



CORPORATE GOVERNANCE
AND REMUNERATION



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Corporate Governance Statement

TietoEVRY is committed to good corporate governance. In addition to the relevant legislation and rules of the Helsinki, Oslo and Stockholm stock exchanges, TietoEVRY complies with the Finnish Corporate Governance Code issued by the Securities Market Association of Finland in 2020 with the exception of the appointment procedure for electing personnel representatives to the Board of Directors (Recommendation 5) as described in detail in [The Board of Directors](#) section.

This Corporate Governance Statement has been prepared in accordance with the Finnish Corporate Governance Code 2020. The code is available at www.cgfinland.fi. This statement has been issued separately from the report by the Board of Directors and is included in the Financial Review 2023.

GOVERNANCE AT TIETOEVRY



Annual General Meeting

TietoEVRY's supreme decision-making body is the Annual General Meeting (AGM). Every shareholder has a right to participate in the AGM and each share in TietoEVRY entitles its holder to one vote. However, no shareholder is allowed to vote at a General Meeting with more than one fifth (1/5) of the votes represented at the meeting.

The AGM elects the members of the Board of Directors (including the Chairperson) and appoints auditors, decides on their compensation and discharges the members of the Board of Directors and President and CEO from liability. The AGM's approval is required for option programmes as well as Board authorizations for share repurchases and share issues. The meeting also makes the decision on the Board's dividend proposal.

The following persons are usually present at TietoEVRY's AGM:

- Board of Directors: Chairperson, members and new member candidates
- Group Management: President and CEO, CFO
- Auditors

For more information on the AGM 2024 and previous meetings, shareholders and participation possibilities, please visit www.tietoevry.com/agm.

AGM 2023

- In 2023, TietoEVRY's AGM convened on 23 March at TietoEVRY's headquarters in Espoo, Finland. Shareholders registered for the AGM were also able to follow the meeting through a webcast. There were 281 shareholders represented at the meeting representing altogether 43,688,188 shares and votes (36.9% of the total outstanding shares). More information about the AGM and results of the advance voting are available on the company's website. In 2023, all resolutions were supported by advance votes of ~90% or more.

Shareholders' Nomination Board

The company's AGM decided in 2010 to establish a Shareholders' Nomination Board (SNB), which is a body of shareholders responsible for preparing the proposals to the AGM for the election and remuneration of the members of the Board of Directors (including remuneration of employee representatives).

The SNB consists of five members. Four of the members represent the four major shareholders who on 31 August held the largest number of votes conferred by all shares in the company and who wished to participate in the nomination process. The fifth member is the Chairperson of the company's Board of Directors. The term of office of the SNB members expires when a new SNB has been appointed. The SNB itself is an organ that has been established for the time being. The charter of the SNB is available on the company's website.

The SNB based on shareholdings as at 31 August 2023 consisted of the following representatives announced by TietoEVRY's shareholders:

Nominated by Solidium Oy:
Annareetta Lumme-Timonen
Main occupation: Investment Director, Solidium Oy
Born: 1967
Nationality: Finnish
Education: MSc (Eng.) and DSc (Tech.)

Nominated by Cevian Capital Partners Ltd:
Alexander Svensson
Main occupation: Vice President, Cevian Capital AG
Born: 1991
Nationality: Swiss and Swedish
Education: MSc (Management, Organisations and Governance), London School of Economics, BSc (PPE, Economics Major), University of Warwick

Nominated by Incentive AS:
Alexander Kopp
Main occupation: Investment Manager, Incentive AS
Born: 1981
Nationality: Norwegian
Education: A.B. (Econ.) Harvard College

Nominated by Ilmarinen Mutual Pension Insurance Company:
Mikko Lantto
Main occupation: Chief Technology and Development Officer, Ilmarinen Mutual Pension Insurance Company
Born: 1975
Nationality: Finnish
Education: BSc (Eng.)

Representing the Board of Directors of TietoEVRY Oyj:
Tomas Franzén

The SNB convened five times and provided TietoEVRY's Board of Directors on 25 January 2024 with its proposals to the AGM 2024. The SNB proposes to the AGM that the Board of Directors shall have nine members and that the current members Bertil Carlsén, Elisabetta Castiglioni, Tomas Franzén, Liselotte Hägertz Engstam, Harri-Pekka Kaukonen, Katharina Mosheim, Gustav Moss, Endre Rangnes and Petter Söderström be re-elected. The Shareholders' Nomination Board proposes that Tomas Franzén shall be re-elected as the Chairperson of the Board of Directors.

The biographical details of the candidates and information on their holdings in TietoEVRY are available on the company's [website](#).

The Shareholders' Nomination Board proposes that the remuneration of the members of the Board of Directors elected by the Annual General Meeting be annual fees:

- EUR 137 500 to the Chairperson (2023: EUR 133 000, increase of ~3.4%),
- EUR 73 500 to the Deputy Chairperson (2023: EUR 72 000, increase of ~2.1%) and
- EUR 55 600 to the members (2023: EUR 54 500, increase of ~2.0%).

In addition to these fees, it is proposed that the Chairperson of a permanent Board Committee be paid an annual fee of EUR 20 000, and a member of a permanent Board Committee be paid an annual fee of EUR 10 000. It is also proposed that the members elected by the Annual General Meeting will be paid EUR 800 for each Board meeting and for each permanent or temporary committee meeting. Further, it is proposed that the employee representatives elected as ordinary members of the Board of Directors be paid an annual fee of EUR 15 300 (2023: EUR 15 000, increase of 2.0%) and the employee representatives elected as deputy members of the Board of Directors be paid an annual fee of EUR 7 650 (2023: EUR 7 500, increase of 2.0%).

