

TECHNOPOLIS

2018

Corporate Governance Statement

1.5 UMA LOCATION

The UMA network will cover the major
The flagship network is extended by UM
campuses.

UMA location and property criteria

- CBD location or a dynamic growth
- central train station by public transpo
- Close to the major commuting paths w
- city centre
- Sufficient scale (approx. 2000 m2)
- Possibility for favourable rent and reas
- Technical readiness in terms of electric

UMA Network extended by UMA Express

- UMA Express locations at Technopolis

Corporate Governance Statement 2018

This Corporate Governance Statement has been prepared in accordance with the Corporate Governance Code of Finnish Listed Companies published by the Securities Market Association. The statement includes descriptions of Technopolis' Corporate Governance and internal control procedures, as well as the main features of its risk management systems.

The Board of Directors of Technopolis have reviewed this statement, and it has been prepared separately from the Report of the Board of Directors. Technopolis' auditor, KPMG Oy Ab, has ensured that the statement has been issued, and that the description of the main features of the internal control and risk management systems related to the financial reporting process contained herein are consistent with the Financial Statements. The Corporate Governance Statement and company's Financial Statements and Report from the Board of Directors for the financial period January 1 – December 31, 2018, were published on February 27, 2019, and they are also available on the company's website <https://technopolis.fi/en>.

Regulations and Corporate Governance Code Followed by Technopolis

Governance and decision-making at Technopolis Plc are based on Finnish legislation and, with regard to its subsidiaries, on the legislation of the domicile of each subsidiary, the Articles of Association of the Group's parent company, Technopolis Plc, and its subsidiaries, and the Rules of Procedure of the Decision-Making Bodies composed by the company for the purpose of complementing these regulations. Technopolis' Code of Ethics and internal policies and guidelines also guide the operations of the company.

Technopolis Plc shares are listed on Nasdaq Helsinki Ltd (the Helsinki Stock Exchange), and the company complies with the guidelines and provisions for listed companies published by the Helsinki Stock Exchange and the Financial Supervisory Authority, as well as the Finnish Corporate Governance Code 2015 issued by the Securities Market Association. After the completion of the public tender offer by Kildare Nordic Acquisitions S.à.r.l. the company has deviated from the Recommendation 8 (Composition of the Board of Directors), Recommendation 10 (Independence of Directors),

recommendation 13 (Performance Evaluation of the Board of Directors) and Recommendation 16 (Independence of the Members of the Audit Committee) of the Corporate Governance Code. The Corporate Governance Code is publicly available on the website of the Securities Market Association <http://cgfinland2.fi/en/>.

Tender offer

On August 28, 2018 Kildare Nordic Acquisitions S.à.r.l announced that it will make a voluntary recommended public cash tender offer to acquire all issued and outstanding shares in Technopolis that are not held by Technopolis or its subsidiaries. Kildare Nordic Acquisitions S.à.r.l. completed the tender offer on October 16, 2018 and has initiated a redemption procedure for the remaining of Technopolis' shares to redeem all remaining Technopolis shares held by minority shareholders.

Decision-Making Bodies

The company's administrative structure is based on the bodies pursuant to the Limited Liability Companies Act: the General Meeting of shareholders, the Board of Directors, and the CEO. In its work, the Board of Directors is assisted by the Board Audit Committee, and the Group Management Team assists

the CEO in managing the company's operations.

In addition, the company had the Shareholders' Nomination Board established by the Annual General Meeting. It was disbanded by the organization meeting of the new Board of Directors on November 7, 2018.

General Meeting of Shareholders

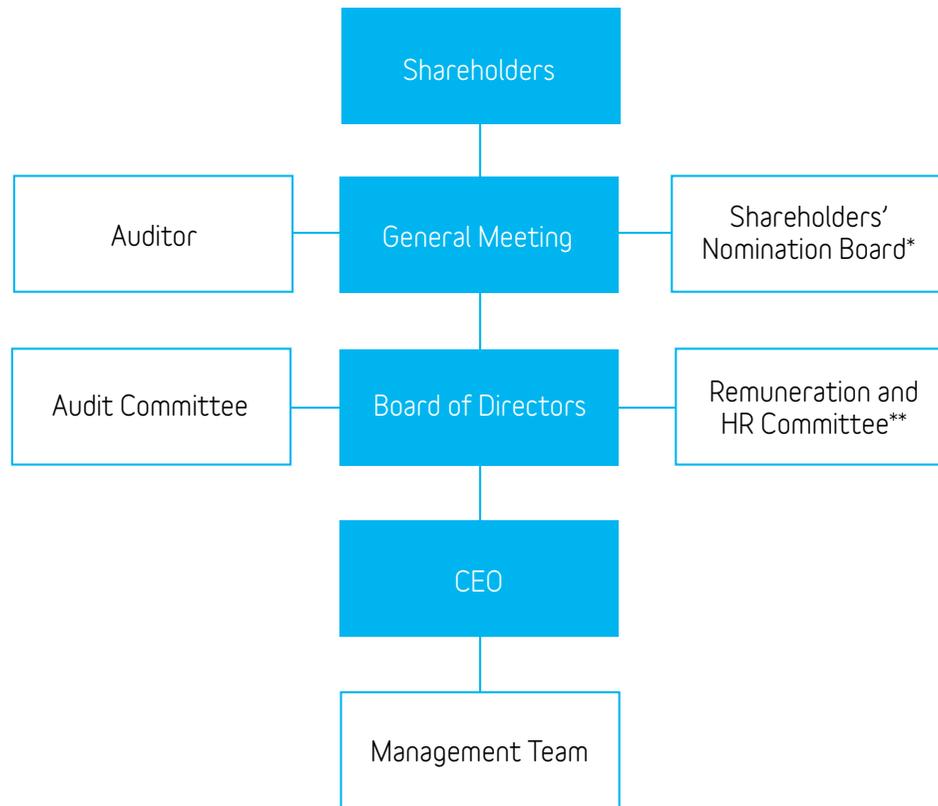
The General Meeting of shareholders is the highest decision-making body in Technopolis. Technopolis' Annual General Meeting is held every year by the end of May, and Extraordinary General Meetings are held when convened by the Board of Directors as deemed necessary for decision-making purposes, or if shareholders accounting for a minimum of 10% of shares in the company require it in writing to process a specific matter. The Board of Directors decides on convening shareholders' meetings. In accordance with the Articles of Association, Technopolis' shareholders' meetings are held in Oulu, Helsinki, Espoo, or Vantaa.

