

Posti's Corporate Governance Statement 2018

Corporate Governance Statement 2018

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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 1 October 2015, and in force starting 1 January 2016. The Finnish Corporate Governance Code is available on the website of the Securities Market Association at www.cgfinland.fi.

Corporate governance at Posti is based on Finnish laws, 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 2015 as in force, except regarding recommendations 1,2,3 and 4, since it has only two shareholders (2)*.

The Corporate Governance Statement has been reviewed by the Audit Committee of Posti's Board of Directors. This Corporate Governance 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, by which the management of Posti is the responsibility of the General Meeting of Shareholders, the Board of Directors and the President and CEO. In addition, the management of the company is supervised by the Supervisory Board. The duties of these corporate bodies are as defined in the Finnish Companies Act. The General Meeting of Shareholders elects the Supervisory Board, Board of Directors and auditors.

* Previously, the Finnish State owned directly all of the shares in Posti Group Corporation. By a decision made by the Finnish Government in December 5, 2018, 49.9 per cent of the shares were transferred to the Finnish State Business Development Company (Vake Oy). After the transfer, the State's direct ownership of Posti is 50.1 per cent.

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

- the members of the Board of Directors 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 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.

The Supervisory Board is responsible for overseeing the lawfulness of the management of the company and giving advice in certain matters. The Board of Directors is responsible for the strategic management of the company. 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 Executive Board.

2 General Meeting of the Shareholders

Posti's highest decision-making body is the General Meeting of Shareholders. It resolves the issues as defined for General Meetings in the Companies Act and the company's Articles of Association, i.a.

- approving the financial statements;
- deciding on the distribution of dividends;
- discharging the members of the Supervisory Board, Board of Directors and CEO from liability for the financial year;
- electing the members of the Supervisory Board and Board of Directors as well as the auditors and deciding on their remuneration.

Posti's General Meeting is held at least once a year, at no later than the end of April. If needed, the company may also hold Extraordinary General Meetings. The invitation to the General Meetings of Shareholders is sent by the Board of Directors latest eight days before the meeting.

Posti does not publish its Shareholders' General Meeting invitations on the company's website, as previously described.

Annual General Meeting 2018

Posti's Annual General Meeting was held in Helsinki on March 27, 2018. All 40,000,000 shares and votes were represented. The meeting adopted the 2017 financial statements and discharged the members of the Supervisory Board, Board of Directors and the President and CEO from liability for the financial year.

In line with the Board of Directors' proposal, the Annual General Meeting decided to distribute a dividend of EUR 27 million based on the result in 2017 and an extra dividend of EUR 13 million. Dividend distribution is altogether EUR 40 million. The dividend was paid on 28 March 2018.

Representatives of the State of Finland, the Chair of the Board of Directors, company management and the auditor were present at the Annual General Meeting.

3 Supervisory Board

Posti's Annual General Meeting elects the 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 Annual General Meeting. The Annual General Meeting elected twelve members to the Supervisory Board in 2018 and nominated Markku Rossi as the Chair and Jani Toivola as the Deputy Chair. The tasks of the Supervisory Board are set out in the company's Articles of Association.

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 key duties are overseeing that the company is managed according to law and the bylaws, providing the Board with guidance on issues of broad implication, monitoring the functionality of postal services, and providing the Annual General Meeting with a statement regarding the financial statements and the auditors' report.

In 2018, the Supervisory Board held one extraordinary meeting.

