



**CORPORATE GOVERNANCE STATEMENT OF
DIGITALIST GROUP PLC 2016**

CORPORATE GOVERNANCE STATEMENT

In the course of 2016, Digitalist Group Plc complied to full extent with the Governance Code 2015 for listed companies ("Finnish Corporate Governance Code 2015"), which was issued by the Securities Market Association on 01.10.2015 and entered into force on 01.01.2016.

This statement on the issuer's corporate governance (Corporate Governance Statement), referred to in the Securities Markets Act, Chapter 7, §7, has been drawn up in accordance with the Finnish Corporate Governance Code 2015. The Corporate Governance Statement is issued separately from the Annual Report of the Board of Directors.

GENERAL PRINCIPLES

Digitalist Group Plc is a public limited company registered in Finland, with domicile in Helsinki. The Digitalist Group ("Digitalist Group") consists of the parent company Digitalist Group Plc and its Finnish and foreign subsidiaries. Until 23.05.2017, the business name of Digitalist Group Plc was Ixonos Plc.

Digitalist Group is governed in compliance with the Finnish Limited Liability Companies Act (624/2006 as amended), the Securities Markets Act (746/2012 as amended), the Market Abuse Regulation (EU) No. 596/2014 (MAR), the rules and regulations issued by Nasdaq Helsinki Ltd for listed companies, and the Articles of Association of Digitalist Group Plc. In addition, the company observes in its governance the rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code 2015 for the part of the recommendations which entered into force on 01.01.2016.

The Finnish Corporate Governance Code 2015 is available on the website of the Securities Market Association at the address www.cgfinland.fi.

THE DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE BODIES

The management of Digitalist Group is the responsibility of the General Meeting, the Board of Directors and the Chief Executive Officer of Digitalist Group Plc, whose duties are determined in accordance with the Finnish Limited Liability Companies Act. The internal control is the responsibility of the company's top management, the external control is the responsibility of the auditors. Business operations are the responsibility of the Chief Executive Officer, assisted by the Management Team of the Group.

The aim of the activity of Digitalist Group is to increase the company's shareholder value, observing the legislation and bearing its social obligations.

GENERAL MEETING

The highest decision-making body of Digitalist Group Plc is the General Meeting, at which the shareholders exercise their right to speak and vote on matters concerning the company.

Annual General Meeting

The Annual General Meeting is held once a year within 6 months of the end of the accounting period on a day appointed by the Board of Directors.

In 2016, the Annual General Meeting was held on 07.04.2016.

Extraordinary General Meeting

If necessary, Extraordinary General Meetings can be held in the course of the year. The General Meeting is convened by the Board of Directors. The Board of Directors convenes the General Meeting without delay, if a shareholder or shareholders holding at least 10 per cent of the company's shares, or the auditor of the company, so demand in writing.

Notice of a General Meeting

According to the Articles of Association of Digitalist Group Plc, the notice of a General Meeting must be published on the company's Internet site at the earliest three months and at the latest three weeks prior to the General Meeting, yet always at least nine days prior to the date of record of the General Meeting. In order to be entitled to attend the General Meeting, a shareholder must notify the company at the latest on the day appointed by the Board of Directors and mentioned in the notice of the meeting, which date may at the earliest be ten days prior to the meeting.

A notice of the General Meeting is always also published by means of a stock exchange release.

In the notice of the Annual General Meeting, the following proposals are presented:

- proposal for the composition of the Board of Directors (information on the proposed persons is presented on the company's Internet site)
- information on possible special procedure for appointing the members of the Board of Directors based on the Limited Liability Companies Act, Chapter 6, §9
- proposal for the fees of the members of the Board of Directors, and
- proposal for the auditors

The notice of the meeting and other documents relating to the General Meeting, such as the Board of Directors' decision proposals and the Annual Report are on view on the website of Digitalist Group Plc at the latest three weeks prior to the Annual General Meeting.

All decision proposals delivered to the company in writing before the date of the General Meeting are presented on the company's Internet site.

