

CORPORATE
GOVERNANCE
STATEMENT

2015



Corporate governance statement

In the 2015 financial period, Talentum Oyj (hereinafter also referred to as "Talentum") observed the Corporate Governance Code of Finnish listed companies, which was published by the Finnish Securities Market Association and came into effect on 1 October 2010, in accordance with the Comply or Explain principle. Furthermore, the company is administered in compliance with Finnish legislation, the company's Articles of Association and Nasdaq Helsinki Ltd's rules and guidelines. This corporate governance statement has been drawn up in accordance with recommendation 54 of the Corporate Governance Code of Finnish listed companies.

Alma Media implemented an exchange of Talentum Oyj's shares in accordance with the terms of an exchange offer and Talentum Oyj became a subsidiary of Alma Media at the end of the year.

Following a corporate reorganisation in November 2015, Talentum deviates from the recommendations of the Code of Governance in the following regards:

- In derogation from recommendation 14 of the Code of Governance, all four members of the Board of Directors are non-independent of the company's majority shareholder, Alma Media. Alma Media owns approximately 95 per cent of Talentum.

The Group's Board of Directors has processed the statement. The statement was published on 25 February 2016 in conjunction with the review of the Board of Directors on Talentum's website at www.talentum.com.

The recommendation of the Corporate Governance Code is available on the Finnish Securities Market Association's website at www.cgfinland.fi.

Governing bodies

Talentum's governing bodies are the General Meeting, the Board of Directors and the CEO.

Key people in Talentum's management are the members of the Board, the CEO and the members of the Executive Management.

General Meeting

The General Meeting, in which the shareholders take part in the steering and supervision of a company, is the highest decision-making body of a limited liability company. It decides on the matters that, under the company's Articles of Association and the Finnish Limited Liability Companies Act, fall within its competence, such as:

- Approving the financial statements
- Distributing dividends
- Granting exemption from liability to the CEO and members of the Board of Directors
- Electing the members of the Board of Directors
- Electing the auditor
- Fees to be paid to the auditor and the members of the Board of Directors

The Annual General Meeting shall be held once a year by the end of June. The Board of Directors convenes the General Meeting by publishing a notice in one national newspaper or on the company's website no more than three months and no less than three weeks before the date of the Meeting. At the latest, however, the notice is published nine days before the date of the Annual Meeting. The total number of shares and votes on the date of the invitation, the documents to be presented at the General Meeting, any proposal of the Board of Directors or other bodies with

power of decision and any matter included in the agenda of the General Meeting that does not require a decision shall also be available on the website. The minutes of the General Meeting and the related notes shall be available on the company's website within two weeks of the General Meeting.

An Extraordinary General Meeting can be held whenever the Board of Directors deems it necessary or when otherwise required by law.

Under the Articles of Association of Talentum Oyj as applicable in 2015, a shareholder may exercise total votes representing a maximum of one sixth 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 one sixth 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 one sixth of the total votes. The Extraordinary General Meeting held on 15 December 2015 decided to remove this clause from the Articles of Association.

Board of Directors

Charter

The activities of the Board of Directors are regulated by the Finnish Companies' Act, Talentum Oyj's Articles of Association, the decisions of the General Meetings, legislation concerning bookkeeping and securities markets, and Nasdaq Helsinki Ltd's rules.

The Board of Directors has a Charter that can be updated and amended as required. The following are the main points of the Charter. The company's Board of Directors, which consists of 3 to 8 ordinary members, is responsible for the company's administration and the appropriate organisation of its operations. According to the Articles of Association, the members, Chairman and Deputy Chairman of the Board of Directors are elected at the General Meeting for a term of one year.

The general duty of the Board of Directors is to steer the Group's operations so that it can generate maximum added value for the shareholders in terms of future cash flows. The key duties of the Board of Directors include:

- Appointing and removing the CEO and deciding upon his/her service terms and conditions
- Approving the key operating policies and values
- Approving the strategy and the annual budget and supervising their implementation
- Approving all of the company's major acquisitions and investments and making other decisions of particular significance
- Approving the interim reports and financial statements
- Approving the dividend policy and presenting dividend payment proposals to the General Meeting
- Monitoring the implementation of internal audits, internal control and risk management
- Handling the matters brought to the attention of the Board of Directors by the CEO and the Chairman of the Board or handling matters that belong to the area of responsibility of the Board in accordance with the Finnish Limited Liability Companies Act, other provisions or the Articles of Associations
- Monitoring the statutory audit of the financial statements and consolidated financial statements
- Assessing the impartiality of the statutory auditor and especially the provision of ancillary services to the company
- Proposing the nomination of an auditor

In accordance with the Charter of the Board of Directors, the Chairman of the Board organises the meetings of the Board together with the CEO, is responsible for planning and assessing the operations of the Board and liaises with the CEO and other stakeholders as needed.