The Shareholders' Nomination Board is of the opinion that increasing the long-term shareholding of the Board members will benefit all the shareholders. Every member of the Board of Directors elected by the Annual General Meeting is expected to over a five-year period accumulate a shareholding in the company that exceeds his/her one-time annual remuneration.

The Shareholders' Nomination Board therefore proposes that part of the annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose from the following five alternatives:

- No cash, 100% in shares
- 25% in cash, 75% in shares
- 50% in cash, 50% in shares
- 75% in cash, 25% in shares, or
- 100% in cash, no shares.

The shares will be acquired directly on behalf of the members of the Board within two weeks from the release of the company's interim report 1 January–31 March 2024. If the remuneration cannot be delivered at that time due to insider regulations or another justified reason, the company shall deliver the shares later or pay the remuneration fully in cash. The remuneration of the employee representatives elected as members of the Board of Directors will be paid in cash.

The Board of Directors

It is the general obligation of TietoEVRY's Board of Directors to safeguard the interests of the company and its shareholders.

Composition and election

According to TietoEVRY's Articles of Association, the Board of Directors elected by the shareholders shall consist of at least six and no more than twelve members. Board members have a term of office of one year, expiring at the closing of the first AGM following the election.

The company has defined as an objective that in addition to professional competence, TietoEVRY's Board members shall be diversified in terms of gender, occupational and professional background and that the Board as a group shall have sufficient knowledge of and competence in, inter alia, the company's field of business and markets as well as environmental, social and governance matters.

The SNB, which consists of representatives nominated by the company's largest shareholders, prepares a proposal on the composition of the Board to be presented to the AGM for its decision. The company has ensured that the diversity principles have been included in the charter of the SNB and charter of the Board and taken into account in the SNB work and candidate search. Three out of nine members elected by the AGM during 2023 were female. Gender diversity is continuously on the SNB's agenda.

In addition to the members proposed by the SNB and elected by the AGM, TietoEVRY's personnel elected two members and two deputy members to the Board of Directors. This special appointment procedure is a departure from Recommendation 5 "Election of the Board of Directors" of the Corporate Governance Code. Personnel representation is based on the Finnish Act on Personnel Representation in the Administration of Undertakings and was originally agreed between the company and personnel of the Group by way of a Personnel Representation Cooperation Agreement in 2001.

The objectives of the personnel representation are, inter alia, to provide opportunities for the personnel to influence and affect the organization, to improve communication and decision making within the Group, to increase mutual trust and confidence between corporate management and the personnel as well as to increase and develop the feeling of security among the personnel. The personnel representatives, however, are not entitled to participate in the handling of matters that concern the appointment or dismissal of corporate management, the contractual terms of the management, the terms of employment of staff or matters related to industrial actions.

Board of Directors as at 31 December 2023¹⁾

Name	Born	Nationality	Education	Main occupation
Tomas Franzén (Board and RC Chairperson)	1962	Swedish	MSc. (Eng.)	Professional Board member
Harri-Pekka Kaukonen (Deputy Chairperson, ARC Chairperson)	1963	Finnish	Dsc. (Tech.)	Professional Board member
Bertil Carlén ²⁾	1960	Swedish	MSc. (Business Adm.)	Financial advisor and professional Board member
Elisabetta Castiglioni ²⁾	1964	Italian	Ph.D. (Tech)	CEO, A1 Digital International GmbH
Liselotte Högertz Engstam	1960	Swedish	MSc. (Civ. Eng.)	Expert advisor, professional Board member
Katharina Mosheim	1976	Austrian	Ph.D. (Econ.)	CEO, Alpha Pianos AS, professional Board member
Gustav Moss ²⁾	1988	Swedish	MSc. (Finance & Accounting)	Partner, Cevian Capital AB
Endre Rangnes	1959	Norwegian	BBA (Econ.)	CEO, Zolva Group, professional Board member
Petter Söderström ²⁾	1976	Finnish	MSc. (Econ.)	Investment Director, Solidium Oy
Tommy Sander Aldrin (personnel representative) ²⁾	1965	Norwegian	BSc. (Comp.)	Chief Consultant
Anders Palkint (personnel representative) ²⁾	1967	Swedish	MSc. (Eng.)	Senior Project Manager

¹⁾ Timo Ahopelto, Angela Mazza Teufer, Niko Pakalén and personnel representatives Robert Spinelli and Iipo Waljus served as Board members until the AGM on 23 March 2023.

²⁾ Board member as of the AGM on 23 March 2023.

Independence and attendance in meetings of the Board and its committees in 2023

Name	Member since	Independent of company	Independent of shareholder	Board ³⁾	Audit and risk committee	Remuneration committee
Tomas Franzén	2019	yes	yes	10/10		4/4
Harri-Pekka Kaukonen	2016	yes	yes	10/10	6/6	1/1
Bertil Carlsén ¹⁾	2023	yes	yes	9/9	5/5	1/1
Elisabetta Castiglioni ¹⁾	2023	yes	yes	9/9	4/5	
Liselotte Hägertz Engstam	2018	yes	yes	10/10	6/6	
Katharina Mosheim	2020	yes	yes	10/10	6/6	
Gustav Moss ¹⁾	2023	yes	yes	9/9		3/3
Endre Rangnes	2014	yes	yes	10/10		4/4
Petter Söderström ¹⁾	2023	yes	no	9/9		3/3
Tommy Sander Aldrin ¹⁾	2023	no	yes	9/9		
Anders Palklint ¹⁾	2023	no	yes	9/9		
Timo Ahopelto ²⁾	2017	yes	no	1/1	1/1	
Angela Mazza Teufer ²⁾	2021	yes	yes	1/1		
Niko Pakalén ²⁾	2019	yes	yes	1/1	1/1	
Robert Spinelli ²⁾	2022	no	yes	1/1		
Ilpo Waljus ²⁾	2014	no	yes	1/1		

¹⁾ Board member as of 23 March 2023.

