

Posti's Corporate Governance Statement 2019

Corporate Governance Statement 2019

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1 Introduction

This statement describes the governance structures, practices and policies that Posti Group Corporation ("Posti") applies in order to ensure the independence and integrity of decision-making as well as the appropriate controls related thereto.

Posti's Corporate Governance Statement is prepared according to the Finnish Corporate Governance Code issued by the Securities Market Association on 19 September 2019, and in force starting 1 January 2020. The Finnish Corporate Governance Code is available on the website of the Securities Market Association at www.cgfinland.fi/en.

Corporate governance at Posti is based on Finnish laws and applicable lower level regulation, the company's Articles of Association and the written charters of the Supervisory Board, the Board of Directors and its Committees.

In Posti, the Finnish State exercises the shareholder's decision-making power. The State's direct ownership of Posti Group Corporation is 50.1 per cent, with 49.9 per cent of the shares owned by the Finnish State Business Development Company (Vake Oy). Posti complies with the Finnish Corporate Governance Code 2020 as in force, except recommendations 1,2,3 and 4 since it has only two shareholders (1).

This Corporate Governance Statement has been reviewed by the Audit Committee of Posti's Board of Directors. The Statement is published as a separate, unaudited report released in connection with the Financial Statements and the Board of Directors' Annual Report. Posti prepares consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

Governing Bodies

Posti has a governance model, where responsibility for the company's control and management is held by the General Meeting of Shareholders, the Board of Directors, and the President and CEO. In addition, there is a Supervisory Board. The duties of these corporate bodies are determined in the Finnish Companies Act. The General Meeting of Shareholders elects the Supervisory Board, Board of Directors and auditors.

The Board of Directors is responsible for the strategic management of the company as well as proper organization of its operations. The Board appoints the President and CEO, who is in charge of the operative, day-to-day management of the company. He is assisted in his work by the Leadership Team. The Supervisor Board oversees the company's administration which is the Board of Directors' and President and CEO's responsibility.

⁽¹⁾Posti departs from the Corporate Governance Code in the following ways:

- the members of the Board of Directors, or Board member candidates, do not participate in the General Meeting of the Shareholders (Recommendation 3).

In addition, Posti departs from the Corporate Governance Code in that it does not publish on its website:

- the notice of the General Meeting and the appendices thereto (Recommendation 1),
- the date by which a shareholder must present to the Board of Directors a matter that he insists be discussed in the General Meeting (Recommendation 2),
- the archive of the documents of the General Meeting (Recommendation 4).

Compliance with the above recommendations of the Code is not relevant, since there are regular exchanges between the Board of Directors, the operative management of the company and the two shareholders, and thus regular and sufficient information is available for the shareholders at all times.

The agenda and notice to the General Meeting are prepared well in advance in direct communication with the shareholders in order to ensure that all relevant matters will be discussed at the General Meeting. The shareholders rights are also effectively protected as the minutes of the meetings and other documentation related thereto are made available to the shareholder directly.

2 General Meeting of the Shareholders

Posti's highest decision-making body is the General Meeting of Shareholders. It takes decisions in matters assigned for the General Meeting in the Companies Act and the company's Articles of Association, i.e.

- approves annual financial statements;
- decides on distribution of dividends;
- discharges members of the Supervisory Board and the Board of Directors as well as the President and CEO from liability for the financial year;
- elects members of the Supervisory Board and the Board of Directors as well as auditors, and decides on their remuneration;
- reviews the remuneration report and makes an advisory resolution on the remuneration policy every fourth year at minimum

Posti's Annual General Meeting is held at least once a year, by no later than the end of April. If needed, the company may also hold Extraordinary General Meetings. Notice of the General Meeting is sent by the Board of Directors latest eight days before the meeting. Posti does not publish notice of the General Meeting on the company's website, as previously described.

Annual General Meeting 2019

Posti's Annual General Meeting 2019 was held on March 25, 2019. All 40,000,000 shares and votes were represented. The meeting adopted the 2018 financial statements and discharged the members of the Supervisory Board and the Board of Directors as well as the President and CEO from liability for the financial year. In line with the Board of Directors' proposal based on the company's dividend policy, the

Annual General Meeting decided to distribute a dividend of EUR 28,4 million. The dividend was paid on 28 March 2019. At the Annual General Meeting 2019, there were present representatives of the State of Finland, the Chair of the Board of Directors, the President and CEO and other company's operative management, and the statutory auditor. Posti also had an Extraordinary General Meeting on October 2, 2019 with the only purpose to elect the Supervisory Board members.

