



**DNA'S
CORPORATE
GOVERNANCE
STATEMENT 2020**

DNA'S CORPORATE GOVERNANCE STATEMENT 2020

DNA Plc is a Finnish telecommunications Group providing voice, data, and TV services to private customers and corporations. The parent company, DNA Plc, and its subsidiaries form the DNA Group. DNA listed its shares on Nasdaq Helsinki (the Helsinki Stock Exchange) towards the end of 2016. DNA's shares were delisted from Nasdaq Helsinki on 3 February 2020 after the Norwegian telecommunications group Telenor had gained title to all shares in DNA. The company is domiciled in Helsinki, Finland.

DNA complies with its Articles of Association, the rules of procedure of DNA's Board of Directors, the Finnish Limited Liability Companies Act, Accounting Act and Securities Markets Act, and the rules, regulations and instructions issued by Nasdaq Helsinki Ltd and the Finnish Financial Supervisory Authority, as well as other applicable regulations in Finland.

After the delisting of its shares, DNA is not subject to reporting obligations as an issuer of shares as set out in the Finnish Securities Markets Act. DNA is still subject to reporting obligations as an issuer of the senior unsecured fixed rate notes that are due 2025 (ISIN: FI4000312095).

This report describes DNA's corporate governance in 2020 and is published separately from the Board of Directors' annual report.

DNA's governing bodies

DNA's governing bodies comprise the General Meeting, the Board of Directors and the CEO. The Board of Directors and the CEO are responsible for management. The Executive Management Team assists the CEO.

GENERAL MEETING

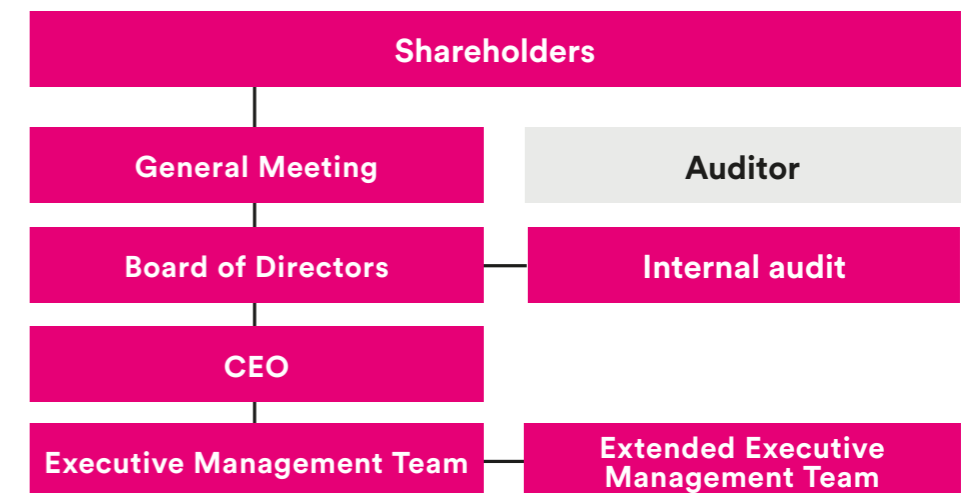
The General Meeting is DNA's highest decision-making body. The Annual General Meeting is held within six months of the end of the financial year, at the time specified by the Board of Directors. According to the Articles of Association, the meeting discusses matters that fall within the scope of its responsibility, and any proposals to the Annual General Meeting. Extraordinary General Meetings can be organised as required. General Meetings are convened by the Board of Directors.

According to DNA's Articles of Association, the responsibilities of the Annual General Meeting includes among other things:

- Adopting the financial statements, which in the parent company also means the consolidated financial statements
- Deciding on the distribution of the profit shown on the balance sheet
- Discharging the members of the Board of Directors and the CEO from liability
- Electing the members of the Board of Directors and deciding on their remuneration
- Electing the auditor and deciding on the auditor's remuneration.