²⁾ Board member until 23 March 2023.

³⁾ One Board subgroup met nine times. Meeting fees were paid for these meetings.

All Board members elected by the AGM of TietoEVRY are independent of the company and eight out of nine members elected by the AGM are independent of the company's significant shareholders. The independence of the members is evaluated at the Board's constitutive meeting. The Board members shall inform the Board if any changes in these circumstances occur, in which case their independence will be re-evaluated.

More detailed background information regarding the Board members, such as working experience, past and present positions of trust and remuneration, is presented on the company's website at www.tietoevry.com/investors.

Tasks

The main duties and working principles of the Board have been defined in a written charter. Additionally, the work of the Board is based on an annual action plan.

More specifically, the Board:

- approves the company's values, strategy and organizational structure
- defines the company's dividend policy
- approves the company's annual plan and budget and supervises their implementation
- monitors management succession, appoints and discharges the President and CEO
- decides on the President and CEO's compensation, sets annual targets and evaluates their accomplishment
- decides on the compensation of the President and CEO's immediate subordinates
- addresses the major risks and their management at least once a year
- reviews and approves interim reports, annual reports and consolidated financial statements
- reviews and approves the company's key policies
- is accountable for guiding the organization's strategy on environmental, social and governance (ESG) topics
- meets the company's auditors at least once a year without the company's management
- appoints the members and Chairpersons of the Board's committees and defines their charters
- reviews assessments of its committees as well as the President and CEO
- evaluates its own activities.

Work

The Board has scheduled meetings every one to two months. Besides the Board members, the meetings are attended by the President and CEO, Chief Financial Officer (CFO) and General Counsel, who acts as secretary of the meetings. In addition to the scheduled meetings, the Chairperson shall convene the Board whenever needed as well as at the request of any of its members or the President and CEO.

Matters to be handled are prepared by the Board committees and the President and CEO. The Board receives information on the company's financial performance monthly and more detailed financial reports quarterly. Any material related to matters to be handled by the Board is provided four days prior to the meeting. Other case-specific materials are delivered at the management's initiative or the Board's request. Board members shall be informed about all significant company events immediately.

2023

- The Board convened ten times in 2023 and the average attendance was 100%.
- The Board met eight times during the year without the management present.
- The Board held one joint meeting with the auditors.
- The Board met the auditors once without the presence of the management.

Assessment

The performance of TietoEVRY's Board is assessed annually; the latest assessment was carried out by a self-evaluation during autumn 2023. Assessments review the Board's knowledge of the company's operations and management, its understanding of the field of business as well as how key ESG topics are addressed. Additionally, the effectiveness of the Board work is evaluated. The SNB is informed of the results, which are also taken into consideration when the Board draws up its next annual plan.

Committees

TietoEVRY's Board is assisted by two permanent committees that prepare matters for which the Board is responsible. The Board defines the charters of the committees and decides on their composition. The Board establishes temporary subgroups whenever it is needed for a specific topic. The entire Board remains responsible for the duties assigned to the permanent committees or temporary subgroups.

Remuneration Committee

Composition

The Remuneration Committee (RC) comprises of at least three non-executive directors elected by the Board. The majority of the members shall be independent of the company. The Head of HR acts as secretary of the meetings.

Based on the Board's decision, the RC was composed of the following non-executive directors who were independent of the company and of significant shareholders, except for Petter Söderström who is independent of the company and non-independent of a significant shareholder:

- Tomas Franzén (Chairperson)
- Gustav Moss
- Endre Rangnes
- Petter Söderström.

Work

The committee meets regularly and at least twice a year. The Chairperson of the committee reports to the Board when applicable. The main tasks of the committee are to:

- monitor the targets of the compensation schemes, implementation of the compensation schemes, performance assessment and compensation determination
- ensure that the targets set for earning the bonuses defined in the compensation scheme are met

- prepare a proposal for the Deputy Chairperson of the Board
- prepare a proposal on the committees (members and Chairpersons, and the duties and responsibilities of the committees)
- monitor corporate governance
- prepare a compensation proposal concerning the President and CEO and his immediate subordinates, and the principles of personnel compensation, including applicable ESG targets
- prepare for the Board option schemes and other share-based incentive schemes
- evaluate the performance of the President and CEO
- prepare the assessment of the Group Management
- prepare a proposal on the Board's charter.

2023

- The committee convened four times in 2023 and the average attendance was 100%.
- In addition to its normal responsibilities within the scope of its charter, the committee followed the functioning of short- and long-term incentive plans to ensure that they supported the achievement of the objectives as well as the development of the remuneration of the Group Executive Management.

Audit and Risk Committee

Composition

The Audit and Risk Committee (ARC) comprises at least three non-executive directors who are independent of the company and out of whom at least one member shall be independent of the significant shareholders. The Chairperson and the members are elected by the Board. At least one committee member must have expertise in accounting, bookkeeping or auditing. TietoEVRY's Deputy General Counsel acts as secretary of the meetings.

In 2023, all committee members were non-executive directors who were independent of the company and of significant shareholders. All members have extensive experience in corporate management and financial issues and therefore have the expertise referred to in the Finnish Corporate Governance Code.

