

CORPORATE GOVERNANCE STATEMENT OF IXONOS PLC

Ixonos plc complies with the Finnish Corporate Governance code, issued by the securities market association (Arvopaperimarkkinayhdistys ry), as entered into force on 1 October 2010. This corporate governance statement has been prepared pursuant to recommendation 54 of the Finnish corporate governance code and issued separately from the report of the board of directors. The corporate governance statement is also available in the investors section of the company's website at www.ixonos.com. The statement will not be updated during the year, but up-to-date information on its topics is available on the company's website.

THE IXONOS GROUP

The General Meeting and the President and CEO are responsible for the business operations of the Ixonos Group, as provided in the Limited Liability Companies Act (624/2006). The General Meeting elects the Board of Directors, which elects the President and CEO. The General Meeting, in which the shareholders exercise their power of decision, is the supreme decision-making body of Ixonos Plc. The Board of Directors sees to the administration of the company and the appropriate organisation of its operations. The parent company Ixonos Plc is responsible for the management, financial administration, financing, legal matters, strategic planning and HR management of the Ixonos Group as well as for its internal and external communications.

Ixonos reports its operations as a single segment.

ANNUAL GENERAL MEETING

The General Meeting is the supreme administrative body of Ixonos. The functions of the General Meeting are detailed in the Limited Liability Companies Act and in the articles of association of Ixonos as well as in other provisions. The Annual General Meeting (AGM) decides on the number of members of the Board of Directors and on their fees. The AGM also appoints the members of the Board. The AGM appoints an auditor, determines the fee to be paid to the auditor, adopts the financial statements and determines the amount of dividend to be paid as well as decides on other matters in accordance with the articles of association and the Limited Liability Companies Act. The AGM is held within a certain period of time from the end of the financial period, in accordance with the proposition of the Board of Directors and as provided by law. As Ixonos has one series of shares, all shares carry equal voting rights.

BOARD OF DIRECTORS

Composition of the Board of Directors

Pertti Ervi is Chairman of the Board of Directors. Paul Ehrnrooth is Vice Chairman. The other Board members are Matti Heikkinen, Samu Konttinen, Ilari Koskelo and May Wiiala. Matti Järvinen and Kirsi-Marja Kuivalainen were Board members from 1 January to 24 April 2013. Ilari Koskelo and May Wiiala were elected as new members of the Board from 24 April 2013 onwards.

PERTTI ERVI, born 1957
Bachelor of Science (Engineering)
Independent consultant and investor

PAUL EHRNROOTH, born 1965
Master of Economic Sciences
Managing Director, Turret Oy Ab

MATTI HEIKKONEN, born 1976
Master of Science (Technology)
Chief Operating Officer, Questback AS

SAMU KONTTINEN, born 1973
Bachelor of Business Administration
Executive Vice President, Sales & Marketing, F-Secure Corporation

ILARI KOSKELO, born 1959 (member of the Board from 24 April onwards)
MBA, M.Sc
Entrepreneur owner, Navdata Ltd.

MAY WIIALA, born 1962 (member of the Board from 24 April onwards)
M.Sc
CFO, International division, ÅF-Consult

The Board of Directors has assessed that Paul Ehrnrooth, who is employed by Turret Oy Ab, is independent of Ixonos Plc but not of its significant shareholder. The other Board members are independent of the company as well as of its significant shareholders.

The General Meeting of Ixonos Plc elects the Board of Directors. The number of Board members may vary between five and nine.

Board procedures and composition

The Board of Directors represents all shareholders, serving their common interest equally. None of the Board members are operational managers in the company. The President and CEO participates in Board meetings as a reporting member and the CFO as secretary of the board. The Board may also invite to its meetings other members of the management as necessary. The Board elects from among its members a Chairman and a Vice Chairman as well as the members of any committees it may decide to form. The Board also elects a secretary for its meetings.