3 Supervisory Board

Posti's General Meeting elects members of the Supervisory Board and appoints its Chair and Deputy Chair. The Supervisory Board is composed of six to twelve members. The term of office for members of the Supervisory Board is one year and it ends at the close of the following Annual General Meeting. The Annual General Meeting held on March 25, 2019 re-elected the previous Supervisory Board. The Extraordinary General Meeting held on October 2, 2019 elected twelve members to the Supervisory Board and appointed Aki Lindén as the Chair and Atte Harjanne as the Deputy Chair.

The Supervisory Board convenes four times a year following a pre-determined schedule. In addition, the Supervisory Board convenes as necessary. All meetings are documented in serially numbered minutes.

The Supervisory Board's task is to oversee the company's administration which is the Board of Directors' and President and CEO's responsibility, provide the Board with guidance on issues of broad implication, follow functionality of postal services, and provide the Annual General Meeting with a statement regarding the financial statements and the auditors' report.

Supervisory Board 2019

On February 11, 2020, Posti Supervisory Board was composed of the following members:

Member	Born	Education	Occupation	Attendance at meetings ^(*)
Aki Lindén, Chair	1952	Specialist Degree in Medicine, Master of Social Sciences	Member of Parliament	1 / 1
Atte Harjanne, Deputy Chair	1984	Master of Science (Technology)	Member of Parliament	1 / 1
Sari Essayah	1967	Master of Science in Accounting, Master of Science in Economics	Member of Parliament	1 / 1
Eeva Kalli	1981	Master of Science (Economics), Master of Administrative Sciences	Member of Parliament	1 / 1
Kimmo Kiljunen	1951	Doctor of Philosophy, docent	Member of Parliament	1 / 1
Mia Laiho	1969	Doctor of Medicine (MD), Specialist Degree in Medicine	Member of Parliament	1 / 1
Rami Lehto	1973	Electric Power Technology Technician	Member of Parliament	1 / 1
Pia Lohikoski	1977	Master of Social Sciences, Organisation and education manager	Member of Parliament	1 / 1
Mari Rantanen	1976	Emergency nurse, family carer	Member of Parliament	1 / 1
Veronica Rehn-Kivi	1956	Architect, building supervision manager	Member of Parliament	1 / 1
Ari Torniaainen	1956	Construction engineer, controller	Member of Parliament	1 / 1
Paula Werning	1976	Nurse	Member of Parliament	1 / 1

The Supervisory Board January 1 - October 2, 2019 consisted of the following members:

Member	Born	Education	Occupation	Attendance at meetings ^(*)
Markku Rossi, Chair	1956	Vocational Qualification in Business and Administration	Member of Parliament	3 / 3
Jani Toivola, Deputy Chair	1977	Actor	Member of Parliament	2 / 3
Maria Guzenina	1969	Matriculation examination	Member of Parliament	3 / 3
Kari Kulmala	1965	Master of Administrative Sciences, Bachelor in Police Command, Specialist Qualification in Management	Member of Parliament	3 / 3
Rami Lehto	1973	Electric Power Technology Technician	Member of Parliament	2 / 3
Eeva-Maria Maijala	1967	LL.M. trained on the bench	Member of Parliament	3 / 3
Silvia Modig	1976	High-school graduate	Member of Parliament	0 / 3
Mats Nylund	1964	Vocational Qualification in Agriculture	Member of Parliament	3 / 3
Juha Pylväs	1971	M. Agric., Agronomist	Member of Parliament	3 / 3
Sari Raassina	1963	Licentiate in Medicine	Member of Parliament	2 / 3
Satu Taavitsainen	1977	Bachelor of Social Services	Member of Parliament	3 / 3
Juhana Vartiainen	1958	Doctor of Social Sciences	Member of Parliament	1 / 3

*The number of Supervisory Board meetings in 2019 was four, one of which was held before the Annual General Meeting on March 25, 2019 and three were held thereafter, one of which was held after the Extraordinary General Meeting on October 2, 2019.

4 Board of Directors

Overview

Posti's General Meeting elects members of the Board of Directors and appoints its Chair and Deputy Chair. The Board of Directors is composed of five to nine members. The term of office for members of the Board of Directors is one year and it ends at the close of the following Annual General Meeting. The Annual General Meeting 2019 elected nine members to the Board of Directors and nominated Markku Pohjola as the Chair and Suvi-Anne Siimes as the Deputy Chair.