Based on the Board's decision, the ARC was composed of

- Harri-Pekka Kaukonen (Chairperson)
- Bertil Carlsén
- Elisabetta Castiglioni
- Liselotte Hågertz Engstam
- Katharina Mosheim

Work

The committee convenes regularly at least four times a year and meets the company's auditors, also without the company's management present. The Chairperson of the committee reports to the Board. The main tasks of the committee are to:

- review and supervise internal control – particularly the financial reporting process – and risk management
- discuss and review the interim and annual reports and the consolidated financial statements, including non-financial information, EU taxonomy and other relevant ESG reporting topics
- assess compliance with legislation, official regulations and the company's Code of Conduct
- evaluate the sufficiency of internal control and the internal audit
- examine, assess and approve the internal audit plan
- assess the appropriate coverage of risk management and monitor the efficiency of risk management
- review significant risks and unusual business events
- prepare for the Board's decision a proposal for the AGM on the nomination of external auditors and their compensation
- evaluate the external auditors' independence, assess the audit plan and examine the audit reports
- monitor the statutory audit and consult with the auditors regarding matters that should be brought to the Board's attention.

2023

- The committee convened six times in 2023 and attendance was 97.1%.
- In addition to its regular agenda, the committee followed up progress of operational KPIs in the end-to-end businesses as well as development in cybersecurity and privacy matters.

The President and CEO and operative management

Members of the Group management as at 31 December 2023¹⁾

Kimmo Alkio
 President and CEO
 Born: 1963
 Nationality: Finnish
 Education: BBA and Executive MBA
 Joined TietoEVRY in 2011

Klaus Andersen³⁾
 Managing Director, TietoEVRY Banking
 Born: 1964
 Nationality: Danish
 Education: Master's degree in Engineering
 Joined TietoEVRY in 2023

Kishore Ghadiyaram
 Head of Strategy
 Born: 1972
 Nationality: Indian
 Education: BSc. (Tech.)
 Joined TietoEVRY in 2008

Carsten Henke¹⁾
 Managing Director, TietoEVRY Industry
 Born: 1968
 Nationality: German
 Education: Masters degree in Mathematics
 Joined TietoEVRY in 1997

Tomi Hyryläinen
 Chief Financial Officer
 Born: 1970
 Nationality: Finnish
 Education: MSc. (Econ.)
 Joined TietoEVRY in 2018

Ari Järvelä¹⁾
 Managing Director, TietoEVRY Care
 Born: 1969
 Nationality: Finnish
 Education: MSc. (Eng.)
 Joined TietoEVRY in 2001

Satu Kiiskinen
 Managing Director, TietoEVRY Tech Services²⁾
 Born: 1965
 Nationality: Finnish
 Education: MSc. (Econ.)
 Joined TietoEVRY in 2013

Christian Pedersen
 Managing Director, TietoEVRY Create
 Born: 1974
 Nationality: Norwegian
 Education: MSc. (Tech.)
 Joined TietoEVRY in 2014

Trond Vinje
 Head of HR
 Born: 1968
 Nationality: Norwegian
 Education: MSc. (Pol. Sci.)
 Joined TietoEVRY in 2015

The remuneration and more detailed background information, such as full CVs of the Group Management, are presented on the company's [website](#).

¹⁾ Ari Järvelä acted also as Managing Director of TietoEVRY Industry until 1 November 2023. Carsten Henke was appointed as Managing Director of TietoEVRY Industry as of 1 November 2023.

²⁾ Satu Kiiskinen acted as Managing Director of TietoEVRY Transform and Johan Torstensson acted as Managing Director of Connect until 1 April 2023. These business were combined as TietoEVRY Tech Services on 30 November 2022.

³⁾ Christian Segersven acted as Managing Director of Banking until 1 February 2023.

Shareholdings of the Group Executive Management

Name	Shares at 31 Dec 2023	Shares at 31 Dec 2022
Kimmo Alkio	103 474	73 911
Klaus Andersen	2 476	N/A
Kishore Ghadiyaram	21 255	16 128
Carsten Henke	1 670	N/A
Tomi Hyryläinen	15 364	7 390
Ari Järvelä	22 287	16 239
Satu Kiiskinen	30 030	22 381
Christian Pedersen	15 748	8 064
Trond Vinje	38 197	32 986
Christian Segersven ¹⁾	N/A	0
Johan Torstensson ²⁾	N/A	0

¹⁾ Position ended on 1 February 2023

²⁾ Position ended on 1 April 2023

Internal control and risk management

Tietoevry is dedicated to maintaining a robust internal control environment and effectively managing risks to ensure the integrity of our financial reporting, safeguard our assets, and achieve our strategic objectives.

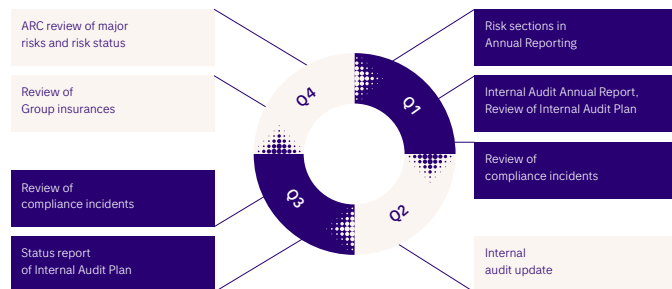
The internal control framework supports the execution of the strategy and ensures regulatory compliance. The key building blocks for the internal control are the risk management framework, financial control, internal audit and supporting policies and processes.

The objective of Tietoevry’s internal control framework is to assure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information.

The framework endorses ethical values, good corporate governance and risk management practices. The activities related to internal control and risk management are part of Tietoevry’s management practices and integrated into the business and planning processes.

Risk management framework

ANNUAL CLOCK FOR THE AUDIT AND RISK COMMITTEE



Review of project and delivery risks in each ARC meeting

Tietoevry uses systematic risk management to develop the efficiency and control of business operations as well as their profitability and continuity. Risk management involves a thorough and systematic approach to assessing, identifying, evaluating, and analysing risks that could affect business objectives. With proper risk treatment actions, the impact and likelihood of risks are reduced.