The matters to be dealt with at the Annual General Meeting are laid down in the Limited Liability Companies Act and the company's Articles of Association. They include adopting the Financial Statements, resolutions on the use of profit for the financial period and dividend payouts, discharging the members of the company's Board of Directors and the CEO from liability, electing the Board

members and auditors, and passing resolutions on their fees. The Annual General Meeting may, as proposed by the Board of Directors or a shareholder, also decide on other matters falling under the authority of shareholders' meetings in accordance with the Limited Liability Companies Act.

Convening and arranging the shareholders' meeting comply with the provisions of the Limited Liability Companies Act and the recommendations of the Corporate Governance Code. Technopolis publishes notice of a shareholders' meeting no more than three months and no less than three weeks before the meeting on the company's website or in the Helsingin Sanomat or Kaleva newspapers. In addition, notice of a shareholders' meeting is published as a [stock exchange release](#) after the Board of Directors has decided to convene a meeting.

Technopolis' Annual General Meeting was held in Espoo on March 20, 2018. A total of 292 shareholders were present either in person or by proxy, representing approximately 57.3% of votes in the company. The Chairman and other members of the company's Board of Directors, CEO, members of the Group Management Team and the auditor-in-charge appointed by the audit firm elected by the Annual General Meeting were present at the meeting. The resolutions of the Annual General Meeting were published in a [stock exchange release](#) on March 20, 2018.



* Shareholders' Nomination Board was disbanded by the Extraordinary General Meeting on November 7, 2018.

** The Remuneration and HR Committee was disbanded by the organization meeting of the Board of Directors on November 7, 2018.

After Kildare Nordic Acquisitions S.à.r.l. got the holding of more than 9/10 of Technopolis' shares, the Board of Directors of Technopolis decided to convene an Extraordinary General Meeting that was held on November 7, 2018 in

Helsinki. A total of 21 shareholders were present either in person or by proxy, representing approximately 92.2% of votes in the company. The Chairman and other members of the company's Board of Directors, CEO and members of the Group

Management were present at the meeting. The resolutions of the Extraordinary General Meeting were published in a stock exchange release on November 7, 2018.

The minutes of the General Meetings are available on the [company's website](#).

Additional information on shareholders' meetings and shareholders' rights is available on the company's website.

Shareholders' Nomination Board

This section describes the Shareholders' Nomination Board's activities before its disbandment on November 7, 2018.

The Shareholders' Nomination Board of Technopolis has been responsible for preparing the proposals to the General Meeting concerning the election and remuneration of the members of the Board of Directors.

The Nomination Board was composed of three members appointed by the three largest shareholders. In addition, the Chairman of the Board of Directors of the company participated in the work of the Nomination Board as an expert. The right to nominate members that represent shareholders lied with those three shareholders whose overall share of company votes was largest on September 1 in any given year. The Nomination Board elected a Chairman from among its members.

Nomination Boards 2018 and 2017

Risto Murto, President and CEO of Varma Mutual Pension Insurance Company; Kaj-Gustaf Bergh,

Additional Information on the Internet

In general:

[Finnish Limited Liability Companies Act](#)

[Rules of Nasdaq Helsinki Ltd](#)

[Finnish Corporate Governance Code 2015](#)

Technopolis Plc:

[CVs of the members of the Boards of Directors](#)

[CVs of the members of the Group Management Team](#)

[Remuneration Statement 2018](#)

[Articles of Association](#)

[General Meeting](#)

Board of Directors member of Mercator Capital Ab; and Päivi Laajala, Mayor of the City of Oulu, as the representatives of the three largest shareholders were elected as members of the Nomination Board in accordance with the shareholding situation on September 1, 2018. The Chairman of Technopolis Plc's Board of Directors, Juha Laaksonen, who acted as the Chairman of the Board of Directors of Technopolis Plc, participated in the work of the Nomination Board as an expert. Risto Murto acted as the Chairman of the Nomination Board.

After the public tender offer of Kildare Nordic Acquisitions S.à.r.l. the members of the Nomination Board renounced their membership in the Nomination Board on October 17, 2018 and the Shareholders' Nomination Board was disbanded by a resolution of the Extraordinary General Meeting on November 7, 2018.

The proposals to the Annual General Meeting of 2018 concerning the members of the Board of Directors and their fees were made by the Shareholders' Nomination Board consisting of the representatives of the three largest shareholders; Risto Murto, President and CEO of Varma Mutual Pension Insurance Company; Kaj-Gustaf Bergh, Board of Directors member of Mercator Capital Ab; and Päivi Laajala, Mayor of the City of Oulu. Juha Laaksonen, who acted as the Chairman of the Board of Directors of Technopolis Plc, participated in the work of the Nomination Board as an expert.