The Board of Directors' Personnel Committee assists in preparing suggestions to the shareholders regarding needed competences and suitable directors for the Board. The Ownership Steering Department prepares the final proposal for the Board composition, and presents it to the General Meeting for decision. Posti does not publish the Board member candidates on its website as previously described.

The Board of Directors evaluates its members' independence on an annual basis, and re-evaluates it as necessary. The Board also conducts an annual self-evaluation of its operations and working methods. The purpose of this evaluation is to assess performance of the Board during the year and to identify ways for developing the Board working practices and performance for the future.

The Board convenes circa ten times a year following a pre-determined schedule. In addition, the Board convenes as necessary. All meetings are documented in serially numbered minutes.

President and CEO, Chief Financial Officer, and General Counsel, as secretary to the Board of Directors, attend the Board meetings on a regular basis.

Diversity principles

In order for the Board of Directors to discharge its duties in the most effective manner, the Board must be highly qualified and sufficiently diverse, taking also into consideration the diversity in Posti's businesses and customers. Highly important criteria are the educational and professional backgrounds of the individual candidates, as well as their local and international experience, so that the Board composition in full represents a wide variety of competencies and qualifications set to a company in the public domain. Further, the candidate's age is considered, to have different seniority levels represented and from this viewpoint complementing viewpoints presented in the Board.

Posti's principle also is to have members of both genders represented in the Board.

In 2019, Posti's Board of Directors consisted of four female members and five male members, which fulfils the requirement set to government owned companies by the Council of State in its Decision in Principle given February 2, 2015.

Responsibilities

The duties of Posti's Board of Directors are determined in the Companies Act, the Articles of Association, the Decision-Making Policy approved by the Board of Directors, and the Board's Charter which is approved by the Board and which lays out the Board of Directors' key responsibilities and working principles. Accordingly, the Board is responsible among other things for

- Looking after the company's administration and proper organization of its operations;
- Appointing and, if necessary, dismissing the President and CEO, and resolving of his/her remuneration;
- Preparation of the matters to be presented for the General Meeting of Shareholders and seeing that the decisions be implemented;
- Overseeing the organization of financial supervision within the company;
- Affirming the company's strategy and business plans as well as risk management principles;
- Approving the annual and interim financial statements; and
- Preparing and approving the remuneration policy and annual remuneration reports



Board of Directors 2019

On February 11, 2020, Posti Board of Directors was composed of the following members:



Markku Pohjola

Chair

b. 1948, B.Sc. (Econ.)

Member of the Board since 2017

Chair of the Personnel Committee

Employment history:

- Previously held several executive positions in Nordea and its predecessor banks in 1972–2008, most recently CEO of Nordea Bank of Finland and Deputy Group CEO of Nordea
- Partner: Boardman Ltd
- Active entrepreneur in forestry

Board memberships:

- Chair of the Board: Koskitukki Oy, Koskisen Oy and Rangunkorpi Oy
- Member of the Board: Financial Supervisory Authority (FIN-FSA)



Suvi-Anne Siimes

Deputy Chair

Managing Director, Finnish Pension Alliance TELA

b. 1963, Licentiate of Political Science, (Econ.)

Member of the Board since 2013

Member of the Personnel Committee

Employment history:

- Finnish Pension Alliance TELA (since 2011): Managing Director
- Pharma Industry Finland (2007–2011): Managing Director
- Finnish Co-operative for Pharmaceutical Injury Indemnities (2010–2011): Managing Director
- Several positions in European organizations in the pharmaceutical sector (2007–2011)
- Member of Parliament (1998–2007)
- Minister in the Finnish Ministry of Foreign Affairs (2002–2003)
- Minister in the Finnish Ministry of Finance (1999–2003)
- Minister in the Finnish Ministry of Education (1998–1999)
- Left Alliance (1998–2006): Chair

Board memberships:

- Chair of the Board: Veikkaus Oy (2011–2016), Pharmaceutical Information Centre (2007–2011)
- Member of the Board: Yrjö Jahnesson Foundation, Finnish Co-operative for Pharmaceutical Injury Indemnities (2007–2009)