The Board of Directors met 19 times during 2014. Teppo Talvinko and Mikael Nyberg, the CFOs of the company, acted as the permanent secretary of the Board. Attendance at Board meetings was 98 per cent. Board members received the following fees during 2014:

Chairman	Pertti Ervi	EUR 52,000
Vice Chairman	Paul Ehrnrooth	EUR 35,000
Member	Samu Konttinen	EUR 26,000
Member	Matti Heikkonen	EUR 26,250
Member	Ilari Koskelo	EUR 0
Member	May Wiiala	EUR 27,762

Board of Directors

The Board of Directors represents all shareholders in corporate governance. The Board sees to the administration of the company and the appropriate organisation of its operations. It decides on the

mission, vision and central goals of the company as well as on the strategies formulated to promote them. Further, the Board decides on budgets and operational plans drawn up to implement the strategy, on the principles of risk management, on bonus systems for management and employees, on corporate acquisitions and asset deals and on other matters with far-reaching implications for the company. The Board decides on the company's organisation based on a proposition by the President and CEO.

The Annual General Meeting that was held on 2 April 2014 decided that six ordinary members would be elected to the Board of Directors. The Board members' independence of the company and its significant shareholders is evaluated in accordance with the Finnish Corporate Governance Code. The term of a member of the Board ends with the conclusion of the Annual General Meeting following the appointment of the member. The Board of Directors defines the special interest sectors of its members, but all Board members participate in discussion and decision-making.

The central duties and principles of the Board of Directors are defined in its written rules of procedure. The Board normally meets once a month in accordance with those rules of procedure. In addition, the Board holds extraordinary meetings when necessary. Board meetings may be held as telephone conferences.

To ensure that the Board of Directors operates efficiently, the Board annually performs an internal self-evaluation of its activities and working methods.

Responsibilities of Board members and committees Chairman

The Chairman of the Board of Directors

The Chairman of the Board of Directors leads the work of the Board as well as prepares, together with the President and CEO, its meetings. The Chairman – together with the President and CEO, when needed – represents the company in meetings with various stakeholders. If necessary, the Chairman participates in planning and meetings related to corporate acquisitions and mergers. The Chairman also prepares the appointment and dismissal of the President and CEO and acts as his or her supervisor.

Vice Chairman

If the Chairman is temporarily unable to perform his or her duties, the Vice Chairman leads the work of the Board of Directors and prepares, together with the President and CEO, its meetings.

Audit Committee

The Board of Directors elects from among its members an Audit Committee of at least three members who are independent of the company. The Audit Committee familiarizes itself with the company's financial statements and interim reports as well as with the internal and external control systems of the company. The Audit Committee also monitors the company's profitability development, budgeting principles, budgeting and risk management. In addition, the Audit Committee acquaints itself with the company's financial management systems, approves the corporate governance statement, prepares a draft resolution on the appointment of an auditor, assesses the auditor's independence and evaluates the ancillary services provided by auditors. The auditor, the President and CEO and the CFO attend the meetings of the Audit Committee when necessary.

The Audit Committee consisted of May Wiiala (Chairman) from 2 April 2014 onwards, Matti Heikkonen and Samu Konttinen. Starting 2 April 2014 May Wiiala was elected chairman, Samu Konttinen was elected as new member and Pertti Ervi (Chairman 1.1-2.4.2014) resigned from the

Audit committee. The committee met 6 times (2013: 5). Attendance was 100 per cent (2013: 80 per cent).

Board procedures

The Board of Directors normally holds an ordinary meeting once a month. In addition, the Board holds extraordinary meetings when necessary. Board meetings may be held as telephone conferences. The President and CEO and the CFO always attend the Board meetings. Other members of the management attend as necessary.

In 2014 the main actions of the Board of Directors were linked to supporting the management in execution of the new strategy and adapting the company's cost structure to its current operating environment as well as continuously securing the company's financial situation.

During the financial period 2014, the Board of Directors met 19 times (2012: 25). Average attendance was 98 per cent (2013: 94 per cent).