Technopolis Plc Board of Directors January 1 - November 6, 2018

Board member	Nationality	Board member since	Independence	Full-time occupation	Annual remuneration EUR	Meeting fees EUR***	Technopolis Plc shares December 31, 2018
Juha Laaksonen B.Sc. (Econ.), born 1952	Finnish	2016 Chairman 2017	Independent of the company and significant shareholders	Professional board member	55,000	26,800	-
Reima Ryttsölä M.Soc.Sc., CEFA, AMP, born 1969	Finnish	2015 Vice Chairman 2018	Independent of the company	Executive Vice-President at Varma Mutual Pension Insurance Company	31,500	13,800	-
Kaj-Gustaf Bergh, LL.M., B.Sc. (Econ.), born 1955*	Finnish	2018	Independent of the company	-	26,250	11,400	-
Hannu Leinonen, M.Sc. Civil Engineering, born 1962*	Finnish	2018	Independent of the company and significant shareholders	-	26,250	12,600	-
Helena Liljedahl, B.Sc. in Business and Administration, born 1969	Swedish	2017	Independent of the company and significant shareholders	KF Fastigheter AB, CEO	26,250	18,000	-
Pekka Ojanpää M.Sc. (Econ.) born 1966	Finnish	2014	Independent of the company and significant shareholders	Lassila & Tikanoja Oyj, President & CEO	26,250	13,800	-
Christine Rankin BSc in Business Administration and Economics, APA, born 1964	Swedish	2017	Independent of the company and significant shareholders	Cherry AB, CFO	31,500	18,000	-
Jorma Haapamäki M.Sc. (Eng.), born 1948 **	Suomi	2013 Vice Chairman 2014-2018	Independent of the company and significant shareholders	Professional Board member	-	2,400	-

* Starting March 20, 2018

** Until March 19, 2018

*** Figures include the fees from Board and committee meetings

Risto Murto acted as Chairman of the Nomination Board.

The Nomination Board's proposals to the Annual General Meeting of 2018 were published on January 31, 2018 as stock exchange release, and are available on the [company's website](#).

The Nomination Board convened two times in 2018. The attendance rate was 100%. Technopolis Plc did not pay the members of the Nomination Board for their participation in the Board's work.

Board of Directors

Election and Composition of the Board of Directors
The General Meeting of shareholders elects the members of the Board of Directors, whose term expires at the end of the Annual General Meeting following the election. According to Technopolis'

Articles of Association, the company's Board of Directors comprises at least four and at most seven members. In accordance with the Articles of Association, the shareholders' meeting also elects the Chairman and the Vice Chairman of the Board.

Technopolis Board of Directors November 7 - December 31, 2018

Board member	Nationality	Board member since	Independence	Full-time occupation	Annual Remuneration, EUR	Meeting fees, EUR 2018	Technopolis Plc shares December 31, 2018
Paul Patel, BA, MBA, born 1969	USA	Chairman November 7, 2018	Independent of the company	Founding partner of Kildare Partners, President of Curzon Advisers Limited	-	-	-
Sebastian Woitas, M.Sc. in Real Estate Management Diploma in Economics and Civil Engineering, born 1978	Germany	Vice Chairman November 7, 2018	Independent of the company	Managing Director of Curzon Advisers GmbH	-	-	-
Henri Guelff, Accounting, Finance and Management degree, born 1978	Belgium	November 7, 2018	Independent of the company	Director, Kildare Holdings Luxembourg S.à.r.l.	-	-	-
Louis Paletta, BBA, born 1957	USA	November 7, 2018	Independent of the company	Founding partner and the Chief Operating Officer of Kildare Partners	-	-	-
Davy Toussaint, Accounting, Finance and Management degree, born 1986	Belgium	November 7, 2018	Independent of the company	Director, Kildare Holdings Luxembourg S.à.r.l.	-	-	-

The Annual General Meeting of Technopolis Plc held on March 20, 2018 decided from the proposal of the Shareholders Nomination Board that the Board of Directors shall comprise seven members and re-elected Juha Laaksonen, Helena Liljedahl, Pekka Ojanpää, Christine Rankin and Reima Rytsölä as members of the Board of Directors. Kaj-Gustaf Bergh and Hannu Leinonen were elected as new Board members. The Annual General Meeting elected Juha Laaksonen as Chairman of the Board of Directors and Reima Rytsölä as Vice Chairman.

All members of the Board of Directors elected on March 20, 2018 were independent of the company, and apart from Reima Rytsölä and Kaj-Gustaf Bergh, all the Board members were independent of significant shareholders. Reima Rytsölä served Varma Mutual Pension Insurance Company, whose holding in Technopolis Plc was more than 19%, as the Executive Vice-President responsible for investments and Kaj-Gustaf Bergh served Mercator Capital Ab, whose holding in Technopolis Plc was more than 15%, as a board member.

After the completion of the public tender offer by Kildare Nordic Acquisitions S.à.r.l, the extraordinary general meeting of Technopolis held on November 7, 2018 decided that the Board of Directors shall comprise five members, and elected Henri Guelff, Louis Paletta, Paul Patel, Davy Toussaint and Sebastian Woitas members of the Board of Directors. The Annual General Meeting elected Paul Patel as Chairman of the Board and Sebastian Woitas Vice Chairman. All Board members are independent of the company, but not of the significant

shareholder. As of November 7, 2018, the company has therefore deviated from Recommendation 10 of the Corporate Governance Code concerning the independence of the Board members of the significant shareholders.