Posti's Supervisory Board 2018

Member	Born	Education	Occupation	Attendance at meetings
Markku Rossi, Chair	1956	Vocational Qualification in Business and Administration	Member of Parliament	5/5
Jani Toivola, (Deputy Chair)	1977	Actor	Member of Parliament	4/5
Maria Guzenina	1969	Matriculation examination	Member of Parliament	4/5
Kari Kulmala (as from 27 March 2018)	1965	Master of Administrative Sciences, Bachelor in Police Command Part B, Specialist Qualification in Management	Member of Parliament	3/4
Rami Lehto	1973	Electric Power Technology Technician	Member of Parliament	4/5
Eeva-Maria Majjala	1967	LL.M. trained on the bench	Member of Parliament	5/5
Silvia Modig (as from 27 March 2018)	1976	High-school graduate	Member of Parliament	3/4
Sari Moisanen (until 27 March 2018)	1980	B. Eng.	Member of Parliament	1/1
Mats Nylund	1964	Vocational Qualification in Agriculture	Member of Parliament	5/5
Juha Pylväs	1971	M. Agric., Agronomist	Member of Parliament	5/5
Sari Raassina	1963	Licentiate in Medicine	Member of Parliament	2/5
Lulu Ranne (until 27 March 2018)	1971	M.Sc. (Tech.)	Member of Parliament	1/1
Satu Taavitsainen	1977	Bachelor of Social Services	Member of Parliament	5/5
Kari Tolvanen (until 27 March 2018)	1961	Master of Police Services	Member of Parliament	1/1
Juhana Vartiainen (as from 27 March 2018)	1958	Doctor of Social Sciences	Member of Parliament	2/4

*The number of Supervisory Board meetings in 2018 was five, one of which was held before the Annual General Meeting on March 27, 2018 and four were held thereafter.

4 Board of Directors



Markku Pohjola, Chair

b. 1948, M.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 Vice President of Nordea Group
- Partner: Boardman Ltd
- Active entrepreneur in agriculture

Board memberships

- Chair of the Board: Koskitukki Oy, Koskisen Oy, Rangunkorpi Oy
- Member of the Board and Chair of the Remuneration Committee: Conficap Ltd
- Member of the Board: Finnish 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 (1999–2007)
- 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

- Member of the Board: Yrjö Jahnsson Foundation



Eero Hautaniemi

Lassila & Tikanoja plc, President and CEO, (since 1 January 2019-).
b. 1965, M. Sc. (Econ.)
Member of the Board since 2017
Member of the Audit Committee

Employment history

- Lassila & Tikanoja plc (since 1 January 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



Petri Järvinen

Chief Supply Chain Officer, Vapo Group
 b. 1964, M.Sc. (Tech.)
 Member of the Board since 2014
 Member of the Personnel Committee

Employment history

- Vapo Group (since 2018): Chief Supply Chain Officer
- Coop Sverige (2016-2018): Director, Supply Chain, Logistics and Quality
- Mölnlycke Health Care (2013-2016): Global Supply Chain Planning Director
- Nokia (2007-2013): Global Supply Chain Development Director roles
- Unilever (1996-2006): several Director roles in European Supply Chain
- Unilever Finland (1993-1995): Logistics Manager
- Kymmene Corporation (1990-1993): Logistics Development Manager



Frank Marthaler

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 and AG Trendcommerce Group AG



Pertti Miettinen*

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

*Mr Pertti Miettinen was elected as Board member 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.



Marja Pokela

Chief Senior Specialist, Government Ownership Steering Department

b. 1955, BBA, M.Sc. (Adm.)

Member of the Board since 2014

Member of the Audit Committee

Employment history

- Prime Minister's Office, Government Ownership Steering Department (since 2007): Chief Senior Specialist
- Ministry of Transport and Communications (2006–2007): Senior Administrative Officer
- Tax Office for Major Corporations (2001–2006): Tax Inspector
- Hackman Oyj / Designor Oy Ab (1999–2001): Financial Manager
- Marimekko Oyj (1997–1999): CFO
- Valtameri Osakeyhtiö (1988–1997): Financial Manager

Board memberships

- Member of the Board: Tapio Oy



Per Sjödel

Board Professional

b. 1972, B.sc (Econ.)

