

Corporate Governance in 2009

General Meeting

The AGM was held in Helsinki on 27 March 2009.

Under the Articles of Association of Talentum Oyj, a shareholder may exercise total votes representing a maximum of 1/6 of the company's total shares at the General Meeting. If subsidiaries or companies in the same group and/or the pension foundation or pension fund of such companies jointly own shares representing more than 1/6 of the total votes, the number of votes that can be exercised at a General Meeting by virtue of these shares is limited to a maximum of 1/6 of the total votes.

The Board of Directors

The AGM elected 6 members to the Board of Directors with of these one to be Chairman and one to be Deputy Chairman. The Chairman of the Board is Tuomo Saarinen, the Deputy Chairman is Manne Airaksinen, and the other members of the Board are Harri Kainulainen, Eero Lehti, Atte Palomäki and Merja Strengell.

Meetings of the Board of Directors

In 2009, the Board of Directors convened 14 times with an average attendance rate of 89 per cent.

Board of Directors: fees

The Annual General Meeting confirms the remuneration paid to the Board of Directors. The Board's monthly fees decided at the AGM on 27 March 2009 are as follows: Chairman EUR 4,000, Deputy Chairman EUR 2,500 and members EUR 2,000.

Chief Executive Officer

Talentum Oyj's CEO is Juha Blomster.

Terms and conditions of the CEO's contract of employment

The CEO has a written executive agreement the terms and conditions of which have been approved by the Board. Under his contract, CEO Juha Blomster has the right to retire at the age of 60. His pension will be 60 per cent of his salary. Juha Blomster's notice to terminate the agreement is six months. If the employment is terminated through no fault of the CEO, he will receive severance pay equal to nine months' salary in addition to the pay due to cover the normal period of notice.

Group Executive Management

The Chairman of the Group Executive Management is the CEO. In 2009, in addition to Juha Blomster, the Group Executive Management consisted of Christer Björkin (until 31 Dec 2009), Hanna Kivelä (until 1 Dec 2009), Kaisa Kokkonen, Mika Malin, Ulla Martola (from 1 Aug 2009), Lasse Rosengren, Pekka Seppänen (until 29 Feb 2009) and Axel Östergren (until 31 Dec 2009).

The duties of the Group Executive Management include ensuring implementation of the strategy, monitoring financial performance, annual planning, corporate restructuring and other significant matters. In addition, the Group Executive Management deals with financing and investments as well as communications. The Group Executive Management generally meets once a month.

Salary and bonuses paid to the CEO and other members of the Group Executive Management

The Board of Directors approves the CEO's salary and that of those reporting directly to him, including annual bonuses and the management bonus scheme. The Group Executive Management decides the salary level and bonuses of line management, comprising around 25 people. The pay levels in the Group are monitored through a system where each manager's superior approves the terms and conditions of the contracts of employment of that manager's subordinates.

Talentum Oyj's CEO received a total of EUR 306 thousand in salary payments, bonuses and benefits in 2009. The rest of the Group's management together received a total of EUR 1,068 thousand in salaries, bonuses and benefits in 2009.

Management's share-based incentive scheme

Talentum Oyj operates a share-based incentive system for corporate management. The scheme consists of three earnings periods, each comprising at least one and no more than three financial periods. The first earnings period was the 2007 financial year, the second was the 2008 financial year, and the final earnings period of the scheme was the 2009 financial year. The total length of the scheme is five years. The bonuses will be paid partly in the Company's shares and partly in cash after the end of each earnings period. The share paid in cash will cover any taxes and other such costs arising from the bonus. Transferring the shares earned within two years of the end of the earnings period is prohibited. However, after this, the CEO of the Company must retain one half of the shares earned by him under the scheme until the termination of his employment contract and for one year after its termination.

Eleven people were covered by the scheme for the 2009 earnings period. The targets for 2009 were based on the consolidated operating profit as well as the overall yield for Talentum's shares. No shares were issued in respect of the 2008 and 2009 earnings periods. Initially, it was possible to earn 493,500 shares in the scheme, of which 74,970 have been issued for 2007.

Auditing

The Annual General Meeting elects an APA (Authorised Public Accountant) auditor annually. The auditor is PricewaterhouseCoopers Oy, with Authorized Public Accountant Juha Wahlroos (born 1956) acting as accountable auditor.

Auditor's fees

In 2009, the auditor was paid EUR 94 thousand for the audit plus the sum of EUR 36 thousand for additional services not relating to the audit.

Insiders

Details of the share ownership of those regarded as insiders at Talentum Oyj and obliged to give notification can be found at the company's website www.talentum.fi, where the information is updated from the NetSire system maintained by Euroclear Finland Oy.

In 2009, the following remunerations were paid to members of the Board:

Airaksinen Manne	EUR 30,000
Kainulainen Harri	EUR 24,000
Lahti Eero	EUR 24,000
Mäkelä Kai (until 27 March 2009)	EUR 6,000
Palomäki Atte	EUR 24,000
Saarinen Tuomo	EUR 48,000
Strengell Merja (from 27 March 2009)	EUR 18,000
Total	EUR 174,000

Details of the share ownership of those regarded as being insiders at Talentum Oyj and obliged to give notification 1 Jan–31 Dec 2009

	Total number of shares at 31 Dec 2009	Change: 1 Jan– 31 Dec 2009
Blomster Juha	17,850	-
Rosengren Lasse	10,710	-
Lehti Eero, and Suomen Lehtiyhtymä Oy, which is 95 per cent owned by him and his family	32,062	-

Others considered as persons subject to the insider declaration requirement held no Talentum shares at 31 December 2009.