The General Meeting may also make decisions on other matters falling within its competence according to the Finnish Limited Liability Companies Act, such as amending the Articles of Association.

In addition to the Annual General Meeting, Extraordinary General Meetings are convened by the Board of Directors as necessary.



GOVERNANCE

General meeting 2020

DNA Plc's Annual General Meeting was held on 26 March 2020.

The AGM adopted DNA's consolidated financial statements for 2019 and the financial statements of the parent company. The AGM discharged DNA's Board of Directors members and CEO for the financial period 2019 from liability.

As DNA now has only one shareholder, it was decided to dissolve the Shareholders' Nomination Committee established in 2015. The AGM also made minor changes to Articles regarding the composition of the Board of Directors and Notice of General Meeting.

The composition of the Board of Directors was not changed. Jørgen C. Arentz Rostrup was elected Chairman and Fredric Scott Brown, Nils Katla, Tero Ojanperä, Anni Ronkainen, Kirsi Sormunen and Ulrika Steg were elected as members of the Board.

DNA'S BOARD OF DIRECTORS

Operations of the Board of Directors

According to DNA's Articles of Association, the Board of Directors comprises three to seven ordinary members. Members and the Chairman of the Board are elected by the General Meeting.

Duties of the Board

The Board of Director has a duty to promote the interests of the company and its shareholders. The Board of Directors has confirmed a written charter on the duties of the Board of Directors, matters to be addressed, meeting practices, and the decision-making process. According to the charter, the Board of Directors discusses and decides on matters of significance to the DNA Group's finances, business or principles. The company's Senior Vice President, Legal Affairs serves as secretary to the Board of Directors.

Board of Directors in 2020

DNA's Annual General Meeting of 26 March 2020 did not change the composition of the Board. During 2020, Jørgen C. Arentz Rostrup was the Chairman and members were Anni Ronkainen, Kirsi Sormunen, Tero Ojanperä, Ulrika Steg, Fredric Scott Brown and Nils Katla.

The Board convened eight times in 2020.

Board committees

From 1 January to 26 March 2020, the work of the Board of Directors was supported by the Audit Committee and Personnel Committee.

The Audit Committee comprised of Kirsi Sormunen (Chair), Tero Ojanperä and Nils Katla.

The Personnel Committee comprised of Jørgen C. Arentz Rostrup (Chair), Anni Ronkainen and Ulrika Steg.

The Board of Directors did not elect committees after the Annual General Meeting of 26 March 2020. The Audit Committee convened once before the AGM.

GOVERNANCE

BOARD OF DIRECTORS AT THE END OF 2020



**JØRGEN C.
ARENZT ROSTRUP**

Born 1966

M. Sc. (Econ.)

Telenor ASA, Head of Asia and Executive Vice President

Chairman of the Board of Directors since 31 October 2019. Independent of the company, not independent of major shareholders.



**ULRIKA
STEG**

Born 1968

M. Sc. (Tech.)

CMO, Business Segment, Telenor Sweden

Member of DNA's Board of Directors since 31 October 2019. Independent of the company, not independent of major shareholders.



**FREDRIC SCOTT
BROWN**

Born 1963

M. Sc., MBA

Telenor Norway AS, CMO and Head of Mobile

Member of DNA's Board of Directors since 31 October 2019. Independent of the company, not independent of major shareholders.



**NILS
KATLA**

Born 1966

M. Sc. (Tech.), MBA

Telenor ASA, Vice President, M&A

Member of DNA's Board of Directors since 31 October 2019. Independent of the company, not independent of major shareholders.



**TERO
OJANPERÄ**

Born 1966

PhD, Electrical Engineering

Silo AI Oy, Chairman of the Board of Directors and Co-Founder

Member of DNA's Board of Directors since 2014. Independent of the company and major shareholders.



**ANNI
RONKAINEN**

Born 1966

M.Sc. (Econ.)