In accordance with the Charter of the Board of Directors, the Board convenes an average of eight (8) times a year. The Board of Directors has a quorum only if more than half of the Board members are present.

Members of the Board of Directors

The members of the Board of Directors are elected at the Annual General Meeting for a term of one year at a time.

All Board members must be qualified for the task and able to devote a sufficient amount of time to Board work.

Committees

The Board of Directors has no separate committees. The Board of Directors has determined that, in view of the size and control systems of the Group and the extent of its operations, there is no need for separate committees. The Board as a whole is responsible for the duties of the committees.

Assessment of operations

The Board of Directors assesses its operations and those of the CEO once a year. The Board of Directors assesses the impartiality of its members at least once a year or whenever necessary and ensures that legal competences are always assessed in the appropriate manner.

Chief Executive Officer

The CEO is in charge of the company's day-to-day management in accordance with the instructions issued by the Board of Directors. The CEO is appointed and dismissed by the Board of Directors. The Board of Directors appoints a Deputy CEO as needed. The Board of Directors approves the executive contract of the CEO at its meeting.

Group Executive Management

The CEO appoints the members of the Group Executive Management and acts as its chairman. The Group Executive Management meets at least twice a month under the chairmanship of the CEO to discuss such matters as Group strategy, risk management and internal control, business plans, result monitoring, corporate restructuring and other important operational matters.

Internal control

The general principles governing internal control in the Group have been approved by the Board of Directors. The aim of internal control is to ensure that the Group can operate efficiently and profitably and that the information supplied is reliable. The control system helps to ensure that the operating principles and guidelines are adhered to.

The Group's management and other supervisory staff must, through their actions, ensure that internal control functions well. The Group's financial organisation provides them with the necessary support by issuing guidelines and by ensuring that they are observed. The financial development of

the Group is monitored on a monthly basis using a steering system that covers the entire Group, listing the monthly figures, business reports and forecasts for the current year.

Risk management principles

The aim of risk management is to identify, analyse and manage potential business-related risks to safeguard the continuity of the Group's operations and maximise the value of its shares. Risk management is carried out each year in connection with the Group's strategy process by determining the most important risks to the Group. The Board of Directors discusses the strategy and risk summary annually, typically in the autumn. The principles governing capital and risk management are presented in the annual report each year.

The company's risks are classified into seven categories: capital management, operating, product and personnel risks as well as legal, financial and accident risks. The Board of Directors is regularly informed about the risks.

Organisation of the internal audit function

The company does not have a separate organisation for internal audits as it has not been considered necessary in view of the size of the Group and the extent of its business operations. Internal control and guidelines help to ensure that there is no need for a separate internal audit organisation. External auditors are involved in reviewing the Group's control system as part of the audit plan drawn up each year. Furthermore, the company's external auditors, selected by the Board of Directors, carry out a more comprehensive annual audit of separately selected items. In this respect, the external auditors report directly to the Board of Directors. The Group also makes use of other external resources as needed.

Main features of internal control and risk management related to financial reporting

The aim of internal control in financial reporting is to ensure that the operations of the Group's finance functions are efficient and profitable and that regulations are followed in every country the Group operates in. An additional aim is that financial reporting is high-quality, timely, accurate and intelligible. Internal control in financial reporting includes operations consistent with the Group's values, as well as processes, operating policies, practices, schedules and organisational structures. Risks relating to financial reporting are continuously analysed, and the Group's financial management have principal responsibility for risk management. The most important finance functions in the Group are based in Finland and Sweden. The Group's finance functions strive for centralised operations and consistent procedures. The Group's financing and related risk management are handled centrally in Finland. The finance functions operate in close collaboration with the rest of the organisation.

The IFRS accounting principles are followed throughout the Group, and they are described in the Group's accounting handbook. The results of Group companies are monitored via monthly reporting. Monthly reporting is based on consistent reporting models and the use of common systems throughout the Group. Members of the companies' financial management verify the reported results and regularly comment on deviations of the results from budgeted and comparison figures. In addition, the Group's finance function, in collaboration with the finance departments, determines other controls that ensure the accuracy and effectiveness of the financial reporting process. These include various approval rights, reports, analyses, records and usage rights of financial management systems.

Insider administration

As regards insider issues, Talentum follows the standards of the Financial Supervisory Authority, the insider guidelines of Nasdaq Helsinki Ltd and other applicable legislation.

In accordance with legislation, the company's public insiders include the following:

- The members and deputy members of the Board of Directors
- The Chief Executive Officer
- The auditors and the auditor with principal responsibility at the audit firm
- The most important personnel from the company's executive management holding positions of responsibility in the business areas

The company also has a company-specific insider register listing people who regularly obtain inside information in their work. In addition, Talentum may keep project-specific insider registers.