Member of the Board since 2018

Member of the Personnel Committee

Employment history

- Red City PR (since 2015): Chairman of the Board of Directors
- 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

- Chairman of the Board of Directors: Identity Works AB, Nordic Morning AB and Red City PR Ltd (S.A.R.L)
- Member of the Board of Directors: Abury Collection Ltd (GmbH), Project Soar NGO and TeenZapp Ltd



Arja Talma

Board Professional

b. 1962, M.Sc. (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 Radialinja 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 Oyj

The Board of Directors is responsible for the management of the company and the proper organization of its operations. 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 Annual General Meeting that follows their election. The Annual General Meeting nominates the Chair, Deputy chair and the members of the Board. The Annual General Meeting elected nine members to the Board of Directors in 2018 and nominated Markku Pohjola as the Chair and Suvi-Anne Siimes as the Deputy Chair. The Board of Directors has adopted a written Charter which lays out the Board of Directors' key responsibilities and working principles.

As part of the Board Members' Committee Procedure, the 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 composition of the Board and presents it to the General Meeting of Shareholders for decision. Posti does not currently publish the candidates for the Board on its website as previously described.

The Board evaluates the independence of the members annually, and re-evaluates the independence as necessary. The Board also conducts an annual self-evaluation of its operations and working methods. The

purpose of this evaluation is to assess how the Board has executed its tasks during the year and to identify ways of developing the working practices of the Board 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. Also the candidate's age is considered, as having different seniority levels on the Board is considered beneficial in terms of ensuring complementing viewpoints. Posti's principle with regard

to gender diversity is to have members of both genders represented in the Board.

Posti's Board of Directors consisted of three female members and six male members in 2018, which did not fulfil the requirement set to government owned companies by the Council of State in its Decision in Principle given February 2, 2015. The non-compliance was intended to be temporary only as the pilot regarding the employee's representative at the Board was resolved for a fixed period. Posti and its owners are committed to amend the Board composition in the annual general meeting in 2019 in a manner resulting to a full compliance with the before mentioned Decision in Principle.

Responsibilities

The duties of Posti's Board of Directors are as specified in the Companies Act, the Articles of Association, the Decision-Making Guidelines approved by the Board of Directors and the Board's Charter. The Board is also responsible for considering any matters which do not fall within the scope of the day-to-day administration of the company and have not specifically been appointed to the President and CEO. Accordingly, the Board is responsible among other things for

- Ensuring the functioning of the company's management system;

- Appointing and, if necessary, dismissing the President and CEO;
- Preparation of the matters to be presented for the General Meeting of Shareholders;
- Overseeing the organization of financial supervision within the company;
- Approving the company's strategic goals and risk management principles; and
- Approving the annual and interim financial statements.

Board member meeting participation in 2018

Member	Attendance at Board meetings*
Markku Pohjola (Chair)	17/17
Suvi-Anne Siimes (Deputy Chair)	16/17
Eero Hautaniemi	17/17
Petri Järvinen	17/17
Petri Kokko (until 27 March 2018)	3/3
Frank Marthaler (as from 27 March 2018)	13/14
Pertti Miettinen (as from 27 March 2018)	14/14
Kirsi Nuotto (until 27 March 2018)	3/3
Marja Pokela	17/17
Per Sjödel (as from 27 March 2018)	13/14
Arja Talma	16/17

* In 2018, the number of meetings held by the Board of Directors was seventeen, three of which were held before the Annual General Meeting on March 27, 2018, and fourteen after that meeting.

All Board members other than Marja Pokela, who is in an employment relationship with the Ownership Steering Department of the Prime Minister's Office, are independent of the shareholder, and all Board members are independent of the company based on the Board of Directors' overall evaluation.

The average attendance rate in Board of Directors meetings in 2018 was 87%.

Board's Committees

The Board has appointed two permanent Committees to assist in its work in its constitutive meeting; the Audit Committee and the Personnel Committee. The 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.

Audit Committee

The Board of Directors elects a minimum of three and a maximum of four of its members to the Audit Committee. The members have the qualifications necessary to perform the responsibilities assumed by Committee, the duties of which include:

- the preparation, control, review, and assessment of risk management policies, internal control systems and internal audit;
- organizing financial reporting and auditing;
- examining financial statements with the auditors before submitting them for review to the Board of Directors;
- preparing a proposal concerning the appointment of the auditor;
- assessing the independence of the auditor and the additional services offered by the auditor; and
- internal steering and monitoring the activities both of the Chief Compliance Office and Internal Auditor.