Attending the General Meeting

In accordance with the Finnish Limited Liability Companies Act, entitled to attend the General Meeting and exercise their voting right are those shareholders, who eight weekdays prior to the General Meeting ("Date of record of the General Meeting") are, in accordance with the Act on the Book-entry System, recorded as shareholders in the shareholders' register maintained by Euroclear Finland Oy ("Euroclear").

If a nominee registered shareholder wishes to exercise his/her voting right at the General Meeting, he/she shall request to be temporarily entered in the shareholders' register maintained by Euroclear. For attending the General Meeting, a nominee registered shareholder can be temporarily reported for entry in the shareholders' register, if the shareholder, on the basis of shares, has the right to be entered in the shareholders' register on the date of record of the General Meeting.

The notice concerning temporary entry must at the latest be given at the point of time mentioned in the notice of the General Meeting, which according to the Finnish Limited Liability Companies Act must be after the date of record of the General Meeting. A notice of temporary entry in the company's shareholders' register concerning a nominee registered shareholder is considered a registration to attend the General Meeting.

Digitalist Group Plc has one class of shares, and all shares have equal rights.

At the Annual General Meeting held on 07.04.2016 were represented 295.622.940 shares and votes, which represented a total of approximately 83.61 per cent of the number of votes carried by all shares.

Matters to be considered at the Annual General Meeting

At the Annual General Meeting, information on the company's operation shall be presented, and the profit and loss account and balance sheet for the preceding accounting period considered and adopted. In addition, decisions shall be taken on:

- treatment of the profit or loss according to the adopted balance sheet

CORPORATE GOVERNANCE STATEMENT 2016

- releasing the members of the Board of Directors and the Chief Executive Officer from liability
- the number of the members of the Board of Directors
- the election of the members of the Board of Directors
- the election of the auditors
- the fees for the members of the Board of Directors and the Committees, and for the auditors
- other matters mentioned in the notice of the meeting.

Present at the General Meeting

At the Annual General Meeting of Digitalist Group Plc shall be present the Chair of the Board of Directors, the members of the Board of Directors, the candidates for membership on the Board of Directors, the Chief Executive Officer, and the company's auditor.

Motions by shareholders

By the end of the accounting period preceding the General Meeting, Digitalist Group Plc announces on its Internet site the date, by which a shareholder must present to the Board of Directors of the company the matter which he/she demands to be considered at the Annual General Meeting.

Archives

Digitalist Group Plc keeps the documents of the General Meeting on the company's Finnish Internet site for at least five years after the General Meeting.

BOARD OF DIRECTORS

The Board of Directors represents all shareholders and looks fairly after the shareholders' common interest. According to the Articles of Association, the Board of Directors of Digitalist Group Plc comprises no less than five and no more than nine regular members. The General Meeting elects the members of the Board of Directors for one term of office at a time. The term of office of the members of the Board of Directors always ends at the close of the first Annual General Meeting following election. The Board of Directors elects from among its members the Chair and the Deputy Chair, and constitutes a quorum, when more than half of its members are present. The Board of Directors defines among itself the special areas of the members of the Board of Directors, but decision-making and consideration of matters is participated by the entire Board of Directors. In the composition of the Board of Directors of Digitalist Group Plc, the requirements set by the company's operation, the company's stage of development, and the sex ratio have been taken into account. A new member of the Board of Directors is initiated into the company's operation.

CORPORATE GOVERNANCE STATEMENT 2016

The company's administration and proper arrangement of its operation is the responsibility of the Board of Directors. The Board of Directors decides on the company's business concept, vision, main aims, and the strategy created for their implementation. In addition, the Board of Directors decides on the budgets and action plans drawn up for the implementation of the strategy, on the principles of risk management, on the remuneration system for the management and the personnel, on company acquisitions and asset deals, and on other matters which have extensive effect on the company. On the company's organisation, the Board of Directors decides on the basis of the Chief Executive Officer's proposal.

The main duties and operating principles of the Board of Directors are defined in writing in the Rules of Procedure. The Board of Directors assembles for regular meetings according to its Rules of Procedure. In addition to regular meetings, the Board of Directors holds extraordinary meetings, if necessary. A meeting of the Board of Directors can also be held as a telephone meeting.