Kesko Plc, Chief Digital Officer

Member of DNA's Board of Directors since 2019. Independent of the company and major shareholders.



**KIRSI
SORMUNEN**

Born 1957

M.Sc. (Econ.)

Member of DNA's Board of Directors since 2014.

Independent of the company and major shareholders.

More detailed CVs of the members of the Board of Directors are available at <https://corporate.dna.fi/company/board-of-directors>.

GOVERNANCE

THE CEO AND THE EXECUTIVE MANAGEMENT TEAM

The CEO is nominated and overseen by the Board of Directors. The terms of the CEO's employment are specified in a written CEO agreement, which is approved by the Board of Directors.

The duties of DNA's CEO are determined in accordance with the Limited Liability Companies Act.

DNA's Executive Management Team comprises of the CEO, Senior Vice Presidents of the Group's business segments, the CFO, Senior Vice Presidents for Technology, Legal Affairs, Human Resources, and Strategy, and the CIO. The CEO is the Chair of the Group Executive Management Team. Members of the Executive Management Team are nominated by the Board of Directors.

Duties of the CEO and the Executive Management Team

- The CEO is responsible for ensuring that the company's accounts comply with the law and that its financial affairs have been arranged in a reliable manner.
- The CEO manages the daily operations of the company according to the strategic principles and goals approved by the Board and the operational plans and general principles confirmed by the Board of Directors (general competence).
- The CEO prepares proposals for resolutions and matters for Board meetings and presents them to the Board.
- The CEO prepares the proposal for Executive Management Team members to the Board.
- The CEO exercises the owner's right to speak and vote within subsidiaries and chairs DNA's Executive Management Team and Extended Executive Management Team.

Jukka Leinonen has been DNA's CEO since 2013. The CEO does not have an employment contract with the company, and the CEO is not the company's employee. In addition to his responsibilities as the CEO of DNA, Jukka Leinonen has acted as the head of DNA parent company Telenor Group's Nordic Cluster and a member of Telenor's Group Executive Management since November 2019.

Extended Executive Management Team 2020

Personnel representatives attend meetings of the Extended Executive Management Team, which meets at least once per quarter. The Extended Executive Management Team decides on important matters pertaining to DNA's business, finances, and the position of personnel, as well as business reviews, operative reviews, support unit reviews and personnel representatives' reviews.

The personnel representatives in the Extended Executive Management Team in 2020 were Tarja Koivisto, representing office personnel, Teemu Kaski, representing professional and managerial personnel, Jorma Airaksinen, representing the employees, and Eero Utriainen, the labour protection delegate. The Extended Executive Management Team convened five times in 2020.

Change in Executive Management Team in 2021

Maria Strömberg, M.Sc. (Econ.) (born 1968) was appointed Chief Financial Officer (CFO) and member of the Executive Management Team of DNA Plc as of 1 February 2021. She moved to the position from within DNA from the position of Director of Accounting & Corporate Control. Strömberg has worked most of her career in the telecom industry and has been with DNA continuously since 2007. Strömberg succeeded Timo Karppinen, who served as DNA's CFO until the end of January 2021.

CEO



JUKKA LEINONEN

CEO

With DNA since 2010

Born 1962

M.Sc. (Tech.)

GOVERNANCE

MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM AT THE END OF 2020



**TIMO
KARPPINEN***

Chief Financial
Officer

With DNA since 2012

Born 1964

M.Sc. (Pol. Sc.)



**PEKKA
VÄISÄNEN**

Senior Vice President,
Consumer Business

With DNA 2003–
2006 and again since
2007

Born 1966

M.Sc. (Econ.)



**OLLI
SIRKKA**

Senior Vice President,
Corporate Business

With DNA since 2019

Born 1972

M.Sc. (Tech.)



**TOMMY
OLENIUS**

Senior Vice President,
Technology

With DNA since 2003

Born 1962

Engineer



**ASTA
RANTANEN**

Senior Vice President,
Legal Affairs

With DNA since 2003

Born 1962

LL.M.