The risk management framework consists of the risk management organization, related policies, processes, tools, and common ways of working. The risk management organization develops and maintains the company’s risk management framework, including risk reporting, risk management governance and follow-up of risk exposures consisting of strategic, financial, operational, compliance and people risk. The end-to-end businesses might add business-specific supplements to fulfil their specific needs.

The risk management organization consists of the Corporate Risk Management unit, nominated Risk Managers and Business Continuity Managers in the units and key stakeholders in functions. A group-wide Risk and Resilience Forum (for Risk and Continuity activities) has been established for information sharing, setting the direction of risk and continuity management, as well as crisis management, collaboration between units and reviewing steering documents. In addition, the Risk and Resilience Forum aligns group-wide risk management business continuity and crisis management activities and ensures company-wide deployment of the frameworks.

Tietoevry has also specified its compliance management system, including the compliance organization, steering model, and annual plan for compliance-related activities. The Group Compliance Officer is responsible for maintaining the whistleblowing channel and coordinating investigations as well as ensuring the effectiveness and functionality of the governance model for compliance work.

Governance of risk and compliance

At Tietoevry, governance, risk, and compliance (GRC) are closely linked and consistently defined corporate policies and rules with proper controls. For instance, in the finance function, the financial reporting, compliance and risk monitoring are efficiently integrated into daily operations.

Tietoevry has invested in process automation, which is seen as a way to improve quality and reduce costs. Well-drafted policies and rules are made available to assure that the implications of automation on risk and compliance are fully understood by all parties in the organization.

Continuous development of the risk framework

The development of the Tietoevry GRC (Governance, Risk & Compliance) platform with its related framework continued during 2023. Its effectiveness is validated in business operations by means of active

risk assessments of the company's assets, resulting in measurable risk reductions and risk management KPIs.

The TietoEvry GRC platform now comprises the following functionalities:

- Business reporting dashboards
- Risk management and improvement opportunity
- Privacy risk assessments
- Security incident management
- Audit management
- Business continuity management

The GRC platform enables online visibility to the information with Group, Business, and function and organization level dashboards, with automated notifications to stakeholders and systematic follow-up of actions.

The development of the GRC platform, risk management framework and other frameworks is carried out in close cooperation with the nominated Risk, Continuity, Security, Privacy and Quality Managers, and Business Leaders in the units, and they are approved by the TietoEvry Group Executive Management and validated by the ARC.

Financial control

The purpose of internal control over financial reporting is to ensure the correctness of financial reporting, including interim and annual reports and the compliance of financial reporting with regulatory requirements. In 2023, the company launched a new Internal Control Policy in connection with various other key controls and policy documents.

The ARC has the oversight role in TietoEvry's external financial reporting.

Financial reporting process and responsibilities

TietoEvry has a common accounting and reporting platform. Group consolidation and reporting are based on the reporting system, which facilitates common control requirements for all legal entities reporting to the Group. TietoEvry has a framework for internal controls in place, and continuously drives improvements in the common accounting and reporting platform to accommodate internal needs and new regulatory requirements.

Financial reporting consists of monthly performance reports, including all the key performance indicators, rolling forecasts and interim financial reports. These reports are reviewed together with relevant non-financial information.

Financial reports are regularly reviewed by the Finance Directors and leadership teams in the businesses, the Group Executive Management, and the Board of Directors. The follow-up is based on a thorough comparison of the actual figures with the set objectives, forecasts, and previous periods. If the figures deviate, the Group Executive Management members are responsible for initiating corrective actions.

Internal audit

The purpose of TietoEvry's Internal Audit function is to provide independent, objective assurance and advisory services designed to add value and improve TietoEvry's operations. Internal Audit functionally reports to the Audit and Risk Committee (ARC) and administratively to the Chief Financial Officer (CFO).

Core services aim at assessing and assuring the adequacy and effectiveness of risk management and internal control within TietoEvry's ecosystem. Assurance and Advice is delivered via data-driven business partnering, enabling digital end-to-end assurance and assurance by design.

Internal Audit applies annual planning and quarterly reporting cycles, approved by the ARC. In case of substantial changes affecting the risk landscape, the audit plan can be amended, and changes addressed when needed. Main input sources for planning are Risk Management, Legal and Compliance functions, Operational Excellence, external auditors as well as business management and the ARC. Services are delivered via co-sourcing with adjacent functions and area subject matter experts. This enables relevance and effectiveness, positively impacting behaviour across TietoEvry's ecosystem.

Related-party transactions

TietoEVRY maintains a list of its related parties in accordance with IAS24 and discloses the required information concerning related-party transactions in the report by the Board of Directors and notes to the consolidated financial statements.

Further, the company evaluates and monitors transactions concluded between the company and its related parties and seeks to ensure that any conflicts of interest shall be taken into account in decision making. The Board of Directors has the overall responsibility to monitor the company's measures and evaluate that related-party transactions are entered into in the ordinary course of business and concluded on normal market terms.

Reporting to the Board of Directors takes place at the meeting where the financial statements are approved. The related-party transactions are summarized in [note 29](#) of the consolidated financial statements.

Furthermore, the company has added controls into its processes and decision-making policies to identify and duly handle any transactions with related parties. Testing of customer and supplier transactions is carried out by both the company and its external auditors.

Insider administration

TietoEVRY follows the EU Market Abuse Regulation (MAR) and rules of Nasdaq Helsinki and Oslo Børs. In addition, TietoEVRY's Board of Directors has adopted an internal TietoEVRY Insider Rule.

TietoEVRY has specified that the Board of Directors and the President and CEO of the parent company TietoEVRY Corporation are subject to the requirement to notify their transactions. In addition, TietoEVRY has set restrictions on trading for the members of the Group Executive Management, persons participating in the preparation of interim reports and consolidated financial statements as well as other persons who are considered to receive information of a confidential and sensitive nature in their position or service.