The Board of Directors annually assesses its operation and its working methods. The assessment is carried out as internal self-assessment.

The Board of Directors of Digitalist Group Plc does not include representatives of the company's operative management. The Chief Executive Officer attends the meetings of the Board of Directors as a referent, and the Chief Financial Officer in the capacity of the secretary of the Board of Directors. In addition to these, the Board of Directors also invites to its meetings other representatives of the management, if necessary.

During the accounting period 2016, the Board of Directors of Digitalist Group comprised 6 members. As the Chair of the Board of Directors acted Paul Ehrnrooth and as the Deputy Chair Pertti Ervi (till 07.04.2016) and Päivi Marttila (as of 07.04.2016). The other members of the Board of Directors were Samu Konttinen, Ilari Koskelo (till 07.04.2016), Pekka Pylkäs, May Wiiala (till 07.04.2016), Bo-Erik Ekström (as of 07.04.2016), and Pekka Eloholma (as of 07.04.2016).

Of the members of the Board of Directors, Paul Ehrnrooth and Pekka Pylkäs were dependent on significant shareholders of the company. Other members of the Board of Directors were independent of the company.

Presentation of the members of the Board of Directors:

PAUL EHRNROOTH, b. 1965
Master of Science (Economics and Business Administration)
Managing Director, Turret Oy Ab

PERTTI ERVI, b. 1957
Engineer
Independent consultant and investor

PÄIVI MARTTILA, b. 1961

Master of Science (Economics and Business Administration)

Midagon Oy, Chair of the Board

SAMU KONTTINEN, b.1973

Studies at Helsinki Business Polytechnic & Henley Business School

CEO, F-Secure Oyj since 08/2016

ILARI KOSKELO, b.1959

MBA, M.Sc

Owner-manager, Navdata Ltd.

BO-ERIK EKSTRÖM, b. 1954

Bachelor of Science (Economics and Business Administration)

B&MANs Board & Management Services Oy, Senior Advisor

PEKKA PYLKÄS, b. 1960

Master of Science (Economics), Executive MBA

Owner & CEO: Ermatt AG, Switzerland

PEKKA ELOHOLMA, b. 1960

Master of Science (Technology)

Nebula Oy, Chief Executive Officer

MAY WIIALA, b. 1962

Master of Science

CFO, International division, ÅF-Consult

During the accounting period 2016, the Board of Directors convened 12 times and as the permanent secretary of the Board of Directors acted Chief Financial Officer Kristiina Simola. The attendance rate at the Board of Directors' meetings was 94 per cent.

During 2016, the members of the Board of Directors were paid fees as follows:

Chair of the Board Paul Ehrnrooth	52,000 euros
Deputy Chair of the Board till 07.04.2016 Pertti Ervi	13,000 euros
Deputy Chair of the Board as of 07.04.2016 Päivi Marttila	25,000 euros
Board member Samu Konttinen	26,000 euros
Board member Bo-Erik Ekström	18 000 euros
Board member Pekka Eloholma	17,000 euros
Board member Ilari Koskelo	11,000 euros
Board member Pekka Pylkäs	28,000 euros
Board member May Wiiala	11,000 euros

Digitalist Group Plc's shares and shareholders' rights held by the members of the Board of Directors

On 31.12.2016, Digitalist Group Plc's members of the Board of Directors owned Digitalist Group Plc's shares, directly or through corporations controlled by them, as follows:

Name	Board position	Shares
Paul Ehrnrooth ¹	Chair	290,527,638
Päivi Marttila	Deputy Chair	0
Bo-Erik Ekström	Member	0
Pekka Eloholma	Member	0
Samu Konttinen	Member	0
Pekka Pylkäs	Member	0
In total		290,527,638

1) Tremoko Ltd Ab, a company controlled by Paul Ehrnrooth, owned 290,527,638 shares and was the company's largest shareholder.

The members of the Board of Directors did not possess share-based rights.

