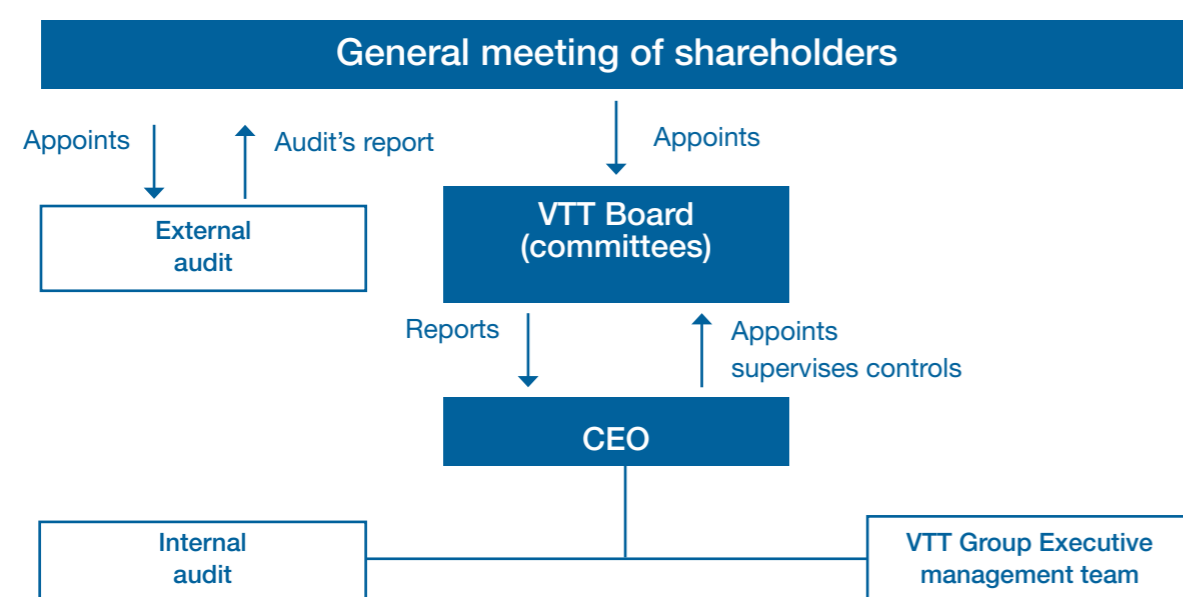


Corporate governance

VTT Ltd's corporate governance structure



VTT Technical Research Centre of Finland Ltd is a Finnish state-owned limited liability company domiciled in Espoo. The liabilities and obligations of the company's governing bodies are as defined in applicable Finnish law. VTT Technical Research Centre of Finland Ltd as the parent company together with its subsidiary companies form the VTT group of companies.

The highest decision making power in the company is used by the shareholders in the general meeting of share-holders. The general meeting of shareholders appoints the board of directors and auditor of the company. VTT Group of companies is managed by the board of directors and CEO of the parent company. The CEO is appointed by the board directors.

The company's values and policies steer all decision making and activities of the company.

The decision making and governance of the company is governed by the Finnish limited liability companies act, accounting act, act on the obligation for financial openness and provision of financial information concerning certain companies (24.1.2003/19), regulations concerning state ownership steering, the act on VTT Technical Research Centre of Finland Ltd (19.9.2014/761), the articles of association of the company, and the working orders of the company's board of directors and committees. The company is compliant with the **Finnish Corporate Governance Code** for listed companies that entered into force 1.1.2016.

In accordance with the comply or explain principle the company departs from the following recommendations of the Finnish Corporate Governance Code.

Departures from the recommendations of the Finnish Corporate Governance Code

Recommendation 23

The recommendation states that remuneration for board and committee work or part of the remuneration may be paid in the form of company shares and that shareholdings of the directors in the company promote good corporate governance. VTT Technical Research Centre of Finland Ltd is wholly owned by the state and is to remain wholly owned by the state and therefore VTT Technical Research Centre of Finland Ltd does not pay any remuneration for board or committee work in the form of company shares.