More detailed information on the Board members is presented in the table above. The Board members' key employment histories are presented on the [company's website](#).

Diversity Principles of the Board of Directors

When the Shareholders' Nomination Board prepared the Board of Directors' composition and proposals for the 2018 Annual General Meeting, the Board's diversity was considered from a number of aspects so that the Board's composition, competence and experience as a whole will support the achievement of the company's strategic objectives and business operations, taking into account the scale and development of Technopolis business operations. At the Annual General Meeting of Technopolis on March 20, 2018, seven Board members were elected, five of whom were men and two were women. Board members had work experience in various types of positions, and they had experience in management and board positions in companies in different industries. Members came from two different countries, Finland and Sweden. For their age, the Board members are divided between 49 and 66.

After the completion of the public tender offer by Kildare Nordic Acquisitions S.à.r.l, the Extraordinary General Meeting held on November 7, 2018 elected five Board members, all of whom are men. As of November 7, 2018, the company has therefore deviated from the Recommendation 8 of the Corporate Governance Code and the Company's Diversity Principles, in relation to the representation of both genders on the Board. The members of the Board of Directors have work experience in various types of positions and have

experience in management and board positions in banking and investment companies. Members come from three different countries, the United States, Germany and Belgium. For their age, the Board members are divided between 32 and 62 years.

Duties of the Board of Directors

The Board is responsible for the administration of the company and appropriate organization of operations. In addition to its statutory duties, the Board of Directors of Technopolis has ratified a Charter specifying in more detail the key duties of the Board of Directors, its Chairman, Board Committees, the CEO, and the Group Management Team. The Board shall always promote the interests of the company and all of its shareholders.

In addition to its statutory duties, the tasks of the Board of Directors of Technopolis include the following:

- Ratifying the company's strategy, strategic targets and the values to be followed in the company's operations, as well as approving the budget
- Approving the company's business operations and fundamental group structure
- Reviewing annually the key risks of the company's operations and the measures to manage them
- Ratifying the principles of the company's internal control and risk management, supervising the sufficiency, appropriateness and effectiveness of the company's

administrative processes

- Deciding on acquisitions and investments of real estate investment assets, investments in real property assets, and other exceptional and far-reaching items considering the extent and nature of the activities of the company
- Appointing the CEO and members of the Group Management Team, and deciding on their areas of responsibility and remuneration
- Ratifying the policies and principles applied to the remuneration and incentive schemes of the company, and deciding on the company's short-term and long-term reward schemes and the key employee succession plan
- Specifying the company's dividend policy and making a proposal for the distribution of profits to the General Meeting of shareholders

The Board meetings are arranged on a regular basis according to a schedule confirmed in advance, and additionally as extraordinary meetings when necessary. The Chairman of the Board of Directors prepares the matters to be dealt with and decided on by the Board meetings in cooperation with the CEO. The Board forms a quorum when more than half of its members are present. In addition, the company's CEO, Chief Financial Officer, and Chief Legal Officer (who serves as the Board's secretary) regularly attend Board meetings. Other Group Management Team members and

the auditor attend the meetings as necessary or as summoned by the Board of Directors.

From January 1 to November 6, 2018, the Board convened 16 times. The attendance rate was 99.1%. The member-specific attendance rates at Board meetings and Board committee meetings are presented in the table on page 7.

From November 7 to December 31, 2018, the Board convened 4 times. The attendance rate was 90.0%. The member-specific attendance rates at Board meetings and Board committee meetings are presented in the table on page 7.

In 2018, key themes in the Board of Directors' work included investments pertaining to execution of the Company's strategy and processing of the public tender offer made from the shares of Technopolis Plc. The Board of Directors also decided on a directed share issue without consideration based on the Performance Share Plan 2013–2017 and the discontinuation of the share-based incentive plans of the company in connection with the completion of the public tender offer. Due to the public tender offer process the Board of Directors did not conduct an annual evaluation of its operations and working methods, and the company has therefore deviated from the Recommendation 13 of the Corporate Governance Code.

Board Committees

In order to make Board work more efficient, the Board has established the Audit Committee. The

Remuneration and HR Committee was disbanded by the decision of the Board of Directors on November 7, 2018.

The Board of Directors elects the Chairman and members of the committee. The committee has a minimum of three members. The committee members must have the expertise and experience required for the duties of the committee. The company's Chief Legal Officer serves as the committee's secretary. The Board of Directors has ratified rules of procedure for the committee, specifying its key tasks and operating principles.

The Chairman of the committee reports to the Board on each meeting, and the minutes of the committee meetings are sent to all Board members. The committees do not have independent decision-making authority.

The composition of the committees and attendance at the Board and committee meetings in 2018 is presented on page 7.