Committees

The Board of Directors decides on the establishment of Committees and confirms the key functions and policies of each Committee by the written Rules of Procedure. The Committees report to the Board of Directors.

The Board of Directors of Digitalist Group Plc elects the Chair and the members of the Committee from amongst themselves. Each Committee comprises at least three members. The members have the relevant expertise and experience required in committee duties.

CORPORATE GOVERNANCE STATEMENT 2016

During the accounting period 2016, Digitalist Group Plc had an Audit Committee and a Remuneration Committee.

The company has no Nomination Committee. Due to the company's centralized ownership structure, the company's largest owner, Tremoko Oy Ab, decides on the composition of the Board of Directors.

Audit Committee

The Audit Committee operates in accordance with the Rules of Procedure, familiarizing itself with the company's financial statements and interim reports, as well as the company's internal and external control systems. The Audit Committee monitors the company's financial performance, budgeting principles, and risk management. The Audit Committee familiarizes itself with the company's financial management systems, approves the company's Corporate Governance description, prepares a decision proposal for the auditor's election, gives an opinion on the independence of the auditor, and evaluates the ancillary services provided by auditors.

During the accounting period 2016, May Wiiala acted as the Chair of the Audit Committee till 07.04.2016 and the other members of the Committee were Ilari Koskelo and Samu Konttinen. As of 07.04.2016, Pekka Pylkäs acted as the Chair of the Audit Committee, and the other members of the Committee were Päivi Marttila and Bo-Erik Ekström. Päivi Marttila and Bo-Erik Ekström are independent of the company and its significant owner. The Audit Committee convened six times and the attendance rate at the Committee meetings was 100 per cent. The auditor as well as the company's Chief Executive Officer and Chief Financial Officer attended the Audit Committee meetings.

Remuneration Committee

The Remuneration Committee was chaired by Paul Ehrnrooth, and the other members of the Committee were Samu Konttinen and Pekka Pylkäs. The Remuneration Committee convened twice.

MANAGEMENT TEAM

Chief Executive Officer

Sami Paihonen (b. 1974) was the Chief Executive Officer of Digitalist Group Plc during the accounting period 2016. The Chief Executive Officer is responsible for the company's business operations and attends to the company's day-to-day management in accordance with the Limited Liability Companies Act and the instructions given by the Board of Directors. The Chief Executive Officer acts as the Chair of the Operational Management Team and is not a member of the Board of Directors. The main terms

and conditions of the Chief Executive Officer's employment agreement are in written form. The Board of Directors assesses the performance of the Chief Executive Officer annually.

Management Team

The Management Team of Digitalist Group Plc prepares the operational plans and reports, investments as well as the group instructions and policies. The Management Team prepares the financial statements for the Board of Directors for decision-making. During the accounting period 2016, the Management Team comprised the following persons:

SAMI PAIHONEN, b. 1974
Chief Executive Officer
Master of Science (Technology)

TEPPO KUISMA, b. 1977
COO, Executive Vice President
Engineer

KRISTIINA SIMOLA, b. 1965
CFO, Chief Financial Officer
Master of Science (Economics and Business Administration)

In the completed accounting period 2016, the Chief Executive Officer was paid a total of EUR 296,000 in salaries and other short-term employee benefits in 2016. The other members of the Management Team were paid a total of EUR 374,000 in salaries and other short-term employee benefits in 2016.

On 31.12.2016, the Chief Executive Officer and the members of the Management Team owned Digitalist Group Plc's shares and possessed share-based rights as follows:

Name	Board position	Shares	Rights of option
Sami Paihonen	CEO	0	1,325,870
Teppo Kuisma	COO	0	662,935
Kristiina Simola	CFO	0	662,935
In total		0	2,651,740

AUDITORS

Digitalist Group Plc's auditor is KPMG Ltd, Authorized Public Accountants, and their principal auditor is M.Sc. (Econ.) Esa Kailiala, an authorized public accountant. According to the decision of the Annual General Meeting held on 07.04.2016, the auditor is paid a fee in accordance with a reasonable invoice presented for the audit work. During the accounting period 2016, the auditor was paid a total of EUR 61,337 for auditing services and a total of EUR 19,878 for non-audit services.