Eero Hautaniemi

Board Member
President & CEO, Lassila & Tikanoja plc
b. 1965, M. Sc. (Econ.)
Member of the Board since 2017
Member of the Audit Committee

Employment history:

- Lassila & Tikanoja (since 2019), President and CEO
- Oriola-KD Corporation (2006–2017): President and CEO
- GE Healthcare Finland Oy (2004–2005): President
- GE Healthcare IT (2003–2004): General Manager and Vice President of Oximetry, Supplies and Accessories business area
- Instrumentarium Corporation: Various positions in financial and business management in Finland and in the United States



Frank Marthaler

Board Member
Board Professional
b. 1964, Lic.oec. HSG
Member of the Board since 2018
Member of the Audit Committee

Employment history:

- Swiss Post Solutions (2007–2014): CEO
- Swiss Post (2001–2007): Director of Strategic Account Management and Director of Group Sales Committee

Board memberships:

- Member of the Board of Directors: Aletsch Bahnen AG, C-Level Media AG, CR Kommunikation, Trendcommerce Group AG and Dialogworld AG



Anna Martinkari

Board Member
Head of Digital Sweden, Telia Company
b. 1977
Member of the Board since 2019
Member of the Audit Committee

Employment history:

- Telia Company (since 2018), Head of Digital Sweden
- Telia Company (2017–2018), Head of Omnichannel Development & Online Sales & Services Sweden
- Marginalen Bank (2016–2017), Chief Digital Officer
- Marginalen Bank (2010–2016), Head of Digital Channels
- Citigroup (2005–2010), various positions
- American Express (1999–2005), various positions



Pertti Miettinen *)

Board Member

National Chief Shop Steward of Posti Group Corporation,
Finnish Post and Logistics Union PAU
(employee representative)

b. 1968

Member of the Board since 2018

Employment history:

- Posti Oy (since 2015): National Chief Shop Steward in Posti Group
- Finnish Post and Logistics Union PAU (2002–2015):
Working Conditions Specialist
- Posti Group Corporation (1995–2002): Postal Worker

*) Mr Pertti Miettinen was elected Board member as an employees' representative as part of a pilot agreed by and between Posti and its employee representatives. The employee representative is a Board member with all the related rights and duties, however, excluding a right for decision-making in certain issues relating to, e.g. management.



Minna Pajumaa

Board Member

Senior Financial Adviser,
Government Ownership Steering Department,
b. 1963, M. Sc. (Econ.), CEFA
Member of the Board since 2019

Member of the Personnel Committee

Employment history:

- Government Ownership Steering Department (since 2017),
Senior Financial Counsellor
- Government Ownership Steering Department (2009–2017),
Senior Financial Specialist
- HSH Norbank AG (2004–2008), Client Executive,
Structured Corporate Finance
- HSH Norbank AG (2002–2004), Project Manager,
Export and Project Finance
- Skandinaviska Enskilda Banken AB (1998–2002),
Vice President, Export and Project Finance
- Suomen Vientiluotto Oy (1996–1998) Regional Representative,
Singapore Representative Office
- Suomen Vientiluotto Oy (1994–1996), Assistant Regional
Representative, Hongkong Representative Office

Board memberships:

- Member of the Board: Suomen Malmijalostus Oy
(Finnish Minerals Group) and Veikkaus Oy



Per Sjödell

Board Member

Board Professional

b. 1972, B.sc (econ)

Member of the Board since 2018

Member of the Personnel Committee

Employment history:

- Fiskars, Sweden AB, (2012–2015): Managing Director
- Pocket Shop AB (2010–2012): CEO
- H&M (2008–2010): Global Marketing Director (CMO)
- GANT AB (2005–2008): Managing Director Gant Sweden

Board memberships:

- Founder and Chairman of the Board of Directors: Red City PR SARL
- Chairman of the Board of Directors: Nordic Morning Oy, Identity Works AB, Linneverket Group AG
- Member of the Board of Directors: Project Soar NGO, Abury Collection, TeenZapp Ltd, Advisa AB
- Founder: TEDx Marrakesh



Arja Talma

Board Member

Board Professional

b. 1962, MSc (Econ.), eMBA

Member of the Board since 2016

Chair of the Audit Committee

Employment history:

- Kesko Corporation (2013–2015), Senior Vice President, Store Sites and Investments
- Rautakesko Ltd (2011–2013), President
- Kesko Corporation (2005–2011), Senior Vice President, Chief Financial Officer
- Kesko Corporation (2004–2005), Vice President, Corporate Controller
- Oy Radiolinja Ab (2001–2003), Executive Vice President

Board memberships

- Chair of the Board: Onvest Oy and Serena Properties AB
- Member of Board of Directors: Aktia Bank Plc, Metso Corporation and Verkkokauppa.com Oy

Petri Järvinen, Chief Supply Chain Officer, Vapo Oy, and Posti Board member since 2014, acted as Board member until the end of the Annual General Meeting on March 25, 2019.