Audit Committee

The Board of Directors has an Audit Committee that supports the Board in matters pertaining to financial reporting, internal control, and risk management. The key duties of the Audit Committee include:

- Monitoring and overseeing the company's financial reporting, particularly with regard to the quality and integrity of the financial statements and interim reports, and the statutory audit of the financial statements and

consolidated financial statements

- Monitoring the Group's financial position, credit position and taxation
- Monitoring the efficiency of internal control and risk management systems, reviewing internal control and audit reports, as well as reports detailing the company's key risks and measures to manage them, and monitoring of the processes and risks relating to IT security
- Giving the company's management recommendations concerning the focus of internal audits, reviewing the internal audit plans and reports, and monitoring the warranted measures
- Evaluating the processes aimed at ensuring compliance with laws and regulations, reviewing the Company's annual sustainability report or other similar annual report, monitoring the processes and risks relating to IT security
- Maintaining contact with the external auditor, reviewing the reports issued by the auditor, and monitoring the warranted measures
- Evaluating the independence of the auditor and audit firm, and in particular the provision of related non-audit services to the company, as well as approving the provision of non-audit services
- Reviewing the annual Corporate Governance Statement, and in particular the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in it
- Preparing the recommendation

for the resolution on the election of the auditor to Board of Directors of the Company, taking into account the EU regulation (No. 537/2014) concerning statutory audit of public interest entities and other laws and regulations concerning auditor of a publicly traded entity

The Audit Committee may use internal experts or external advisors at its discretion. The Audit Committee consults the company's auditor-in-charge at its meeting, or if the auditor-in-charge is unavailable, another representative of the audit firm, as necessary, especially in connection with the review of the financial statements and interim reports.

According to the Corporate Governance Code the majority of the members of the Audit Committee must be independent of the company, and at least one member must be independent of significant shareholders. After the completion of the public offer by Kildare Nordic Acquisitions S.à.r.l and the Extraordinary General Meeting held on November 7, 2018, the members of the Audit Committee are independent of the company, but not independent of its significant shareholders. Therefore, as of November 7, 2018, the Company has deviated from the Recommendation 16 relating the Audit Committee members' independence of the company's significant shareholders.

During the financial period 2018, the Audit Committee convened

four times. The average attendance rate was 100%.

In 2018, the Audit Committee reviewed the company's financial statements and interim reports, annual Corporate Governance Statement and Sustainability Report. During its term of office, the Audit Committee also prepared the Information Security Policy, Data Protection Policy and Risk Management Policy of the company and followed up the reporting relating to the internal audits.

Remuneration and HR Committee

Before November 7, 2018 the Board of Directors had a Remuneration and HR Committee, which supported the Board in the review of matters pertaining to the appointment and remuneration of the company management, the development of the organization and personnel, as well as the preparation and development of the company's remuneration systems.

The key duties of the Remuneration and HR Committee included:

- Preparing matters pertaining to the appointment, remuneration and other financial benefits of the CEO and other executives of the company, and assessing the company's essential objectives in terms of their remuneration
- Identifying the successors of the CEO and other executives of the company, and assessing the successor planning process pertaining to company management and other key employees

Board and Committee meetings January 1 - November 6, 2018

Board member	Attendance rate, meetings of the Board of Directors		Membership, Audit Committee	Membership, Remuneration and HR Committee	Attendance rate, Audit Committee meetings		Attendance rate, Remuneration and HR Committee meetings	
	pcs	%			pcs	%	pcs	%
Juha Laaksonen, Chairman	16	100	-	Chairman	-	-	2	100
Reima Ryttsölä, Vice Chairman	16	100	-	Member	-	-	2	100
Kaj-Gustaf Bergh ¹⁾	13	100	-	Member	-	-	1	100
Hannu Leinonen ²⁾	13	100	Member	-	3	100	-	-
Helena Liljedahl	16	100	Member	-	4	100	-	-
Pekka Ojanpää	16	100	Member	-	4	100	-	-
Christine Rankin	15	93.8	Chairman	-	4	100	-	-

Board members whose terms of office have expired

Jorma Haapamäki ³⁾	3	100	-	Member	-	-	1	100
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¹⁾ Member of the Board of Directors and the Remuneration and HR Committee March 20 - November 6, 2018, during which time the Board of Directors convened 13 times and Committee 2 times.

²⁾ Member of the Board of Directors and the Audit Committee March 20 - November 6, 2018, during which time the Board of Directors convened 13 times and the Committee 3 times.

³⁾ Member of the Board of Directors and the Remuneration and HR Committee January 1 - March 20, 2018, during which time the and Board of Directors three times convened 3 times and Committee 1 time.

Board and Committee meetings November 7 - December 31, 2018

Board member	Attendance rate, meetings of the Board of Directors		Membership, Audit Committee *)
	pcs	%	
Paul Patel, Chairman	3	75	Member
Sebastian Woitas, Vice Chairman	4	100	Chairman
Henri Guelff	4	100	-
Louis Paletta	3	75	Member
Davy Toussaint	4	100	-

*) Audit Committee did not have any meetings during November 7 - December 31, 2018

Technopolis Group Management Team December 31, 2018

Group Management Team member	Position and area of responsibility in the company	Group Management Team member since	Technopolis Plc shares December 31, 2018
Keith Silverang, BA, MBA, born 1961	Chief Executive Officer, Chairman of the Group Management Team	2004 (CEO since 2008)	-
Juha Juntunen, Eng, born 1973	Chief Operating Officer Director, Sales and Marketing	2013	-
Kari Kokkonen, M.Sc. (Eng.), born 1963	Chief Real Estate Officer	2010	-
Sami Laine, M.Sc. (Econ.), born 1971	Chief Financial Officer	2017	-
Outi Raekivi, LL.M, EMBA, born 1968	Chief Legal Officer	2013	-

- Preparing and developing the principles pertaining to the remuneration of the personnel and the company's remuneration schemes, as well as monitoring the transparency, expediency and competitiveness of the remuneration schemes
- Answering questions related to the remuneration statement at the General Meeting of shareholders
- Reviewing and preparing matters related to the organizational structure and development of management and personnel

A majority of the Committee members must be independent of the company. In 2018, the members of the Remuneration and HR Committee were independent of the company.