The managers and other persons subject to trading restrictions are prohibited from dealing in TietoEVRY's shares or other financial instruments during the closed period. The closed period covers 30 calendar days before the disclosure of an interim financial report or a financial statement release including the date of disclosure (= 30 + 1 days).

TietoEVRY's General Counsel is in charge of insider administration and the Group Legal and Compliance team monitors compliance with the insider regulation and takes care of necessary guidance and training.

Auditors

The ARC prepares a proposal on the appointment of TietoEVRY's auditors, which is then presented to the Board of Directors and finally to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the ARC.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the auditor to be elected at the AGM 2024 be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the Committee.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the firm of authorized public accountants Deloitte Oy be re-elected as the company's auditor for the financial year 2024. The firm of authorized public accountants Deloitte Oy has notified that APA Jukka Vattulainen will act as the auditor with principal responsibility. Further, it is proposed that Deloitte Oy will be elected as the Authorized Sustainability Auditor.

Auditing

The AGM 2023 elected the firm of authorized public accountants Deloitte Oy as the company's auditor for the financial year 2023. Deloitte Oy notified the company that Authorized Public Accountant Jukka Vattulainen acts as principal auditor.

In 2023, TietoEVRY Group paid the auditors a total of EUR 1.6 (1.3) million in audit fees, and a total of EUR 0.6 (0.6) million for other services.

Remuneration Report

Chairperson letter

Dear Shareholder,

On behalf of TietoEVRY's Remuneration Committee, I am pleased to present our Remuneration Report 2023. The report includes the remuneration of the members of the Board of Directors and the President and CEO (the CEO) for the financial year 2023 and describes how the Remuneration Policy approved by the 2020 Annual General Meeting of Shareholders has been implemented in practice. We will present this report and our new Remuneration Policy at the 2024 Annual General Meeting for an advisory shareholder vote.

Our approach to remuneration

Our purpose as a Remuneration Committee is to ensure that remuneration plans at TietoEVRY reflect our long-standing remuneration principles of aiming to attract and retain the best talent, motivate all employees and align the goals of our shareholders, executives and other stakeholders to enhance the value of the company. We reward our employees for high performance in achieving both individual and the company's objectives. Thus, we are linking remuneration to the successful execution of our strategy, driving a major renewal of the company.

Our specialization-based strategy aims to accelerate value creation in the company. The acquisition of MentorMate implemented during the year supports the company's drive for growth and strengthens our position in the digital engineering area. Specialization is also an enabler for the strategic reviews of TietoEVRY Banking and TietoEVRY Tech Services, which were focus areas throughout the year with preparations enabling sale or listing. These actions seek to position the company as a leading software and digital engineering player globally.

Our remuneration structure aims to reinforce and support our strategic target of driving the expansion and growth of the company. With clear targets for both short- and long-term incentives, the Board of Directors aims to support sustainable value creation for all stakeholders. Therefore, our long-term incentive plans are linked to both strategic and financial measures as well as Environmental, Social and Governance (ESG) measures.

A significant proportion of our CEO's remuneration is derived from variable pay, comprising both short- and long-term incentives. The Board of Directors aims to ensure that the remuneration is well aligned with the execution of the strategy – which is particularly important during the era of significant ongoing renewal – and the financial performance of the company.

TietoEVRY's performance and remuneration in 2023

In 2023, performance was impacted by the softer market. Organic revenue growth was driven by software businesses but remained modest, at 4%, on Group level. TietoEVRY delivered adjusted operating profit of EUR 358.7 million, representing somewhat lower profitability in the challenging market environment and

continued high inflation. 2023 was the final year in the Performance Share Plan (PSP) 2021–2023 with earnings per share (EPS), relative total shareholder return (relative TSR) and revenue growth as performance measures. For relative TSR, TietoEVRY's share was compared to relevant share index performance between 2021 and 2023. Relative TSR was between the minimum and target level set for the plan. EPS achievement was between the minimum and target level and Revenue growth was at maximum set for the plan.

In our efforts to progress further, we conducted an analysis of remuneration reporting practices in Finland and Europe. Based on this, we have made the decision to enhance our transparency levels in the reporting, that was aligned with Finnish listed companies, regarding STI and LTI targets and plans results.

The remuneration for the Board of Directors and the CEO during the financial year 2023 was executed in accordance with the 2020 Remuneration Policy. No deviations from the Remuneration Policy have been made and no remuneration of the Board of Directors or the CEO has been reclaimed or restated during the financial year 2023.

Environmental, Social and Governance measures and their link to remuneration

As part of its strategy, the company has made a long-term commitment to sustainability by increasing its focus on Environmental, Social and Governance (ESG) aspects. This was already visible in the Performance Share Plan 2022-2024 with the inclusion of key ESG measures in the plan metrics. CO₂ emission reductions and gender diversity in the form of female recruits were included also in the Performance Share Plan 2023-2025 metrics with an increased weight than in the previous plan. To emphasize the importance of these metrics, we continue to focus on them in Performance Share Plan 2024-2026. The target levels set by the Board of Directors are based on the long-term ambitions of the company and support the execution of the strategy.

On behalf of TietoEVRY Remuneration Committee

Tomas Franzén
Chairperson of the Remuneration Committee

Committee members during 2023:

- Tomas Franzén
- Endre Rangnes
- Harri-Pekka Kaukonen (until the AGM on 23 March 2023)
- Petter Söderström (as of the AGM on 23 March 2023)
- Gustav Moss (as of the AGM on 23 March 2023)

This Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2020, and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, and the Decree of the Ministry of Finance.