Marja Pokela, Chief Senior Specialist, Government Ownership Steering Department since 2014, acted as Board member until end of the Annual General Meeting on March 25, 2019

Board member meeting participation in 2019

Member	Attendance at Board meetings *
Markku Pohjola (Chair)	24 / 24
Suvi-Anne Siimes (Deputy Chair)	24 / 24
Eero Hautaniemi	20 / 24
Petri Järvinen (until 25.3.2019)	3 / 3
Anna Martinkari (as from 25.3.2019)	19 / 21
Frank Marthaler	22 / 24
Pertti Miettinen	17 / 24
Minna Pajumaa (as from 25.3.2019)	19 / 21
Marja Pokela (until 25.3.2019)	2 / 3
Per Sjödel	24 / 24
Arja Talma	22 / 24

* In 2019, the number of meetings held by the Board of Directors was twenty-four, three of which were held before the Annual General Meeting on March 25, 2019, and twenty-one after that meeting. The total number of meetings in 2019 was exceptionally high due to issues relating to collective labor agreements.

All Board members other than Minna Pajumaa, who has an employment relationship with the Ownership Steering Department of the Prime Minister's Office, are independent of the shareholders, and based on the Board of Directors' overall evaluation, all Board members are independent of the company except Pertti Miettinen, who has an employment relationship with a Group company. The average attendance rate in Board of Directors meetings in 2019 was 90 %.

Board's Committees

The Board appointed in its constitutive meeting two permanent Committees to assist in its work: the Audit Committee and the Personnel Committee. Tasks of the Committees are laid out in their respective written Charters. The Committees prepare matters entrusted to them for the Board of Directors' decision. The Chair of the Committee convenes the Committee as required. He/She also reports to the Board on the Committee's work.

In addition to the Audit Committee and the Personnel Committee, in 2019 the work of the Board was also assisted by working groups set for certain strategic projects and composed of Board members.

Audit Committee

The Board of Directors elects 3-4 members to the Audit Committee. The members shall have the qualifications necessary to perform the responsibilities assumed by Committee, which include, among others:

- oversight and review of the company's financial reporting system;
- monitoring and review of effectiveness of the internal control systems, internal audit and risk management policies;
- monitoring and review of the related party transactions;
- oversight of the statutory audit as well as consideration of the audit report, possible audit minutes as well as the additional Audit Committee report prepared by the auditor;
- preparing a proposal for appointment of the auditor;
- assessing independence of the auditor and oversight of the additional services offered by the auditor; and
- steering and monitoring activities of the Chief Compliance Office and the Internal Auditor.

In its constitutive meeting on March 25, 2019, the Board of Directors resolved that the members of the Audit Committee are: Arja Talma (Chair), Eero Hautaniemi, Frank Marthaler and Minna Pajumaa. In the meeting on September 20, 2019 the Board of Directors resolved that the members of the Audit Committee are: Arja Talma (Chair), Eero Hautaniemi, Frank Marthaler and Anna Martinkari.

Audit Committee meeting participation in 2019

Member	Attendance at Audit Committee meetings *
Arja Talma	7 / 7
Eero Hautaniemi	4 / 7
Anna Martinkari (as from 20.9.2019)	2 / 2
Frank Marthaler	6 / 7
Minna Pajumaa (25.3.-20.9.2019)	3 / 3
Marja Pokela (until 25.3.2019)	2 / 2

* In 2019, the number of meetings held by the Audit Committee was seven, two of which were held before the Annual General Meeting on March 25, 2019, and five after that meeting.

The average attendance rate in Audit Committee meetings in 2019 was 90 %.

Personnel Committee

The Board of Directors elects 3-4 members to the Personnel Committee. The members shall have the qualifications necessary to perform the responsibilities assumed by the Committee, which include, among others:

- preparation of decisions concerning the appointments and remuneration of the President and CEO and the executive management;
- preparation of the outlines of the group's remuneration, bonus and incentive schemes, and ensuring that they are fair and competitive;
- preparation of the remuneration policy and remuneration report;
- follow up of the group's people strategy; and
- consideration of the competences required by the Board in its work and assistance in preparing nomination suggestions for Board of Directors' members.