**CHRISTOFFER VON
SCHANTZ**

Senior Vice President,
Strategy

With DNA since 2013

Born 1973

M.Sc. (Tech.)



**MARKO
RISSANEN**

Senior Vice President,
Human Resources

With DNA since 2003

Born 1974

Vocational
Qualification
in Business and
Administration



**JANNE
AALTO**

CIO

With DNA since 2014

Born 1965

MBA, Business
College Graduate,
Information
Technology

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More detailed CVs of the members of the Executive Management Team are available at <https://corporate.dna.fi/company/executiveteam>.

GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROL

The purpose of internal control is to ensure that the company's operations comply with applicable laws and regulations, as well as the operating principles, and that financial and operational reporting is reliable.

DNA strives to ensure that its internal control and risk management systems are reliable and appropriate in relation to the scope and nature of its operations. The purpose of internal control and risk management procedures is to ensure the efficiency and effectiveness of the company's business, as well as the reliability of information, prevent malpractice and ensure compliance with all applicable laws, regulations and operating principles, as well as to identify, assess and monitor risks related to the business.

Key features of risk management and internal control related to the financial reporting process

DNA's business segments are Consumer and Corporate Business. The company's financial reporting is based on the financial information of each unit on the profitability of their respected businesses, combined with segment and Group-level information.

Setting and monitoring financial targets forms an essential part of DNA's management. Near-term financial goals are specified during annual planning.

Internal control of financial reporting aims to ensure that the company management has up-to-date, adequate, essential and accurate data at its disposal to perform its duties and that the reports published by the company provide essential and accurate information on the financial position of the company.

Financial management is headed by the Group CFO, who is responsible for the accuracy of the Group's financial reporting. Internal control reviews and monitors the operation of the reporting process and assesses the reliability of financial reporting. Management of financing and financial risks is one of the responsibilities of the Group's financial management. The Group applies the International Financial Reporting Standards (IFRS).

Monitoring and oversight

DNA earnings are monitored in monthly reporting, which is reviewed by the company's Executive Management Team. Financial Statements Bulletin and Half-Year Financial Report are reviewed by Board of Directors. DNA also reports monthly to the parent company of the Telenor Group, Telenor ASA.

Purpose and objectives of risk management

The purpose of risk management at DNA is to identify, assess and process all major foreseeable risks in an effective, proactive and appropriate manner.

Risk refers to events or circumstances which, if they materialise, could affect DNA's ability to achieve its strategic targets or the operative targets derived from them. If they materialise, risk factors could affect the Group's ability to achieve its strategic and operational goals.

The identification and management of risk factors takes into account the special characteristics of DNA's business and operational environment.

Risk management process

As part of Telenor, DNA's risk management process is largely based on the ISO 31000 standard. The process is ongoing and continuous and is used throughout Telenor.

Monitoring, oversight and reporting

Risk management reporting is integrated into the internal reporting of each business unit as well as their reporting to the Telenor Group. Identified risks and responses are to be monitored, and Telenor must monitor both internal and external developments and conditions which may have an impact on the risk landscape.

Main areas of monitoring, oversight and reporting:

- Monitoring any events and circumstances that could have an impact on the risk landscape
- Monitoring the status of identified risks and actions
- Reporting on the risk landscape to Group management.

Key risk management roles

Role of the Board of Directors of Telenor ASA

The Board of Directors of Telenor ASA monitors and guides Telenor's executive management by evaluating the acceptable level of risk and keeping up to date in terms of main risks. The Board evaluates whether Telenor's executive management has acted appropriately (in relation to the specified acceptable risk level) and provides feedback on this to the executive management.