The insider guidelines forbid the company's insiders, their related parties, people under their guardianship and companies where they have control or considerable influence from trading in securities of the company for a period of three weeks (silent period) prior to the publication of interim reports and financial statements. People belonging to separately designated, project-specific insider registers must not trade in securities of the company before completing the project in question.

The company's lawyer is in charge of guiding and supervising the company's insider issues and, if necessary, maintains project-specific insider registers. Talentum Oyj's insider register is maintained by Euroclear Finland Ltd (formerly known as Finnish Central Securities Depository Ltd). The insiders' up-to-date shareholdings are available at Euroclear Finland Ltd's customer service point in Helsinki (address: Urho Kekkosen katu 5 C).

Provision of information

The principal information concerning the company's administration and investor relations appears on Talentum's website. After their publication, the company's information bulletins and the main presentation material provided by the Executive Management are available on the company's website at www.talentum.com.

Corporate Governance in 2015

General Meetings

The Annual General Meeting was held on 27 March 2015. An Extraordinary General Meeting was held on 15 December 2015.

Board of Directors

On 27 March 2015, the Annual General Meeting elected 5 members to the Board of Directors, one of whom was elected Chairman of the Board and one Deputy Chairman.

Kai Telanne was elected as Chairman of the Board, Henri Österlund was elected as Deputy Chairman, and the other members of the Board were Joachim Berner, Atte Palomäki and Mitti Storckovius.

The majority of the aforementioned members of the Board, namely Joachim Berner, Atte Palomäki and Mitti Storckovius, were independent of both the company and its major shareholders. Kai

Telanne, Chairman of the Board, and Henri Österlund, Deputy Chairman, were not independent. As the CEO of Alma Media Oyj, Talentum Oyj's largest shareholding company, Kai Telanne is not independent of major shareholders. As the CEO of Accendo Capital Partners Oy, Talentum Oyj's second-largest shareholder, Henri Österlund was not independent of major shareholders.

The Extraordinary General Meeting on 15 December 2015 elected four members to the Board of Directors. The Chairman of the Board is Kai Telanne, the Deputy Chairman is Mikko Korttila, and the other members of the Board are Juha-Petri Loimovuori and Juha Nuutinen.

All of the members of the Board of Directors are non-independent of major shareholders as they are all employed by one of the major shareholders, Alma Media Oyj or Kauppalehti Oy.

In 2015, the Board of Directors convened 17 times with an average attendance rate of 98 per cent.

Members of the Board of Directors

Kai Telanne

Chairman, member of the Board of Directors since 2010

Kai Telanne was born in 1964 and holds a Master of Science degree in economics. Telanne's primary employment is as CEO of Alma Media Oyj.

Mikko Korttila

Deputy Chairman, member of the Board of Directors since 2015

Mikko Korttila holds a Bachelor's degree in law, with legal training on the bench, as well as an eMBA degree. Korttila's primary employment is as General Counsel for Alma Media Oyj.

Juha-Petri Loimovuori

Member of the Board of Directors since 2015

Juha-Petri Loimovuori was born in 1964 and holds a Master of Science degree in economics. Loimovuori's primary employment is as Director of the Financial Media and Corporate Services segment at Alma Media Oyj and as CEO of Kauppalehti Oy.

Juha Nuutinen

Member of the Board of Directors since 2015

Juha Nuutinen was born in 1972 and holds a Master of Science degree in economics. Nuutinen's primary employment is as CFO of Alma Media Oyj.

Chief Executive Officer

The company's CEO in 2015 was Aarne Aktan. Aarne Aktan was born in 1973 and holds a Bachelor of Science degree in economics. Member of Talentum Oyj's Executive Management since 2011.

Group Executive Management

The Executive Management consisted of the CEO and Director responsible for Magazine Business Sweden, Aarne Aktan (Chairman); the Deputy CEO, General Counsel and Director responsible for the Book and Legal Training Business, Lasse Rosengren; the CFO, Niclas Köhler; the Director responsible for Magazine Business Finland, Tuomas Hämäläinen; and the Director responsible for the Events Business, Tapio Teppo.

Auditing

On 27 March 2015, the Annual General Meeting elected Authorised Public Accountants PricewaterhouseCoopers Oy as auditor, with Samuli Perälä, Authorised Public Accountant (born 1974), acting as the accountable auditor.

Shareholding of management and governing bodies

On 31 December 2015, the number of Talentum Oyj shares and options owned by members of the Board of Directors and the CEO, personally or through companies in which they have a controlling interest, was 0.

No Talentum Oyj shares were held by the Executive Management on 31 December 2015.

Talentum's corporate governance statement is available in full at www.talentum.com.