In its meeting of March 23, 2018, the Board of Directors resolved that the members of the Audit Committee are: Arja Talma (Chair), Eero Hautaniemi, Frank Marthaler and Marja Pokela.

Audit Committee meeting participation in 2018

Member	Attendance at Audit Committee meetings*
Arja Talma (Chair)	10/10
Eero Hautaniemi	10/10
Petri Järvinen (until 27 March 2018)	2/2
Frank Marthaler (as from 27 March 2018)	7/8
Marja Pokela	10/10

* In 2018, the number of meetings held by the Audit Committee was ten, two of which were held before the Annual General Meeting on March 27, 2018, and ten after that meeting.

The average attendance rate in Audit Committee meetings in 2018 was 98%.

Personnel Committee

The Board of Directors elects a minimum of three and a maximum of four of its members to the Personnel Committee. The members have the qualifications necessary to perform the responsibilities assumed by the Committee, the duties of which include:

- preparation of decisions concerning the appointments and remuneration of executive management;
- preparation of the outlines for the remuneration, bonus, and incentive schemes and ensuring that they are fair and competitive;
- preparation of the outlines of the group's remuneration, bonus and incentive schemes;
- 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 meeting of March 28, 2018, the Board of Directors decided that the members of the Personnel Committee are: Markku Pohjola (Chair), Petri Järvinen, Suvi-Anne Siimes and Per Sjödel.

Personnel Committee meeting participation in 2018

Member	Attendance at Personnel Committee meetings*
Markku Pohjola (Chair)	8/8
Petri Järvinen (as from 27 March 2018)	6/6
Petri Kokko (until 27 March 2018)	2/2
Kirsi Nuotto (until 27 March 2018)	2/2
Suvi-Anne Siimes	7/8
Per Sjödel (as from 27 March 2018)	6/6

*In 2018, the number of meetings held by the Personnel Committee was eight, two of which were held before the Annual General Meeting on March 27, 2018, and six after that meeting.

The average attendance rate in Personnel Committee meetings in 2018 was 98%.

In 2018, the work of the Board has been assisted, in addition to the Personnel Committee and the Audit Committee, by working groups for certain strategic projects made up of Board members.

5 President and CEO and other executives



Heikki Malinen

President and CEO

b. 1962, M.Sc. (Econ.), MBA

Joined Posti in 2012

Chair of the Executive Board since 2012

Employment history

- Posti Group Corporation (since 2012): President and Chief Executive Officer (CEO)
- Pöyry Plc (2008–2012): President and CEO
- UPM-Kymmene Corporation, Helsinki, Finland (2006–2008): Executive Vice President, Strategy; Member of the UPM Executive Team
- UPM North America, Chicago, USA (2004–2005): President
- UPM North America, Chicago, USA (2002–2003): President of Sales
- Jaakko Pöyry Consulting, New York, USA (2000–2001): Managing Partner
- McKinsey & Co, Atlanta, USA (1997–1999): Engagement Manager
- UPM Paper Divisions, Helsinki, Finland (1994–1996): Director of Business Development

Board memberships

- Member of the Board and Chair of the Audit Committee: Realia Group Oy
- Member of the Board and Remuneration and Nomination Committee member: Outokumpu Plc
- Member of the Board: East Office of Finnish Industries Oy and Service Sector Employers Palta
- Supervisory Member of the Board: Finnish Fair Corporation



Yrjö Eskola

SVP, Postal Services (since 1 January 2019)

b. 1972, M.Sc. (IEM)

Joined Posti in 2013

Member of the Executive Board since 2015

Employment history

- Posti Group Corporation (since 1 January 2019): Senior Vice President, Postal Services¹
- 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



Sari Helander

SVP, Logistics Solutions

b. 1967, M.Sc. (Econ.)