THE PRESIDENT AND CEO AND THE MANAGEMENT TEAM

Esa Harju (born 1967) acted as President and CEO. The President and CEO is responsible for the company's business operations and executive management in accordance with the Limited Liability Companies Act and the instructions given by the Board of Directors. The President and CEO chairs the Management Team but is not a member of the Board of Directors. The Board of Directors appoints the President and CEO and decides on his or her salary and other benefits. The main terms of the President and CEO's contract must be agreed on in writing. The Board of Directors annually evaluates the performance of the President and CEO.

The Management Team in 2014

During the review period the following changes have taken place:

- CFO Teppo Talvinko left the company on 18 May 2014.
- New CFO Mikael Nyberg started in the company on 2 May 2014.
- HR Director Satu Roininen left the company on 31 August 2014.

The responsibilities of the Management Team include preparing monthly reports, investments, Group guidelines and policies, long-term plans, action plans for 12 months ahead and financial statements for the Board of Directors to decide on. The Management Team met 12 times during 2014.

The CEOs received a total of EUR 299,681 in salaries and other short-term employee benefits during 2014. The other members of the Management Team received a total of EUR 591,628 in salaries and other short-term employee benefits. At the end of 2014, the President and CEO held 227,778 Ixonos shares and the other members of the Management Team held 293,526 shares. These figures include ownership through Ixonos Management Invest Oy, a company established for share-based compensation awarded to the management of the Ixonos Group.

INSIDER ADMINISTRATION

The Board of Directors of Ixonos Plc has ratified the insider guidelines for the Ixonos Group. The guidelines supplement the provisions on the administration and handling of insider information that are provided in chapter 51 of the Penal Code (39/1889), chapter 13 of the Securities Markets Act

(746/2012), FIN-FSA standard 5.3 (Declarations of insider holdings and insider registers) and the NASDAQ OMX Helsinki Ltd publication *Guidelines for Insiders*.

The public insider register of the company comprises the Board members and the President and CEO as well as the principal auditor nominated by the audit firm acting as the auditor of the company. The company has also determined that the members of the Management Team of the Ixonos Group are public insiders subject to the duty to declare. Persons who regularly learn inside information by virtue of their positions or tasks are company-specific insiders; the register of such insiders is not public. The company also maintains a non-public register of insiders specific to significant projects as defined in the insider provisions. The public insider register, including up-to-date information on ownership and dealings, is available on the website of the company. The insider register can also be viewed at the service point of Euroclear Finland Ltd at Urho Kekkosen katu 5 C, 8th floor, Helsinki.

Ixonos educates and informs its public, company-specific and project-specific insiders to recognise their position and its significance. Ixonos Plc insiders may not trade during a period of four weeks prior to the publication of the company's interim report or financial statement bulletin. The CFO of the company is in charge of insider issues regarding the Ixonos Group.

DESCRIPTION OF THE MAIN FEATURES OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

Risk management

The risk management of Ixonos Plc aims to ensure undisturbed continuity and development of the company's operations, support attainment of the commercial targets set by the company and promote increasing company value.

Risk management is present in all core processes of the company, from the strategy process of the Board of Directors to customer-specific service operations and the quality system of the company. Risk management planning, development, briefing and supervision are the responsibility of the CFO, as is the development of methods and processes to be used in risk management. In accordance with the risk management system, each unit in the Ixonos Group is responsible for identifying, evaluating and preventing the risks related to its own operations. Risk management has been implemented in the normal business planning and monitoring systems of the units as well as in the management systems of the company.

In accordance with the strategy, business planning and budgeting processes, the Board of Directors monitors the implementation of the company's risk management policy. This supervision has been organised so that the Audit Committee supervises the implementation and development of the risk management program and submits risk management related matters to the Board of Directors when necessary. Significant business risks are always considered by the Board of Directors.

Types of risk

Once a risk has been identified, it is monitored monthly, quarterly, semi-annually or when risk exposure is detected, depending on the type of the risk.