In its constitutive meeting on March 25, 2019, the Board of Directors decided that the members of the Personnel Committee are: Markku Pohjola (Chair), Anna Martinkari, Suvi-Anne Siimes and Per Sjödel. In the meeting on September 20, 2019, the Board of Directors resolved that the members of the Personnel Committee are: Markku

Pohjola (Chair), Minna Pajumaa, Suvi-Anne Siimes and Per Sjödel.

Personnel Committee meeting participation in 2019

Member	Attendance at Personnel Committee meetings *
Markku Pohjola	7 / 7
Petri Järvinen (until 25.3.2019)	2 / 2
Anna Martinkari (25.3.-20.9.2019)	4 / 4
Minna Pajumaa (as from 20.9.2019)	1 / 1
Suvi-Anne Siimes	6 / 7
Per Sjödel	7 / 7

*In 2019, the number of meetings held by the Personnel Committee was seven, two of which were held before the Annual General Meeting on March 25, 2019, and five after that meeting. The average attendance rate in Personnel Committee meetings in 2019 was 98 %.

5 President and CEO and Leadership Team

President and CEO

The President and CEO is responsible for the Group's operative management in accordance with the Companies Act and the instructions and directions issued by the Board of Directors. The President and CEO is appointed and, if necessary, dismissed by the Board of Directors, which also determines the terms and conditions and remuneration of the President and CEO's employment relationship.

Turkka Kuusisto (1979, M.Sc. (Tech.)) was nominated as President and CEO of Posti Group Corporation as from February 6, 2020. Heikki Malinen, M.Sc.(Econ.), MBA, served as President and CEO of Posti from December 11, 2012 until October 1, 2019. Turkka Kuusisto, SVP, Parcel and eCommerce, acted as interim CEO as from October 1, 2019.

President and CEO and Leadership Team 2019

On February 11, 2020, Posti President and CEO was, and the Leadership team was composed of as follows:



Turkka Kuusisto

President and CEO and Chair of Leadership Team, starting February 6, 2020

b. 1979, M.Sc. (Tech.)

Joined Posti in 2016

Member of the Leadership Team since 2016

Employment history

- Posti Group Corporation (2019): Interim President and CEO
- Posti Group Corporation (2019): Senior Vice President, Parcel & eCommerce
- Posti Group Corporation (2016-2019): Senior Vice President, Postal Services
- Lindorff Group AB (2015–2016): Executive Vice President, Head of Debt Collection & Regional Managing Director
- Lindorff Group AB (2008–2015): several managerial duties, including the Managing Director of Lindorff in Finland and Head of business operations in Russia and the Baltics
- Kronstöm Oy Ma-Kron (2004–2008): Managing Director
- Accenture (2003–2004): Management Consultant
- Bonito Oy (2003–2003): Management Consultant

Board memberships

- Chair of the Board: Idego Consulting Oy
- Member of the Board: Service Sector Employers PALTA



Yrjö Eskola

Senior Vice President, Postal Services

b. 1972, M.Sc. (IEM)

Joined Posti in 2013

Member of the Leadership Team since 2015

Employment history:

- Posti Group Corporation (2019-): Senior Vice President, Postal Services
- Posti Group Corporation (2015-2018): Senior Vice President, Operations
- Itella Corporation (2014–2015): Vice President, Logistics Development (Itella Logistics)
- Itella Corporation (2013–2014): Director, Strategic Development Programs
- Nokia Corporation (2008–2012): General Manager, Nokia Komárom Ltd. Hungary
- Nokia Corporation (2007–2008): Director, Supply Management
- Nokia Corporation (2004–2007): Director, Logistics EMEA
- Nokia Corporation (1997–2004): various management positions in EMEA Logistics and Sourcing & Procurement organizations



Tom Jansson

CFO

b. 1968, Sc. (Econ)

Joined Posti in 2018

Member of the Leadership Team since 2018

Employment history

- Posti Group Corporation (since 2018): CFO
- Posti Group Corporation (2018): CFO (interim)
- OpusCapita (2018–2018): Head of Finance
- Comptel Oyj (2013–2017): Chief Financial Officer
- Tellabs (1994–2013): several managerial duties, including Director of Finance, International 2012–2013, Director of Finance, EMEA & APAC 2011–2012 and Director of Finance, EMEA & LAC 2004–2010



Jussi Kuutsa

President, Itella Russia

b. 1964, M.Sc. (Econ.)