Joined Posti in 2011

Member of the Executive Board since 2011

Employment history

- Posti Group Corporation (since September 2018): Senior Vice President, Logistics Solutions²
- Posti Group Corporation (since 2011–2018): CFO
- Nokia Corporation (2001–2011): Vice President, Business Reporting & Control; various control and financial management positions
- Nokia Networks (1994–2001)
- Helsingin Tilikartta, Interbank, Union Bank of Finland (1986–1992)



Tom Jansson

CFO

b. 1968, Sc. (Econ)

Joined Posti in 2018

Member of the Executive Board since 2018

Employment history

- Posti Group Corporation (since December 2018): CFO³
- Posti Group Corporation (9/2018–12/2018): CFO (interim)
- OpusCapita Solutions Oy (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



Turkka Kuusisto

SVP, Parcel and eCommerce (since 1 January 2019)

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

Joined Posti in 2016

Member of the Executive Board since 2016

Employment history

- Posti Group Corporation (since 1 January 2019): Senior Vice President, Parcel and eCommerce⁴
- Posti Group Corporation (2016–2018): Senior Vice President, Postal Services
- Lindorff Group AB (2015–2016): Executive VicePresident, 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): Management Consultant

Board memberships

- Chair of the Board: Idego Consulting Oy, Irpola Oy

^{1, 2, 3, 4} Posti announced on 27 August 2018 that it will renew its organization and operating model to better correspond to market needs and e-commerce growth. As a result of the changes, Posti Group's business was divided into five business groups, of which three was new.

Starting January 1, 2019, the new business groups are: Postal Services, Parcel & eCommerce and Logistics Solutions.

As part of the renewal, Posti has made new appointments to its business group management. Postal Services, is headed by Yrjö Eskola since January 1, 2019. Parcel & eCommerce is headed since January 1, 2019 by Turkka Kuusisto. Logistics Solutions is headed by Sari Helander since September 1, 2018. Jukka Rosenberg, the Vice President of the previous Parcel and Logistics Services, left his position on September 1, 2018. Also Jani Jolkkonen, SVP, ICT and Digitalization left his position on January 10, 2018.



Jussi Kuutsa

President, Itella Russia

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

Joined Posti in 2017

Member of the Executive Board since 2017

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

SVP, ICT and Digitalization

b. 1968, M.Sc.

Joined Posti in 2018

Member of the Executive Board 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

SVP, Human Resources

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

Joined Posti in 2018

Member of the Executive Board since 2018

Employment history

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



Patrik Sallner

CEO, OpusCapita Solutions Oy
 b. 1970, M.Sc. (Eng.), MBA, MA
 Joined Posti in 2015
 Member of the Executive Board since 2017

Employment history

- OpusCapita Solutions Oy (previously OpusCapita Group Oy) (since 2015): CEO
- MariaDB Corporation (2012–2015): CEO
- F-Secure Corporation (2010–2012): Vice President, Professional Services
- Nokia Corporation (2003–2009): several managerial positions
- McKinsey & Company (1998–2002)
- Nokia (1994–1997)

Board memberships

- Member of the Board: Siili Solutions



Kaarina Ståhlberg

SVP, Legal and M&A
 b. 1966, LL.M. (Helsinki University, Columbia University, NY)
 Joined Posti in 2016
 Member of the Executive Board since 2017

Employment history

- Posti Group Corporation (since 2017-): Senior Vice President, Legal and M&A
- Posti Group Corporation (2016-2017): Vice President, Legal
- Legal advisor, Independent professional (2014–2016)
- Fortum Corporation (2013–2014): General Counsel
- White & Case (2012–2013): Counsel
- Nokia Corporation (2005–2012): Vice President, Assistant General Counsel
- Nokia Corporation (1999–2005): various duties, latest Vice President, Mobile Phones Legal
- 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

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 of the President and CEO's employment relationship.