Ixonos has identified the following risk types and risks:

Operating environment: political, economic and legislative conditions, the competitor situation and customer requirements,

Service sales and marketing: personal, contract, liability and information-security risks related to the sales and marketing of services,

Service operations: personal, contract, liability and information-security risks related to service operations,

Technical infrastructure: risks related to data processing and to information networks,

Finance: risks related to liquidity, capital adequacy, financing, capital, interest, goodwill, tax receivables and currencies,

Abuse: incidents where legislation, corresponding external norms or the company's internal instructions are deviated from,

Strategy: risks related to perception of the environment, to reporting, to decision-making and to strategy implementation.

Risk management approach

Board of Directors

The Board of Directors of Ixonos Plc carries principal responsibility for the adequacy of the risk management arrangements of the Ixonos Group. The Audit Committee is responsible for organising the company's internal control and its risk management. The Audit Committee consults those responsible for the organisation's risk management, internal control and administration, those who evaluate the company's operations and the auditors, as well as other parties as it deems necessary.

Risk management governance

The CFO of the Ixonos Group oversees that risk management is arranged efficiently and that its performance is ensured. The CFO is also responsible for developing the risk management operations, for evaluating the results of case-specific reporting and for approving the necessary actions. In addition, the CFO evaluates the risk management methods of the operating units, approves the necessary additional measures, oversees risk management reporting and regularly reports the company's risk status to the Audit Committee.

RISK MANAGEMENT PROCESS

Risk management is a continuous, regular process that penetrates the entire organisation. Risk management tasks are part of internal control. The risk management process is intended to identify pre-emptively any risks that threaten business operations as well as to evaluate and develop the necessary risk management methods. The risk management process is coupled with the annual operational planning process of the Ixonos Group.

Actions

Risk management measures are designed to keep the risk management methods and guidelines as simple and practical as possible.

Major risks and uncertainty factors

The most significant risks and uncertainties are described more detailed in financial statements and interim reports.

INTERNAL CONTROL

The business operations of Ixonos are governed and controlled in accordance with the corporate governance system described above. The Board of Directors is responsible for arranging appropriate control of the company's accounts and finances. The President and CEO sees to it that the accounts of the company comply with the law and that its financial affairs are arranged in a reliable manner. The President and CEO, the members of the Management Team and the directors of the business units are responsible for ensuring that their respective areas of responsibility are governed in conformance with the law, the operational principles of the Ixonos Group and the instructions given by the Board of Directors of Ixonos Plc.

Control of the administration and accounting of the business units has been concentrated with the Finance unit of the Ixonos Group and with the finance departments of the business units. The Finance unit, which the CFO of the Ixonos Group manages, centrally provides the financial statements required for financial accounting. The Finance unit also provides the Management Team of the Ixonos Group and the management teams of the business units with management accounting analyses and performance reports for profitability monitoring. The internal control practices of the Ixonos Group aim to ensure accurate reporting of the Group's finances. The business operations and the financial management are monitored by way of the reporting described above.

The Ixonos Group employs a business unit specific system for financial reporting. The realisation of the business plans of the units is also monitored through reporting practices. To ensure consistency, the financial management of the Ixonos Group has created a uniform chart of accounts as well as various Group-level instructions related to reporting and financial monitoring. The financial management also educates employees in using those resources.

Audit

As part of the annual auditing assignment, the external auditors of Ixonos Plc audit the accounting and administration of the parent company and its subsidiaries. The requirements of internal control have been taken into account in the audit plans. The auditors provide yearly reports to the Annual General Meeting of Ixonos Plc. They also communicate the main points of the annual audit plan to the Board of Directors and the Audit Committee. In addition, for each interim report, they notify the Audit Committee of the audit findings orally or in writing.

Internal audit

As part of internal control, the Audit Committee is responsible for coordinating the internal auditing of the company. The financial management of the Ixonos Group is responsible for internal auditing in addition to its regular duties. Auditing is performed by the controller function of the company. The financial management may use external assistance when this is necessary in individual audit cases. The findings of the internal audits are reported to the financial management, which reports them to the Audit Committee. An internal audit plan is developed annually together with the auditors.