Remuneration of the Board

According to the decision of TietoEVRY's AGM 2023, the annual remuneration of the Board of Directors is the following:

- EUR 133 000 to the Chairperson,
- EUR 72 000 to the Deputy Chairperson and
- EUR 54 500 to the ordinary members of the Board of Directors.

In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. In addition, remuneration of EUR 800 is paid to the Board members elected by the Annual General Meeting for each meeting of the Board of Directors, a permanent committee or a temporary subgroup. Further, remuneration for employee representatives elected as ordinary members of the Board of Directors will be an annual fee of EUR 15 000, and remuneration for the deputy members will be EUR 7 500. Remuneration for the employee representatives is paid in cash only.

Furthermore, the AGM 2023 decided that part of the fixed annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose to receive the fee from the following alternatives:

1. No cash, 100% in shares
2. 25% in cash, 75% in shares
3. 50% in cash, 50% in shares
4. 75% in cash, 25% in shares
5. 100% in cash, no shares.

No restrictions have been set on Board members concerning how they may assign these shares, but the company recommends that Board members should retain ownership of all the shares they have received as remuneration for as long as they serve on TietoEVRY's Board.

In addition to the share remuneration, the Board members do not belong to or are not compensated with other share-based arrangements, nor do the members have any pension plans at TietoEVRY, with the exception of the personnel representatives. TietoEVRY executives or employees are not entitled to compensation for their Board positions or meeting attendance in the Group companies, except for the employee representatives elected as ordinary members to the parent company's Board of Directors. None of the Board members, except the personnel representatives, have an employment relationship or service contract with TietoEVRY.

Compensation of individual Board members and the Board in 2023¹⁾

Name	Annual remuneration		
	EUR ²⁾	Shares ³⁾	Meeting based, EUR
Tomas Franzén, Chairperson Board and RC ⁴⁾	76 504	2 840	20 000
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC ⁴⁾	46 022	1 707	13 600
Bertil Carlsén ⁴⁾	32 259	1 197	11 200
Elisabetta Castiglioni ⁵⁾	48 393	598	10 400
Liselotte Hägertz Engstam ⁵⁾	48 393	598	12 800
Katharina Mosheim ⁵⁾	48 393	598	12 800
Gustav Moss ⁴⁾	32 259	1 197	16 800
Endre Rangnes ⁴⁾	32 259	1 197	18 400
Petter Söderström ⁴⁾	32 259	1 197	16 800
Timo Ahopelto ⁶⁾	—	—	2 400
Angela Mazza Teufer ⁶⁾	—	—	800
Niko Pakalén ⁶⁾	—	—	3 200
Tommy Sander Aldrin, personnel rep.	15 000	—	—
Anders Palklint, personnel rep.	15 000	—	—
Thomas Slettemoen, personnel deputy rep.	7 500	—	—
Ilpo Waljus, personnel deputy rep.	7 500	—	—
In total	441 739	11 129	139 200

¹⁾ The Board members have not received any other benefits.

²⁾ Gross compensation before taxes.

³⁾ Shares were purchased and delivered in May 2023.

⁴⁾ 50% in cash, 50% in shares.

⁵⁾ 75% in cash, 25% in shares.

⁶⁾ Board member until 23 March 2023.

 Board of Directors' shareholdings in TietoEVRY⁷⁾

Name	At 31 Dec 2023	At 31 Dec 2022
Tomas Franzén, Chairperson Board and RC	13 544	10 704
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC	11 475	9 768
Bertil Carlsén	1 197	—
Elisabetta Castiglioni	598	—
Liselotte Hägertz Engstam	4 694	4 096
Katharina Mosheim	2 365	1 767
Gustav Moss	1 197	—
Endre Rangnes	8 902	7 705
Petter Söderström	1 697	—
Timo Ahopelto	—	7 244
Angela Mazza Teufer	—	3 176
Niko Pakalén	—	2 786

⁷⁾ Corporations over which the Board members exercise control did not have shares or share-based rights on 31 December 2023.

President and CEO's total remuneration

Kimmo Alkio	Remuneration paid during fiscal year 2023	Rewards to be paid during fiscal year 2024, STI 2023 and LTI 2021-2023
Salary	EUR 850 228	
Benefits	EUR 24 737	
Short-term incentive	EUR 991 586 (STI 2022)	EUR 404 680 (STI 2023)
Long-term incentive ¹⁾	EUR 1 551 626 (PSP 2020 –2022)	44 722 gross shares (PSP 2021–2023)
Total	EUR 3 418 177	
Fixed vs. variable compensation	26% / 74%	
Pension expenditure, voluntary defined contribution	EUR 213 285 ²⁾	

¹⁾ Total gross long-term incentive reward, which is partly delivered in shares, partly converted to cash to cover income tax.

²⁾ Payments to defined contribution plans are recognized as expenses for the period to which they relate. After payment of the contribution the Group has no further obligations in respect of such plans.

Variable, performance-based pay, meaning short- and long-term incentives, forms a substantial part of the CEO's total remuneration. In 2023, the paid short- and long-term incentives formed 74 per cent of total compensation and the fixed annual compensation 26 per cent. The CEO is eligible for a defined contribution (DC) plan where the expenditure is 23% of the annual base salary. Retirement age is 63. No other financial benefits were paid to the CEO in 2023.

Short-term incentive

The incentive for the President and CEO is 75% of the annual base salary when the performance is at expected level and the maximum incentive is 150%. The incentive targets are annually set by the Board of Directors, and the payout is decided by the Board of Directors after the consolidated financial statements have been prepared.

