in compliance with the law and that the company's finances are organised in a reliable way.

Samu Konttinen has served as CEO of Loihde since 1 January 2021.

Leadership Team

The Leadership Team assists the CEO with the planning and operational management of the business. Among other things, it prepares Loihde's strategic and annual planning, monitors the fulfilment of plans and financial reporting and prepares significant investments, acquisitions and divestments. One of the main duties of the Leadership Team is also to develop the internal cooperation within the Group and promote joint development projects. The members of the Leadership Team are appointed by the Board of Directors. Loihde's Leadership Team convenes regularly, approximately twice a month. The CEO is responsible for the decisions made by the Leadership Team. It is the duty of the members of the Leadership Team to execute the decisions in their respective areas of responsibility.

Members of the Leadership Team 31 December 2024

Name	Gender	Year of birth	Education	Role	Ownership 31 December 2023	Member since
Samu Konttinen	Male	1973	MBA	CEO	33,280	2021
Katja Ahola	Female	1976	MA	EVP, Business Development	214,602 ¹	2017
Marko Järvinen	Male	1970	M.Sc.Eng., eMBA	EVP, Security Solutions	10,100	2014
Juha Meronen	Male	1972	M.Sc.Pol.	EVP, Digital Services	2,917	2021
Pirjo Suhonen	Female	1965	M.Sc.Econ	Chief Financial Officer (CFO)	7,699	2018
Jere Teutari	Male	1972	BBA	Chief Marketing Officer (CMO)	753	2021
Tuuli Stenbäck	Female	1988	M.Sc.Pol.	Chief People Officer (CPO)	0	2024
Jarno Mäki	Male	1978	M.Sc.Eng.	EVP, Cyber, Cloud & Connect	1,177 ²	2022

¹ Directly owned shares 4,026; shares through Bellurum Oy 210,576

² Mäki also owns 31.9% of Roaring Aspen Hill Ltd that holds 50,000 Loihde shares.

During 2024, the Leadership Team has also included Chief People Officer Kristiina Aaltonen until 30 June 2024 and EVP, Data & AI Tomi Bergman until 31 October 2024.

In 2024, women accounted for between 25% and 38% and men for between 62% and 75% of the members of the Leadership Team, depending on the point in time.

Internal control and risk management

The Board of Directors of Loihde Plc has confirmed the principles of risk management, internal control and internal audit that the Group shall comply with.

Risk management

The aim of Loihde's risk management is to support the implementation of the strategy and the achievement of the targets as well as to promote business continuity by reducing business vulnerability and protecting functions that are critical to business operations.

Risk management is an integral part of the day-to-day management of Loihde's business. The Board of Directors of each Group company ensures that risk management is taken into account in the company's business operations, at both a strategic and an operational level. The organising of risk management in practice is led on a strategic and Group level by Loihde Plc's EVP, Business Development and on an operational level by the person in charge of the company's risk management. The actual risk management is performed by every employee and supervisor in the company in their day-to-day work.

Risks are identified and assessed with the help of strategy risk mapping in connection with strategy, with the help of project risk assessment in connection with projects, and in connection with annual structural risk mapping. When identifying risks, a comprehensive view of the internal and external environment of the Group, the business area and the unit as well as potential events that could affect the achievement of the targets is formed.

In the annual risk assessment, risks are assessed based on the probability of fulfilment and the impact they would have.

Risks that are considered particularly significant for achieving the targets are defined as key risks. Key risks are reviewed and approved annually by Loihde's Board of Directors, and risk management resources and actions are primarily focused on these risks. For key risks, a risk owner is appointed. The key risk owner plans and organises adequate actions for controlling the risk and is responsible for their implementation and reporting.

The most significant risks

The most significant risks and uncertainties that affect the operations of Loihde Group are described in the company's financial statements release and the report of the Board of Directors.

Internal control

Internal control is part of Loihde's risk management system. It is the duty of internal control to adequately ensure the accuracy of processes and control risks that may adversely affect the accuracy of financial reporting or business functionality and efficiency or that may be linked to compliance with external laws and internal operating principles and guidelines.

Internal control procedures include, for example, policies and guidelines, risk identification and control measures to reduce risks, as well as ensuring the functionality of the control measures.

The ultimate responsibility for the Group's internal control lies with the CEO of Loihde Plc and on a business area or company level with the director or the EVP. They take responsibility for ensuring that adequate internal control procedures are in place to control risks and prevent adverse events. Operational management is responsible for risks and controls relating to them as well as for implementing corrective measures relating to controls.