INSIDER ADMINISTRATION

The Board of Directors of Digitalist Group Plc has confirmed the Insider Guidelines for the Digitalist Group. The Insider Guidelines supplement the applicable regulations in force at any given time on the management and processing of insider information in accordance with the Market Abuse Regulation (EU) No. 596/2014 (MAR), Chapter 51 of the Criminal Code, Chapter 15 of the Securities Markets Act, the Finnish Financial Supervisory Authority regulations and the Nasdaq Helsinki Ltd's Insider Guidelines.

All persons who have access to insider information on the company and who work for them on the basis of an employment contract or otherwise perform duties through which they have access to insider information, such as advisers, are included in the company's insiders.

The company maintains a separate list named Permanent Insiders. The supplementary section of Permanent Insiders contains information only on persons who have ongoing access to all insider information in the company. The company's permanent insiders include members of the Management Team, legal advisers and parties closely associated with them.

The company maintains a separate record of Project-specific Insiders. Each part of the Project-specific Insider list contains only information on persons who have access to specific insider information of the project.

Digitalist Group Plc has set up a list named Management Members with Notification Obligation (Article 19 MAR) for the company's Board of Directors, Management Team and advisers as well as their closely associated persons.

The company's public insiders include the members of the Board of Directors, the Chief Executive Officer and the person appointed the principal auditor by the auditing firm responsible for auditing the company. In addition, the company has defined the members of the Management Team as public insiders who are subject to the notification obligation. The company's internal, non-public company-specific permanent insiders include persons who regularly receive insider information on the basis of their position or duties. In addition, a non-public, project-specific insider register is kept concerning

significant projects referred to in the insider regulations. The information included in the public insider register and presented on the company's website, including up-to-date information on holdings and transactions, has not been updated after 02.07.2016.

The Digitalist Group trains and informs permanent insiders and project-specific insiders in such a way that they recognize their position and its importance. As concerns persons included in the register of Digitalist Group Plc Management Members with Notification Obligation and in the Permanent Insiders register, the company's Insider Guidelines set a 30 days silent window prior to publication of the interim report or the financial statements. During the silent window, trading in the issuer's financial instruments on own account or on behalf of a third party, directly or indirectly, is prohibited.

The Chief Financial Officer of the Digitalist Group is responsible for the insider issues. The Insider Guidelines of Digitalist Group Plc are available on the company's website at the address <https://digitalistgroup.com/fi/investor/governance/insiders>

Whistle-blowing

In connection with the entry into force of the Market Abuse Regulation (EU) No 596/2014 (MAR), Digitalist Group introduced an internal system available for all employees to report any detected violations of internal and external standards and regulations (so called whistle-blowing). All such notifications will be investigated as a matter of urgency and confidentiality while protecting the identity of the notifier as far as possible. For the purposes of reporting misuse of insider information, the staff of Digitalist Group have the e-mail address of the attorney's offices whistleblowing.DigitalistGroup@eversheds.fi. No infringement notices were made during the year 2016.

RISK MANAGEMENT

The objective of Digitalist Group Plc's risk management is to ensure undisturbed continuity and development of company operations as well as to support the implementation of the company's business objectives and the increase of the company's value.

Risk management is part of all the company's core processes, extending from the Board of Directors' strategy process to customer-specific service production and the company's quality management system. Planning, development, guidance and supervision of risk management, as well as the development of methods and processes used in risk management, are the responsibility of the Chief Financial Officer. The different units of the Group are responsible for identifying, assessing and preventing risks related to their own operations in compliance with the risk management system. Risk management has been

implemented to be part of the units' normal business planning and monitoring systems as well as the company's management systems.

The Board of Directors oversees the fulfillment of the company's risk management policy as part of the strategy, business planning and budgeting processes. This is organized in such a way that the Audit Committee of the Board of Directors oversees the implementation and development of the company's risk management program and, if necessary, submits risk management issues to the Board of Directors for decision-making. The Board of Directors always addresses significant business risks.

