

GOVERNANCE

General

TOSIBOX Ltd (hereinafter "Company") is a Finnish unlisted limited liability company. Its registered office is in Oulu, Finland. TOSIBOX group of companies (hereinafter "Group") includes the Company and its wholly-owned subsidiaries (hereinafter "Subsidiaries").

In its decision-making and administration, the Company observes primarily the Finnish Limited Liability Companies Act and its Articles of Association. Foreign Subsidiaries belonging to the Group will additionally comply with the national legislation applying to them.

Organization

General Meeting:

The highest decision-making body of the Company is the General Meeting of the Shareholders. The duties and procedures of the General Meeting are defined in the Finnish Limited Liability Companies Act and the Articles of Association of the Company. The General Meeting is responsible for, for example, deciding on the amendment of Articles of Association of the Company, issue of shares, increase and decrease of share capital, granting of stock options and electing the members of the Board of Directors and the auditor.

The Annual General Meeting must be held each year within six (6) months from the end of the fiscal year on a date to be specified by the Board of Directors. The Annual General Meeting is responsible for deciding on the adoption of the profit and loss account and the balance sheet, actions due to profit or loss shown in the adopted profit and loss account, discharge of the liability of the Board of Directors and the CEO and the remuneration of the members of the Board of Directors and the auditor. The Annual General Meeting also elects the members of the Board of Directors and the auditor if needed.

Extraordinary General Meetings shall be convened whenever the Board of Directors deems it necessary, or in case the auditor or shareholders holding at least one-tenth of all shares issued so request in writing for the purpose of dealing with a matter specified by them.

From members of the Board of Director at least the Chairman of the Board of Directors as well as the CEO shall be present at the General Meetings. A person who is nominated as a member of the Board of Directors for the first time shall attend the General Meeting, which decides upon his or her election unless there is a compelling reason for his or her absence.

The auditor of the Company shall be present at the General Meeting in case the issues dealt with at such General Meeting require the presence of the

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auditor.

Board of Directors:

In accordance with the Articles of Association of the Company the Board of Directors consist of at least one (1) and at maximum six (6) members. In case less than three (3) Board members are elected, a deputy Board member must be elected. The term of office of a Board member continues until further notice. The Board elects a chairman from amongst its members and appoints a secretary to the Board. The secretary may also be a non-member of the Board.

Persons elected to the Board of Directors are to have the competence required for their duties and shall represent a diverse range of expertise, as well as the viewpoint of the Company's owners.

The Board of Directors is responsible for the proper organization of the administration and operations of the Company. The Board of Directors supervises that the Group companies' accounting and financial management is duly organized. In addition to the tasks specified in the Finnish Limited Liability Companies Act and the Company's Articles of Association, the Board of Directors makes decisions on issues, which are far-reaching and economically and commercially important for the Company and the Group. Such decisions include making decisions on the Group strategy and business strategy, budget, mergers and acquisitions and other strategical alliances as well as significant investments and significant matters regarding organization and finance. The Board of Directors of the Company additionally approves the most significant policies and instructions of the Group. The Board of Directors appoints the CEO of the Company and a possible deputy for him/her.

An annual clock is applied in the work of the Board of Directors. The activities of the Board of Directors and its working methods are annually assessed through self-assessment.

The Board may establish committees to assist the Board by preparing matters falling within the responsibility of the Board. The Board remains responsible for duties assigned to a committee.

CEO and the Executive Management Team:

The CEO is appointed by the Board of Directors of the Company. The CEO is in charge of the operative management of the Company in accordance with the Finnish Limited Liability Companies Act, the Company's Articles of Association as well as the instructions and orders of the Board of Directors. The CEO is responsible for the preparation of the Board meetings and implementing the decisions of the Board of Directors. The CEO is also responsible for ensuring that the Company's accounting methods comply with the applicable law and that the financial matters are being handled in a reliable manner. The CEO is responsible for preparing the strategy of the Company and the Group, long-term planning, preparing investments,

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mergers and acquisitions and other strategic alliances, as well as for financial planning and the Company's external communications and investor relations.

The CEO is assisted by the Executive Management Team. The Executive Management Team consists of the CEO as chairman as well as executives appointed by the CEO. The Executive Management Team supports the CEO in operative management, implementation, and follow-up of the CEO's competence area. Each Executive Management Team member is responsible for his/her own sphere of operations based on key Company functions. The Executive Management Team meets approximately bi-weekly and additionally when necessary. The Executive Management Team members report to the CEO.