The management, with the above-mentioned responsibilities, and all employees constitute the so-called first line of defence of internal control. The second line of defence is the financial organisation of the Group and its subsidiaries. Internal audit, auditors and supervisory authorities function independently as independent organisations constituting the third line of defence.

The Audit Committee supervises the development and implementation of internal control and internal audit as authorised by the Board of Directors. The CFO reports to the Audit Committee at least annually about the implementation of internal control and the results of internal audits.

Internal audit

Internal audit is a function that is intended to verify the implementation of the management and control environment and recommend improvements to the control environment on the basis of conducted audits. Loihde does not have a separate function for internal audit. The Board of Directors assesses the need for internal audit annually and decides on the tasks needed for internal audit and their organisation based on that assessment. The Board of Directors may use external help for implementing audits.

Insider management

In matters related to inside information, Loihde complies with applicable legislation, such as the requirements of the Market Abuse Regulation and the guidelines for insiders published by Nasdaq Helsinki Ltd. In addition, the company has formulated its own insider guidelines, where instructions and regulations relating to insider management, disclosure of inside information, maintenance of insider lists and transactions of the management are defined.

Loihde maintains a project-specific non-public insider list for projects that have inside information. All people that have access to inside information specific to the project or event are listed as insiders. The people that are on the insider list cannot trade nor recommend trading in the company's financial instruments during the project in question. Persons that are on the insider list are informed in writing of this and of the obligations resulting from this, as well as of the consequences applicable to insider trading and illegally disclosing inside information.

The management of Loihde must schedule its trading in the company's financial instruments so as not to reduce public confidence in the securities market. Management refers to members of Loihde's Board of Directors and Leadership Team. Management cannot trade during a closed window of 30 days preceding the publication of the financial statements release, business report or half-year report, nor can they trade on the day of publication. The restriction on trading also includes persons who participate in the preparation of profit reports or receive information of their forthcoming content before the information is published.

On the grounds of the Market Abuse Regulation, Loihde Plc's management and their related parties must report trading in the company's financial instruments made for their own account both to the company and to the Financial Supervisory Authority without delay and no later than within three working days of the trading. As for the company, it has to publish the transactions in

question as company announcements without delay and no later than within two working days of receiving the information.

Loihde's General Counsel is responsible for the coordination and supervision of matters related to inside information.

Transactions of related parties

Loihde assesses and monitors transactions with its related parties as defined in IAS 24. The company's related parties consist of its subsidiaries, the Board of Directors, the CEO and the Group's Leadership Team, their family members and legal entities over which the persons mentioned exercise a controlling interest. Loihde maintains a list of parties that belong to the company's related parties and regularly monitors, processes and assesses transactions with its related parties in accordance with principles and regulations approved by the Board of Directors.

The company's financial management monitors and supervises transactions of related parties as a part of the company's normal reporting and supervisory praxis and reports transactions of related parties to the Audit Committee on a regular basis. The company's Board of Directors decides on transactions of related parties that are not part of the company's normal business or are not carried out on ordinary commercial terms. Members of the company's Board of Directors and Leadership Team and persons and parties that belong to their related parties are obligated to report potential transactions of related parties to the company. Transactions of related parties that have been entered into on terms differing from normal commercial terms are reported in the notes to the financial statements.

Audit

Loihde's auditor must be an audit firm with an auditor in charge that is approved by the Finnish Central Chamber of Commerce.

The General Meeting elects the auditor based on the proposal by the Board of Directors. The Audit Committee of the Board of Directors prepares the proposal for the election of the auditor. The term of the auditor ends with the conclusion of the AGM following the election.

It is the duty of the auditor to audit the company's accounting, financial statements and management for the financial period. The auditor of the parent company must also audit the consolidated financial statements. The auditor reports regularly to the Board of Directors and its Audit Committee and provides the company's shareholders with an auditor's report as required by law.

The company's auditor is the audit firm Ernst & Young Oy, with Maria Onniselkä, auditor approved by the Finnish Central Chamber of Commerce, as the principal auditor.

In accordance with the decision of the General Meeting, the auditor's fee is paid according to the auditor's invoice approved by the company. In 2024, the total fees paid to the auditor amounted to EUR 151,000, of which EUR 15,000 was paid for services not related to the audit.

Certified adviser

Loihde's certified adviser in accordance with First North's regulations is Aktia Alexander Corporate Finance Oy.