In operational activities, the Group's Chief Financial Officer oversees that risk management has been efficiently organized and its functioning is guaranteed. The Chief Financial Officer is responsible for developing risk management, reporting and approving the necessary measures. The Chief Financial Officer assesses the results of ad hoc reporting and approves the necessary measures. The Chief Financial Officer presents the company's risk situation to the Audit Committee. The most substantial risks and uncertainties are described in the financial statements as well as interim financial reports.

Risk types

Depending on the type of risk, the identified risks are monitored, either monthly, quarterly or semi-annually or when risk exposure becomes known to the company.

Digitalist Group has identified the following risk types and risks:

Operating environment: political, economic and legislative circumstances, as well as competition and customer needs.

Sales and marketing of services: personnel risks, contract and liability risks as well as information security risks related to the sales and marketing of services.

Production of services: personnel risks, contract and liability risks as well as information security risks related to the production of services.

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

Economy: risks related to liquidity, sufficient equity, financing, capital, interests, goodwill, tax assets and currency.

Misuse: events that deviate from the instructions given in legislation or in other similar external norms or in the company's internal guidelines for handling matters.

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

INTERNAL CONTROL

The business control and supervision of Digitalist Group takes place in accordance with the administration and management system described above. The Board of Directors is responsible for ensuring that the supervision of accounting and financial management is organized accordingly. The Chief Executive Officer ensures that the company's accounting is in accordance with the law and that the financial management is arranged in a reliable manner.

The Chief Executive Officer and the members of the Management Team are responsible for ensuring that the administration of their respective areas of responsibility is in accordance with the law, the Group's policies and the guidelines and regulations of the Board of Directors of Digitalist Group Plc.

In Digitalist Group, the supervision of the administration and accounting of the operational units is the responsibility of the Group's Finance Department. The Group's Finance Department, which operates under the Group's Chief Financial Officer, produces centralized financial statements required by external accounting, as well as managerial accounting analyses and performance reports for the Group's different management entities in order for them to monitor the profitability of business activities. The Group's internal control practices aim to ensure the correctness of the Group's financial reporting. Business activities and financial management are monitored by means of the reporting entity described above.

Digitalist Group has a unified financial reporting system. Reporting practices follow the implementation of the action plans and targets. In order to ensure the coherence of reporting practices, the Group's financial administration has created a uniform account scheme for the Group, various instructions for reporting and financial monitoring at the Group level and trains staff in their application.

Auditing

The external auditors of Digitalist Group Plc audit the accounting and administration of the parent company and subsidiaries as part of the annual audit assignment.

The requirements of internal control have been taken into account in the audit plans of the auditors. Auditors present their report annually to the Annual General Meeting of Digitalist Group Plc. In addition, the auditors report the main elements of the annual audit plan to the Board of Directors and to

the Audit Committee of the Board of Directors and report their audit findings to the Audit Committee either verbally or in writing through interim financial reports.

Internal audit

The coordination of the company's internal audit is the responsibility of the Audit Committee of the Board of Directors as part of internal control. Internal auditing is the responsibility of the Group's financial administration and the financial administration carries out internal audit in addition to its own duties. The company's controllers carry out the audit work.

If necessary, the financial management may use external assistance from outside the Group for individual audit cases.

Internal audit findings are reported to the financial management who reports the findings to the Audit Committee. An internal audit plan is drawn up annually in co-operation with the company's auditors.

Related party transactions

The company assesses and monitors transactions with related parties and ensures that potential conflicts of interest are duly taken into account in the company's decision-making.

The company maintains a list of related parties and explains the decision-making process concerning relevant and unusual related party transactions.

The Insider Guidelines of Digitalist Group Plc, in accordance with Article 19 (MAR), obligates the executives included in the Management Members with Notification Obligation inner circle, and their closely associated persons, to notify the company and the Financial Supervisory Authority of the transactions made using Digitalist Group Plc shares, debt instruments, derivatives or other financial instruments. Transactions must be reported without delay within a trading day of the execution of the transaction (T+0). The obligation to report transactions concerns all transactions.