Role of Telenor Group's CEO

Telenor Group's CEO (President and Chief Executive Officer) is responsible for Telenor's risk management by:

- Ensuring that the organisation's risk culture is positive ("tone at the top")
- Deciding on Telenor's main risk landscape and appropriate actions based on the feedback from business units and Group companies as well as Group functions
- Presenting the Group-wide risk framework to the Board of Directors twice a year with the Group Risk Forum and, when necessary, escalating decisions on risk management to the Board of Directors.

The role of the Group Enterprise Risk Management

Telenor's Group Enterprise Risk Management has a Telenor group-wide focus. Telenor's Group Enterprise Risk Management develops, implements and maintains an advanced risk management framework, process and system throughout Telenor.

Roles of Group functions

Group functions with an overseeing responsibility for the enterprise-wide risk picture within their subject matter expert area (e.g., security, safety, regulatory, legal, tax) support the Business Units in identifying and assessing risks for those areas.

GOVERNANCE

The role of DNA's CEO

DNA's CEO has the ownership responsibility for the DNA's risk management:

- Ensures the presence of a positive risk culture within the Business Unit ("tone at the top")
- Provides leadership and direction to the management and monitors DNA's overall risk activities in relation to Telenor's risk appetite
- Decide DNA's top risks and appropriate actions based on inputs from management, the DNA's risk manager and subject matter experts
- Report DNA's top risk picture to Group quarterly through the Quarterly Financial Review process

The role of DNA's risk manager

The responsibilities of DNA's risk manager include raising awareness of risks, participating in discussions about risks and keeping the risk register up to date. DNA's risk manager is a member of the risk community headed by the Telenor's Group Enterprise Risk Management and contributes to the further development of DNA's risk community.

Principles of internal control

Internal control is a process approved by DNA's Board of Directors to enhance risk management in DNA Group regarding risks that threaten the company's goals and business. A further objective is to identify, analyse, and monitor business-related risks. The Board of Directors has confirmed the principles of internal control, which are based on recognised international principles of good internal control.

The CEO and the Board of Directors are responsible for DNA's internal control and for ensuring that it is appropriate in relation to operational risks.

The company has a separate compliance programme related to competition law.

Internal audit

The Group's internal audit supports the CEO, the Board of Directors, and the operative management in their control-related duties. Internal audit has been established by Telenor's Board of Directors, and the functions and principles of the company's internal audit have been defined in the Internal Audit Charter confirmed by Telenor's Board of Directors. Internal audit's sphere of duties covers the DNA Group.

Internal audit is independent of the Group companies and their management. Governance of internal audit is the responsibility of the Senior Vice President, Legal Affairs, who is a member of the Executive Management Team. Internal audit has direct and unlimited access to the senior management and Board of Directors of the company, and issues regular reports to the Board. Internal audit carries out its duties in accordance with an operational plan approved by the Board of Directors. When required, internal audit performs additional checks at its own initiative or that of the Board of Directors. Internal audit communicates with DNA Group's Board of Directors and external audit to ensure the efficient coordination of auditing activities.

Internal audit reports on the results of the audit to the management of the audited business area, the CEO, the Executive Management Team and the Board of Directors. The Board of Directors confirms decisions on the appointment and dismissal of the person in charge of internal auditing.

Internal audit complies with the international standards for the professional practice of internal auditing and the ethical principles and practical instructions of the Institute of Internal Auditors (IIA) in its work.

AUDITING OF THE ACCOUNTS

The company's financial period is the calendar year. Under the Articles of Association, the company has one auditor, who is nominated by the Annual General Meeting. The auditor must be an audit firm, and the principal auditor must be an Authorised Public Accountant. The auditor is elected at the General Meeting for a term of one financial period covering the year of election. The auditor's mandate expires at the end of the following Annual General Meeting. The auditor shall present the company's shareholders with an auditors' report as part of the financial statements as required by law. The auditor reports regularly to the Audit Committee and the Board of Directors.

Auditing of the Accounts in 2020

In 2020, DNA's auditor was Ernst & Young Oy, with Terhi Mäkinen, Authorised Public Accountant, acting as the principal auditor.