Joined Posti in 2017

Member of the Leadership Team since 2017

Main employment history:

- Posti Group Corporation (since 2017): President, Itella Russia
- SRV Group (2010–2016): Country Director of Russia
- Stockmann Group (2000–2010): managerial positions in international operations



Petteri Naulapää

Senior Vice President, ICT and Digitalization

b. 1968, M.Sc.

Joined Posti in 2018

Member of the Leadership Team since 2018

Employment history:

- Posti Group Corporation (since 2018), Senior Vice President, ICT and Digitalization
- Stockmann Oyj, (2015–2018), CIO
- Vaisala Oyj, (2010–2015), CIO
- Digia Oyj, (2006–2010), Director, Dynamics AX solutions



Hanna Reijonen

Senior Vice President, Human Resources

b. 1973, M.Sc. (Econ.)

Joined Posti in 2018

Member of the Leadership Team since 2018

Employment history:

- Posti Group Corporation (since 2018): Senior Vice President, Human Resources
- Tieto Oyj, Finland and Industrial and Consumer Services Industry Group & Finland (2016-2018), Head of HR
- Tieto Oyj, Manufacturing, Retail & Logistics Industry Group & Finland (2012-2016), Head of HR
- LM Ericsson (2010-2012), HR Director
- Accenture (1997-2010), various leading positions in HR

Board Memberships

- Member of the Supervisory Board: Ilmarinen Mutual Pension Insurance Company



Kaarina Ståhlberg

Senior Vice President, Legal and M&A

b. 1966, LL.M (Helsinki University), LL.M

(Columbia University, NY)

Joined Posti in 2016

Member of the Leadership Team since 2017

Employment history:

- Posti Group Corporation (since 2017): Senior Vice President, Legal and M&A, (2016-2017) General Counsel
- Kaarina Ståhlberg Law Consulting (2014-2016): Independent professional
- Fortum Corporation (2013-2014): General Counsel
- White & Case (2012-2013): Counsel
- Nokia Corporation (2005-2012): Vice President, Assistant General Counsel
- Nokia Corporation (2004-2005): Vice President, Mobile Phones Legal
- Nokia Corporation (1999-2003): various legal and managerial duties
- Attorney-at-law (Law Offices Dittmar & Indrenius 1993-1998 & Heikki Haapaniemi 1992-1993)

Board memberships:

- Member of the Board and Chair of the Audit Committee: Vaisala Corporation

Heikki Malinen, M.Sc. (Econ.), MBA, and Posti's President and CEO since 2012, served as the President and CEO and Chair of the Leadership Team until October 1, 2019. Sari Helander, M.Sc. (Econ.), and Posti Leadership Team member since 2011, served as SVP, Logistics Services until April 26, 2019.

Leadership Team

Posti's Leadership Team assists the President and CEO in the Group's operative management. It also prepares and considers matters for consideration of the Board of Directors. The most essential matters considered in the Leadership Team are the Group's strategy and business planning, business and sales planning and follow-up, business acquisitions and other business-related investments.

Leadership Team is chaired by the President and CEO.

Chief Financial Officer's (CFO) main areas of responsibility include group control, treasury, investments, project financing and taxation. CFO's responsibilities include also the development, alignment and implementation of the group-wide strategy and risk management. The Senior Vice Presidents of the business groups are in charge of the sales and profitability as well as the management and development of operational functions in their respective business groups. Managing Director of Itella Russia is responsible for the group's Russian businesses and operations. Senior Vice President, ICT and Digitalization, is responsible for the development of digitalization processes within the Group and for the effective management of ICT resources. Senior Vice President, Human Resources, is responsible for people related processes and people strategy. General Counsel is responsible for legal matters and M&A Group-wide.

6 Remuneration

The Annual General Meeting decides on remuneration for the Supervisory Board, and for the work in the Board of Directors and its Committees, and the criteria of the remuneration. The Board of Directors is responsible for deciding the remuneration of the President and CEO and for approving the remuneration of the direct subordinates of the President and CEO.

The President and CEO's benefits are described on Posti's website at www.posti.com/corporategovernance.