From January 1 to November 6, 2018, the Remuneration and HR Committee convened two times. The average attendance rate was 100%.

In 2018, the Remuneration and HR Committee took part in preparing the remuneration of the company's management and guidelines on the objectives of the long and short-term incentive schemes for the company's management and prepared the validation of granting the rewards based on the Performance Share Plan 2013–2017.

Chief Executive Officer

According to the Articles of Association, Technopolis has a CEO appointed by the Board of Directors. The Board also decides on

the CEO's salary and other benefits, and annually sets operational and financial targets for the CEO. The CEO's terms of employment are specified in a written CEO contract.

The CEO is responsible for the supervision and control of the company's routine operations in accordance with the Limited Liability Companies Act and authorizations and guidelines issued by the Board. The central duties of the CEO also include supervising compliance with the strategic plans ratified by the Board and seeing to the implementation of the decisions made by the Board within the limits of the investment policy. The CEO ensures that the Board members continuously receive the information required for monitoring the company's financial position, financial standing and

development, as well as significant events, decisions and future projects related to the company's business. The CEO is also responsible for the appropriate preparation of the meeting materials reviewed by Board meetings, and he attends Board meetings, presenting the matters to be dealt with.

Keith Silverang, BA, MBA, born in 1961, has served as the Chief Executive Officer of Technopolis Plc since 2008.

More detailed information on the Group Management Team members is presented on left. The key employment history and any positions of trust of the Group Management Team members are presented on the [company's website](#).

Group Management Team

The company has a Group Management Team that assists the CEO in operational matters. The members of the Group Management Team are appointed by the Board of Directors at the proposal of the CEO. The Group Management Team also prepares necessary draft resolutions for the Board on company strategy, development and investments, and enforces the decisions. The Group Management Team prepares the company's budget to be presented to the Board and oversees the realization of the budget of the company and its business units and their profitability, as well as other matters that are topical from the point of view of the company's business. The Group Management

Team also handles, among other things, matters relating to the company's personnel policy and internal communication, with the aim of promoting the flow of information and cooperation between the different parts of the organization.

The Group Management Team convened 13 times in 2018. The focus areas of the Group Management Team's work included regular performance monitoring and budgeting, follow-up of ongoing internal development projects and matters pertaining to the organization.

Internal Control and Risk Management

A description of the main features of the company's internal control and systems related to the financial reporting process, as well as the organization and key principles of internal audit.

Principles of Internal Control
Internal control refers to all preventive activities, daily and retrospective control aiming to ensure that the business objectives are reached. Technopolis' values, operating principles, strategy, and objectives lay the foundation for internal control. Technopolis upholds a corporate culture that approves internal control as a normal and necessary part of day-to-day business. As a result, internal control is also implemented by the company management and personnel, each within their respective areas of responsibility. The management of each Group

unit or company is responsible for the implementation of functional and effective control.

The task of Technopolis Group's internal control is to ensure:

- continuity of operations
- performance and efficiency of operations;
- reliability of financial and operational reporting;
- compliance with laws, regulations and agreements, Technopolis' values and internal guidelines as well as the Code of Conduct;
- security of assets and information.

Internal control is part of the Group's continuous management and governance. The Board of Directors and the CEO are responsible for arranging internal control. Members of the Group Management Team and persons responsible for the company's central operations or processes from the various business areas and different geographical units and Group support functions particularly take part in implementing internal control, under the guidance of the Board of Directors and the CEO. Internal control covers all of the Group's companies and functions; internal control is implemented by way of risk analyses, risk management and supervision discussions with Group and business unit management, and, above all, through standardized processes.

The Group has established an internal Compliance function

responsible for supervising the compliance of the company's operations with obligating external regulations, and internal policies and guidelines. The Compliance function supports the company's internal control by identifying the focus areas of internal control in cooperation with the Group's risk management function, ensuring that the necessary internal guidelines are up to date and, with regard to external regulations and internal policies, communication and training. In addition, the Compliance function coordinates the internal audit carried out by an external service provider in accordance with the annually agreed audit plan and supervises the implementation of the follow-up measures agreed. The statutory audit carried out by the external auditor also includes assessing the measures of internal control.

Uniform operating principles ratified by the management are complied with in the core processes of Technopolis' business operations, as well as in its support and management processes. Core business processes include the leasing of business space, maintenance of properties and providing services to customers, management processes include strategy and reporting processes, and support processes include the approval of invoices and processes related to the setting of targets and remuneration of personnel. Targets for development of operations are identified and collected in connection with reviewing the core business and support processes

and reported to the CEO. Each employee of the company has access to the intranet pages describing all key business processes.

Day-to-day control comprises work instructions, system and manual controls, as well as specification and differentiation of responsibilities and authorizations, job descriptions, approval authorities, deputy arrangements, and financial and other reporting. Technopolis employees have written job descriptions specifying their responsibilities and reporting relationships, which are reviewed and updated on a regular basis. The duties are differentiated appropriately, and an employee may not handle business transactions concerning himself or his related parties as a representative of Technopolis or take part in decision-making on such a transaction or any other matter involving conflicts of interest.

Management and Control of the Financial Reporting Process

The consolidated Financial Statements and Interim Reports prepared by Technopolis are based on International Financial Reporting Standards (IFRS) and national legislation, standards issued by the Finnish Financial Supervisory Authority, and the regulations and guidelines issued by the Helsinki Stock Exchange.

In addition, the company reports on its operations in accordance with the guidelines issued by the European Public Real Estate

Association (EPRA). EPRA is a European organization aiming to promote the comparability and openness of reporting by publicly listed real estate companies. Technopolis has been an official member of EPRA since June 2017.