CEO STI 2022 (paid in April 2023)

Reward targets	Weight	Target ²⁾	Incentive payout as % of on-target amount
Group revenue	25%	EUR 2 876 million	200%
Group adjusted profit (EBITA adj.)	25%	EUR 382 million	116%
Adjusted free cash flow	10%	EUR 182 million	0%
Strategy and portfolio targets ¹⁾	40%		200%
Total	100%		159%

CEO STI 2023 (to be paid in 2024)

Reward targets	Weight	Target ³⁾	Incentive payout as % of on-target amount
Group revenue	25%	EUR 3 096 million	47%
Group adjusted profit (EBITA adj.)	25%	EUR 417 million	46%
Group adjusted free cash flow	10%	EUR 210 million	0%
Strategy and portfolio targets ¹⁾	40%		100%
Total	100%		63%

CEO STI 2024 (potential reward in 2025)

Reward targets	Weight
Group revenue	25%
Group adjusted profit (EBITA adj.)	25%
Adjusted free cash flow	10%
Strategy and portfolio targets ¹⁾	40%
Total	100%

¹⁾ Strategic targets and priorities set by the Board of Directors

²⁾ Measured in constant currency (2021 FX rates), adjusted for acquisitions and divestments

³⁾ Measured in constant currency (2022 FX rates), adjusted for acquisitions and divestments

Long-term incentive

Share-based plans reward leadership and key employees for company growth and achievement of defined strategic targets. TietoEVRY's Board of Directors decides each year separately on establishing new long-term incentive plans and sets the performance criteria for the performance share plan including the performance requirements for threshold, target and maximum levels. The performance criteria are set and

evaluated for the three-year performance period. The ESG performance measures for PSP 2022–2024, PSP 2023–2025 and PSP 2024–2026 are based on the company's responsibility targets. The Board nominates the CEO to the LTI plan and decides on the shares to be allocated to him. Shares will be delivered after the consolidated financial statements have been prepared and performance criteria evaluation can be completed.

Performance Share Plan	2020–2022	2021–2023	2022–2024	2023–2025	2024–2026
Performance criteria & criteria weight					
	EPS, weight 50%	EPS, weight 33%	TSR, weight 60%	TSR, weight 80%	Relative TSR, weight 50%, Index +1% (annual) Absolute TSR, weight 30%, target level 9% (annual)
	TSR, weight 50%	TSR, weight 33%	Revenue growth, weight 30%	ESG: CO ₂ emissions, weight 10%. Target level: 87% reduction from 2020 baseline by the end of 2025	ESG: CO ₂ emissions, weight 10%. Target level 90% reduction from 2020 baseline by the end of 2026
		Revenue growth, weight 34%	ESG: CO ₂ emission, weight 5%	ESG: Gender diversity, female new recruits, weight 10%. Target level 37% female intake in 2025	ESG: Gender diversity, female new recruits, weight 10%. Target level: 38%
			ESG: Gender diversity, weight 5%		
Achievement in total and per measure	137%	118%	n/a	n/a	n/a
	EPS: 75%	EPS: 68%			
	Relative TSR: 200%	Relative TSR: 84%			
		Revenue growth: 200%			
Share delivery	2023	2024	2025	2026	2027
The President and CEO share grants and deliveries					
Grant size of Annual Base Salary at share grant ¹⁾	125%	125%	125%	125%	125%
Target number of gross shares	40 600	37 900	43 212	37 900	50 333
Maximum number of gross shares	81 200	75 800	86 424	75 800	100 666
Shares earned (total gross shares) ²⁾	55 622	44 722	n/a	n/a	n/a
Share price at delivery	27.8959	n/a	n/a	n/a	n/a

¹⁾ The CEO LTI grant size was adjusted for PSP 2020–2022 and onwards by the Board to take into account the larger company size after the merger.

²⁾ Shares earned shows the total number of shares after performance criteria achievement. Part of the reward is converted to cash payment to cover income tax.

Updated information on the shares held by the President and CEO is available on the company's website at www.tietoevry.com/investors under the insider register.

Comparative remuneration data

The information in the table below is based on Tieto's data until the merger of Tieto and EVRY on 5 December 2019. The data from 2020 and onwards represent post-merger values.

		2019	2020	2021	2022	2023
Revenue	EUR million	1 734.0	2 786.4	2 823.4	2 928.1	2 851.4
Operating profit (EBIT)	EUR million	126.8	146.7 ⁴⁾	382.0 ⁴⁾	266.5	255.6
Board remuneration¹⁾						
Chairperson	Annual remuneration, EUR	98 000	125 000	125 000	128 500	133 000
Deputy chairperson	Annual remuneration, EUR	58 000	70 000	70 000	72 000	72 000
Board member	Annual remuneration, EUR	38 000	53 000	53 000	54 500	54 500
	Meeting fee, EUR/meeting	800	800	800	800	800
Employee representative	Annual remuneration, EUR		15 000	15 000	15 000	15 000
CEO remuneration ²⁾	EUR	2 589 032	2 636 446	2 404 562	2 248 409	3 631 462
Employee remuneration ³⁾	EUR, average per employee	62 155	62 452	64 084	65 454	64 761

¹⁾ Post-merger, in addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. Deputy members of the personnel representatives received an annual fee of EUR 7 500.

²⁾ The CEO's remuneration consists of gross rewards paid during the reported year. 2019 and 2020 include a merger success bonus related to the merger of Tieto and EVRY.

³⁾ Employee average compensation from 2020 onwards is based on personnel expenses divided by the average number of employees, and for the other years, the end-of-year employee figures.

⁴⁾ In 2021, TietoEVRY's operating profit includes EUR 104.0 million in capital gains from divestments, whereas in 2020, adjustment items included substantial costs related to integration. Eliminating all non-recurring items, adjusted operating profit (EBITA) stood at EUR 367.8 million (2021) and EUR 355.0 million (2020).



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