The remuneration statement for 2019 is published as a separate report released in connection with the Financial Statements and the Board of Directors' Annual Report according to the Finnish Corporate Governance Code issued by the Securities Market Association on October 1, 2015 and in force starting January 1, 2016. The remuneration and other information related to the Corporate Governance Code are available at www.posti.com/corporategovernance.

7 Other Corporate Governance

Related Party Transactions and related governance

Posti maintains a record of its related parties, with updates on an annual basis and upon need. The main principle is that all the dealings and business transactions between Posti and its related parties shall be within the Posti ordinary course of business and under the customary (arm's-length) terms and conditions used by Posti also with other parties. Any exceptions would require a pre-review by the Audit Committee and a pre-approval by the Board of Directors.

Internal control

Internal control is part of Posti's corporate governance, and the entire personnel take part in internal control processes. Thus, internal control is not a separate process, but it is integrated into the company's day-to-day operations. Internal control covers all of Posti's processes, policies and organizational structure.

Overall responsibility for seeing that internal control is arranged lies with the Board of Directors of Posti. The President and CEO is responsible for implementing the control environment and for internal control follow-up. Additionally, the heads of the Business Groups, Units and Corporate Functions

are responsible for implementation of internal controls within their area of responsibility.

Group level functions, like Finance & Control, Compliance and Legal, contribute to assurance of internal controls and their implementation. Additionally, Group level processes like financial reporting and risk management have an important role in internal control. At the Group level, internal control relies on Posti's values and ethical guidelines, the Group's code of conduct and operating principles, and the functional organization, which also allow efficient monitoring in different parts of the Group. One of the core monitoring mechanisms is the follow-up of financial targets and financial supervision, which are based on monthly reporting. In addition to actuals it includes updated forecasts for the whole financial year and for the next 12 rolling months.

Risk management

The Group's risk management, based on the principles of Enterprise Risk Management (ERM), covers all Group operations and forms an element of Posti's management and strategy processes. Risk identification, analysis, and the planning of risk management measures is carried out continuously in the different units and consolidated twice a year as part of the Group's strategy and financial planning processes. As part of the consolidation the risk profile and mitigations are updated twice a year or whenever significant risks are identified or the profiles of major risks change materially. The Group's risk portfolio assessed using EUR cost impact and probability and hence the risk-bearing capacity can be assessed. Taken the increased importance of cyber security and other data related risks in Posti Group's operations and risk portfolio, the Company has recently increased its focus and competences within the area.

The management of the Group's business groups and units, operational units and of Group functions is responsible for risk management as part of strategic and operative management in its operations as well as in outsourced functions for which it is responsible. In addition, every employee at Posti is responsible for taking risks into consideration in his/her work and for reporting detected risks to his/her supervisor.

Board of Directors owns and approves Posti's Enterprise Risk Management Policy and reviews Posti's essential risks and risk management system at least once a year. Audit Committee is responsible for monitoring and evaluating the adequateness and efficiency of risk management and reviews Posti's risks. President and CEO and Chief Financial Officer (CFO) oversee that the principles and processes of risk management are embedded in Posti's management system and control and reporting processes. The Leadership Team oversees that the principles and processes of risk management are embedded in Posti's strategic and operational management.

The Internal Audit unit assesses the coverage and functionality of the Group's risk management and provides support in risk identification.

Posti's Enterprise Risk Management Policy is available at www.posti.com/riskmanagement.

Internal audit

The Group's internal audit produces independent assessment, assurance and consultation services, which are used to analyze the Group's business functions and their processes and the efficiency of management, risk management, supervision, reporting and administration. Its goal is to help identify development targets through which the efficiency, predictability, productivity and compliance of business can be improved. Internal audit supports the Board of Directors and Group management, which are responsible for organizing internal control, in their supervisory duty. The Internal

Audit unit reports administratively to the Chief Financial Officer and functionally to the Audit Committee. The unit's own resources and external resources are used in the execution of the audits.

Auditor

The authorized public accountancy firm PricewaterhouseCoopers Oy was re-elected in Annual General Meeting 2019 as Posti's auditor until the next Annual General Meeting, with Authorized Public Accountant, M.Sc. (Econ), Mikko Nieminen as the principal auditor.

The auditor was remunerated for audit services during 2019 with EUR 525 914. In addition, non-audit services were purchased in 2019 with EUR 142 518 from the auditor.

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