Management of Foreign Subsidiaries:

Board of Directors and/or the Managing Director ("Organs") of the foreign Subsidiaries are appointed in accordance with local laws. No separate compensation is paid to members of the Organs of the Subsidiaries for acting as members of the Organs of the Subsidiaries.

The main task of the Organs of the foreign Subsidiaries is to ensure that the management, bookkeeping and financial administration of the foreign Subsidiary is arranged appropriately and in accordance with the applicable laws.

Group policies and instructions must be followed by the foreign Subsidiaries. As part of the Group, the strategy, operating plan, budget, investments, liabilities, recruits and other far-reaching decisions of the foreign Subsidiaries must be pre-approved by the Board of Directors of the Company, the CEO of the Company or an Executive Management Team member based on a separate authorization table.

The appointment of possible Managing Directors of foreign Subsidiaries must be pre-approved by the Board of Directors of the Company.

The Managing Director/Head of Region of the foreign Subsidiary is responsible for managing the daily operations of the foreign Subsidiary in accordance with Group policies and instructions and in compliance with applicable authorization tables. As part of his/her tasks and observing the Group policies, instructions and authorization tables, the Managing Director/Head of Region is responsible that statutory insurances as well as local insurances (if needed in addition to the Group wide insurance policies) have been taken out for the foreign Subsidiary.

Remuneration

The Annual General Meeting decides annually on the compensation of the members of the Board of Directors of the Company.

The Board of Directors of the Company defines and approves the essential terms of the service of the CEO, including the CEO's remuneration. A Managing Director

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Agreement has been concluded with the CEO. other members of the Executive Management Team have in place either an Executive Director Agreement or an Employment Agreement. The compensation of the CEO and the Executive Management Team consists of a fixed monthly salary and a performance bonus. The performance bonus is based on the operational and performance objectives set by the Board of Directors of the Company annually.

Internal control and risk management

The Board of Directors of the Company determines the internal policies relating to internal control, risk management and internal auditing, which are to be followed within the Group. These principles include for example risk management policy, authorization tables, financial administration guidelines and financial reporting.

The purpose of internal control and risk management is to ensure the effective and profitable operations of the Company and the Group, the reliability of information as well as compliance with the applicable laws and regulations and operating principles. Another objective is to be able to identify, evaluate and monitor risks related to the business operations. The internal audit of the Company evaluates aspects such as the internal control of the Company and the Group and risk management.

As part of risk management, the Company has in place a quality management system. The management system has been audited and the Company has been awarded ISO 9001 certifications.

With the exception of certain local insurances, insurance matters are managed centrally by the Company for the entire Group. Group wide insurance policies have been taken out to provide cover for property damage, business interruptions, and liabilities.

Risk management is part of the Company's control and monitoring system. The purpose of risk management is to ensure that the risks related to the business operations are identified, evaluated and monitored. The Group continuously assesses the risks and opportunities related to its business environment, operations and financial performance in order to limit unnecessary and excessive risks.

Auditors

The task of statutory auditing is to verify that the financial statements and the annual report of the Board of Directors provide accurate and adequate information on the Company's result and financial position. In addition, auditing includes an audit of the Group's accounting and administration.

The auditor is elected at the Annual General meeting until further notice in accordance with the Finnish Limited Liability Companies Act.

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Dividend policy

Payment of possible dividends is decided in the General Meeting of Shareholders. When the Board of Directors makes proposals on the payment of dividends, it will evaluate the financial situation of the Company taking into account the solidity of the Company, the financial result of the Company as well as the future outlook and the future development of the solvency of the Company.

Communication policy

The CEO of the Company is responsible for internal and investor communications as well as the management of crisis communication. The CEO is assisted by marketing process in external communication.

The result of the Company and the Group is monitored monthly through financial reporting. The CFO is responsible for financial reporting. The monthly financial reports are accessible to the Executive Management Team and the Board of Directors. The financial statement of the Company and the annual report is sent to the shareholders annually in connection with the notice of the Annual General Meeting.

The personnel are informed monthly about the financial status and the plans for near future. The essential topical questions are addressed in a weekly personnel meeting.

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