Responsibility for financial reporting in accordance with external accounting requirements and for generating internal financial reporting for business operations rests with the Group's financial management under the supervision of the Chief Financial Officer. The management of each business unit, together with the controller organization under the supervision of the Chief Financial Officer, is responsible for producing financial analysis and forecasts. Business planning is based on a long-term strategy prepared jointly by the Board of Directors and the management and approved by the Board, annual action plans, monthly updated figures on actual performance, and annual forecasts. Quality and quantity objectives are set in the annual budget for different business units and areas in accordance with the strategy. Financial development and forecasts at both Group level and in the geographical business segments and their regional business units are monitored on a monthly basis through harmonized reporting. The controller organization analyzes actual performance compared with the forecasts and reports on deviations to the company management.

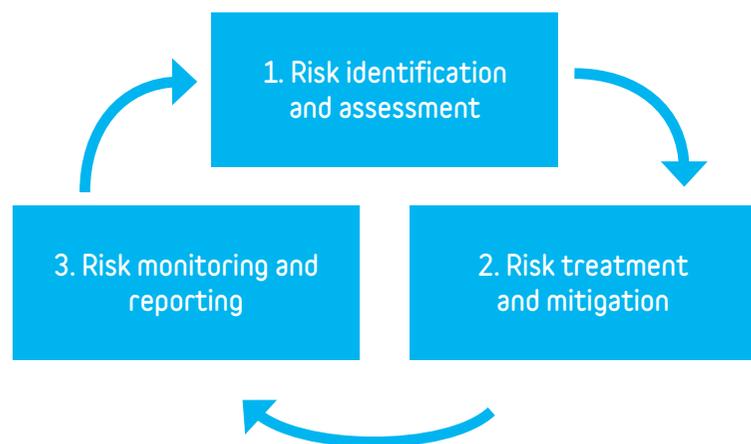
Internal financial reports are, as a rule, reviewed monthly by the

Group Management Team and the Board of Directors. The CEO and CFO report all significant deviations from the objectives set by the Board or the most recent financial forecasts to the Board of Directors. The consistency and reliability of reporting is also assessed as part of internal control through diverse system controls and balancing. The Audit Committee regularly consults the auditors and external experts in real estate valuation in connection with the processing of financial reports, and reviews any observations made by the internal control function.

Controlling matters requiring special financial expertise, such as calculating the fair value of investment properties and pending construction projects as well as controlling foreign investments, is carried out in close collaboration with external specialists. At Technopolis, the fair value of investment properties is measured quarterly in connection with the Financial Statement and Interim Report preparation process.

The fair value accounting model for investment properties applied by the Group is based on cash flow analysis determined specifically for each property. Technopolis has an external independent expert review the data used in the valuation of properties performed at least once a year in order to ensure that the parameters and values used are based on market observations. The valuation model and the parameters applied in it have been audited by an authorized

Risk Management Process



third-party property valuer (AKA). Additionally, the Group may, at its discretion, request appraisals from third-party assessors to support its own calculations. A more detailed description of the fair value calculation model is described in the accounting principles for the Financial Statements.

Group Risk Management

The main objectives of risk management at Technopolis are to:

- ensure the achievement of the company's business objectives,
- identify, evaluate, measure and mitigate significant risks and uncertainties, as well as to
- monitor them as part of the day-to-day management of business operations.

Other objectives of risk management at Technopolis are to:

- ensure the continuity of business operations,
- optimize the company's risk profile from shareholders' and other stakeholders' point of view,
- prevent avoidable losses, and
- ensure that all employees are aware of possible risks and able to identify and proactively treat risks.

In August 2018, the Board of Directors approved a new Group-level risk management policy.

Risk Management Process

According to the Technopolis' risk management policy, risk identification is a more bottom-up process in the organization. The annual risk review by senior management includes a medium-term time horizon of three years and a short-term, 12 months horizon.

The detailed risk management processes and practices within Technopolis Group are defined in several specific policies and guidelines of the company.

Key elements of Technopolis' Group-level risk management approach are described below.

The purpose of group-level risk identification and assessment is to identify, assess and prioritize for risks that are relevant for the achievement of Technopolis Group's objectives. Group level risk identification and assessment is carried out in annual risk reviews, as part of business units' annual planning and budgeting.

Annual risk review is conducted every year in the last quarter of the year. The purpose of the review is to assess the previously identified risks as well as identify possible new risks.

Every business unit prepares a business plan for the coming year. As part of this, risks are identified, and their probabilities and impacts are assessed. These risks relate mainly to operational risks but may also include other relevant risk categories such as external risks relating to the operational environment of the company or sustainability risks.

When risk treatment options are determined, the benefits and disadvantages derived from the action are considered. Risk treatment is decided upon in the Group Management Team in

connection with the annual risk review, unless any unforeseen event will take place that will require immediate action.

The objectives of risk monitoring and reporting at Technopolis are to improve risk management activities and to provide information for decision making, but also to communicate risk management activities and outcomes across the organization. In addition, risk reporting can be utilized when interacting with internal and external stakeholders.

The Board of Directors has the ultimate responsibility over Group-wide risk management. It regularly monitors and evaluates risks related to the company's business operations and the business environment, and reports on them in accordance with legislation and other regulations applicable to the company. In addition, the Board of Directors assesses the attitude to key risks and the need to change the objectives of risk management or the risk management policy.

Key Risks

At Technopolis, risks are divided into five main categories, and those are further divided into several sub categories. Sub categories can be updated from time to time, in connection with annual risk review, if necessary.