Heikki Malinen, M.Sc.(Econ.), MBA, has served as President and CEO of Posti since December 11, 2012.

Executive Board

The Posti Executive Board assists the President and CEO in matters relating to business control and development and coordinates Group management. It also prepares matters for consideration of the Board of Directors. The most essential matters considered in the Executive Board are the Group's strategy and annual planning, financial and sales planning and follow-up, business development and other business-related investments.

Executive Board is chaired by the President and CEO.

In addition, Posti also had Management Board until May 2018. The duties of the Management Board consisted of the management, development and follow-up of Group-wide functions and internal services on various levels. The Management Board was not a decision-making body.

The Chief Financial Officer's 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. 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. The Managing Director of Itella Russia is responsible for the group's Russian businesses and operations.

The 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. The Senior Vice President, Human Resources, is responsible for people related processes. General Counsel is responsible for legal matters and M&A Group-wide.

Rewarding

The General Meeting of Shareholders annually decides on the compensations for 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 is published as a separate report released in connection with the Financial Statements and the Board of Directors' Annual Report. The remuneration and other information related to the Corporate Governance Code are available at www.posti.com/corporategovernance.

6 Other Corporate Governance

Internal control

Internal control is an important part of Posti's corporate governance. Posti's Board of Directors, management and other personnel all take part in internal control processes. 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 structures that help to ensure that the Group, Business Groups and Units are achieving their objectives. This is accomplished when

- business operations are run efficiently
- assets are managed responsibly and cost-effectively
- financial reporting is organized reliably
- business conduct is ethical, and in compliance with the laws, regulations and internal policies.

Overall responsibility for arranging internal control lies with the Board of Directors of Posti. The CEO is responsible for creating the control environment and for internal control follow-up. Additionally, the heads of the Business Groups, Units and Corporate Functions are responsible for organizing internal control within their area of responsibility. The operational managers within the organization are managing process risks. In practice majority of risk identification and mitigation is done by this level, and it thus has a great importance when implementing internal control.

The controls are supported by internal monitoring and oversight functions (such as financial control, quality,

risk management, compliance, and legal). 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 integral element of Posti's management and strategy processes. Risk Management in Posti is designed to identify uncertainties that could affect the company and its strategic and operational performance. These events can be either positive or negative in impact.

Risk identification, analysis, and the planning of risk management measures is carried out once a year as part of the Group's strategy process. The status of the risk profile and management measures is, in addition, updated regularly once a year and whenever significant risks are identified or the profiles of major risks undergo material changes. The Group's risk portfolio is compared against the risk-bearing capacity based on a financial model developed within the Group.

Risk management's responsibilities

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. A Risk Champion has been appointed in all business groups, their business units and the most important Group functions. 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. Chief Executive Officer (CEO) and Group 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. Group Executive Board (EB) 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.

Risk management support

Group Finance administers currency and other financial risks in a centralized manner based on financing guidelines confirmed by the Board of Directors and secures the availability of equity financing and debt financing under competitive terms. It supports the business groups in financing-related arrangements and takes care of external funding in a centralized manner. It is also responsible for financial assets management and hedging measures.

The Group's Chief Risk and Security Officer and Corporate Risk Management Unit supports risk management policy implementation, coordinates key risk consolidation and develops risk management tools and operating methods. Group's Chief Risk and Security Officer reports to the General Counsel, who reports to the CEO. The Chief Risk and Security Officer also functionally reports to the CFO in a matrix with regards to Enterprise Risk Management.

The Corporate Risk Management unit supports Group units in the management of operational risks related to corporate security.

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 required by Corporate Governance, 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 CEO 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 in 2018 as Posti's auditor until the next Annual General Meeting, with Authorized Public Accountant Merja Lindh as the principal auditor.

The auditor was remunerated for audit services during 2018 by . In addition, non-audit services were purchased in 2018 with EUR 626.026 from the auditor. In addition, non-audit services were purchased in 2018 with EUR 967.415 from the auditor.

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