External risks

External risks are risks arising from external factors. These risks can arise e.g. from changes in market conditions.

Strategic risks

Strategic risks are risks that affect or are inherent in business strategies, achievement of strategic objectives and strategy execution. Strategic risks can relate e.g. to investments, mergers and acquisitions and achievement of strategic targets.

Operational risks

Operational risks are risks that are related to day-to-day business operations, procedures, systems or policies. They can arise e.g. from core operating processes, human resources, information technology or procurement.

Financial risks

Financial risks relate to securing sufficient funding for operations and to mitigating the negative impact of interest rate and foreign exchange rate fluctuations on the Group's earnings, financial position and cash flow.

Sustainability risks

Sustainability risks are risks that are related to environment and social and to an extent, economic aspects of the company's business. They can arise e.g. from energy use and efficiency, governance and well-being related risks.

More detailed information concerning the risks and uncertainties associated with the operations of Technopolis is presented in the Report by the Board of Directors for the 2018 fiscal period, available on the [Financial Statements](#).

Other Information

Internal Audit

Internal audits in the Group companies and support functions pursuant to the annual audit plan assist the company in assessing and monitoring the sufficiency and effectiveness of internal control and risk management.

The focus areas of internal audit in 2018 included ensuring the functionality of and compliance of the company's key processes in select business and matrix function units. Internal audit observations and follow-up measures are reported to the Audit Committee and the Board of Directors. In 2018, the internal audit services were purchased from Ernst & Young Oy.

Insider Management

As of July 3, 2016, Technopolis complies with the EU Regulation on Market Abuse (EU Regulation No. 596/2014) and other related EU regulations that supplement it, as well as the Insider Guidelines provided by Nasdaq Helsinki Oy as the minimum level regulation in insider matters. In addition to this, the company has prepared its own insider guideline to complement the EU Regulation on Market Abuse, other related EU regulations that supplement it, and the Insider Guidelines provided by Nasdaq Helsinki Ltd.

The company has defined the members of the Board of Directors, the CEO and other members of the Group Management Team as persons discharging managerial

responsibilities ("managerial persons"). The managerial persons and their closely associated persons shall each notify the company and the Finnish Financial Supervisory Authority of any transactions conducted on their own account relating to equity or debt financial instruments of the company or derivative instruments linked thereto without delay, and at the latest within three business days after the transaction in question was conducted. As of July 3, 2016, the company has published the transactions of the managerial persons and their closely associated persons as a stock exchange release within the same deadline of three business days, and thereafter, such information was also made available on the company's website (Stock Exchange Releases).

Furthermore, the company has defined certain other persons based on their tasks in the company as core persons acting in the informed core of the company. Typically, such core persons include persons preparing interim reports and financial statement bulletins, persons who are responsible for finance, financial reporting or communication, and persons with access to such information.

The company maintains project- or event-specific insider registers on all persons who take part in the planning and preparation of an insider project or event, for example mergers and acquisitions, and who have access to inside information ("project-specific insiders"). A project-specific insider shall not trade or conduct

other transactions relating to the company's financial instruments until the expiration or publication of that project. Project-based insiders include persons who work for a listed company based on an employment contract or otherwise conduct duties whereby they have access to inside information related to a specific project or event, or other persons or parties to whom the Company discloses inside information about the event.

Technopolis recommends that managerial persons and persons with access to core information make only long-term investments in securities issued by the company. Trading should preferably take place at times when the market has as complete information on factors influencing the share price as possible. Managerial persons as well as persons with access to core information may not trade in Technopolis shares or securities related to instruments entitling to shares during a period of 30 days preceding the publication of the company's financial statements bulletin or interim report, including the publication date. If the financial statements include non-disclosed information that may have a material effect, this closed period also applies to the financial statements.

Regardless of the planned timing of trading, company managerial persons and persons with access to core information may only trade in the company's shares or other securities related to instruments entitling to shares after discussing the matter with

the person in charge of insider matters at the company and requesting an assessment of the compliance of the planned transaction with the law and regulations. A similar procedure is also recommended for the company's other employees. The person in charge of insider matters is the company's Chief Legal Officer.

Audit

In accordance with the Articles of Association, Technopolis has one auditor. If the auditor is not an audit firm, a deputy auditor must also be appointed. Both the auditor and any deputy auditor must be auditors or audit firms authorized by the Central Chamber of Commerce of Finland. The Audit Committee prepares a resolution proposal, or in case of the audit tender process, a recommendation for the election of the company's auditor to the Annual General Meeting. The Audit Committee also annually reviews the work and services of the auditors. The auditor's term of office is the same as the company's financial period, and the auditor's term of office expires at the end of the first Annual General Meeting following the election of the auditor. An audit firm belonging to the same group of companies as the audit firm represented by the auditor elected by Technopolis' Annual General Meeting also audits the group's subsidiaries, excluding Russia, where a local audit company is responsible for the statutory audit of the Group company.

The auditor submits an Auditor's Report as required by law to the shareholders of Technopolis in

connection with the financial statements of the company, and regularly reports on his or her observations to the Audit Committee and the Board of Directors.

The Annual General Meeting 2018 elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor, and Lasse Holopainen, Authorized Public Accountant, as the responsible auditor. The Annual General Meeting decided that the remuneration to the auditor and the auditor's expenses should be compensated for against an invoice approved by the company. In 2018, KPMG was paid a total of about EUR 153,000 in statutory audit-related fees and a total of about EUR 55,000 in fees for services not related to the statutory audit.

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