



**CORPORATE
GOVERNANCE
STATEMENT
2018**

CORPORATE GOVERNANCE AND LEGAL STRUCTURE

Delete Group Oyj is a public limited company registered in Finland. Delete Group has issued secured senior notes which are listed on Nasdaq Helsinki Ltd's stock exchange.

In its decision making and administration, Delete Group Oyj applies the Finnish Companies Act (624/2006, as amended), Finnish Securities Markets Act (746/2012, as amended) as well as rules and guidelines of Nasdaq Helsinki Ltd. Delete Group Oyj primarily follows the Finnish Corporate Governance Code 2015 (available at www.cgfinland.fi/en), with few exceptions due to its ownership structure. These exceptions relate to, among others, rules

regarding annual general meetings and the composition of the board.

Pursuant to the provisions of the Finnish Companies Act and the Issuer's articles of association, responsibility for the control and management of the Issuer is divided between the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO). Shareholders participate in the control and management of the Issuer through resolutions passed at General Meetings of Shareholders.

The Delete Group's parent company Delete Group Oyj fully owns Ax DEL 2 Oy which, in turn, fully owns Delete Oy, the parent company of the opera-

ting subsidiaries of the Delete Group. Delete Oy has twelve subsidiaries and the subsidiaries are mainly operated through the two national entities Delete Finland Oy and Delete Sweden AB.

Delete Group Oyj's share capital consist of 10 858 595 P-shares and 3 089 649 C-shares. All of the shares have one vote each. Ax DEL Oy owns 85% of the shares. 15% of the shares are owned by key employees of the company (including the Board of Directors and Group Management) and certain other minority shareholders.

The following chart (page 3) sets forth the legal structure of the Delete Group on December 31st, 2018.

GENERAL MEETING

Delete Group Oyj follows the Finnish Corporate Governance Code 2015, with few exceptions due to its ownerships structure. The minority shareholders of the company have authorized Ax DEL Oy to make decisions at the general meeting.

According to Delete Group Oyj's articles of association, the General Meeting of Shareholders is held once a year, within six (6) months of the end of the previous financial year. Extraordinary General Meetings are convened when considered necessary by the Board of Directors or when required by the law.

The Board of Directors convenes the General Meeting of Shareholders and decides on the date and venue of the meeting.

The invitation to the General Meeting of Shareholders must be sent to each shareholder registered in the company's share and shareholder registers at the address entered in the registers, either by post or otherwise in writing at the earliest one (1) month and no later than one (1) week prior to the General Meeting of Shareholders.

BOARD OF DIRECTORS

Tasks, composition and election of BoD members

The Board of Directors supervises the Issuer's operations and management, deciding on signi-

ficant matters concerning the company strategy, investments, organization and finance.

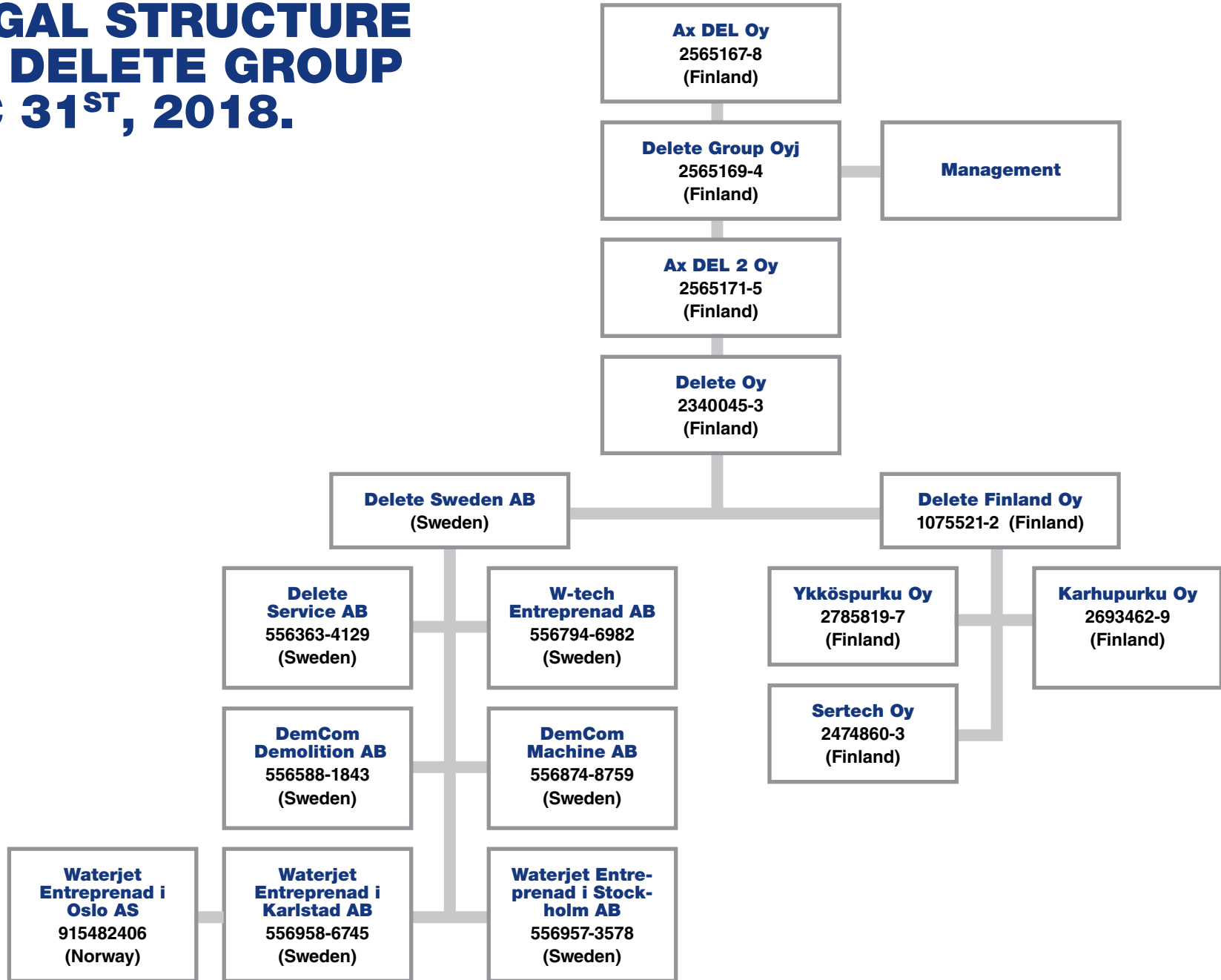
The company's Board of Directors comprises of three to seven (3–7) members. A chairperson must be elected for the Board.

Members of the Board are elected by the General Meeting of Shareholders. The members are elected for an indefinite term.

Diversity of the Board of Directors

The principles regarding the diversity of the Board of Directors are taken into consideration in the election of Board members. Both genders are represented in the Board of Directors. In 2018, one of the four Board members was female.

3 THE LEGAL STRUCTURE OF THE DELETE GROUP ON DEC 31ST, 2018.



4 MEMBERS OF THE BOARD OF DIRECTORS

ÅSA SÖDERSTRÖM WINBERG

Born 1957
M. Sc. (Econ.)
Chairman of the Board (2017–)

- Scanmast AB,
Chairman of the Board (2013–)
- JM AB,
Member of the Board (2007–)
- Vattenfall AB,
Member of the Board (2013–)
- OEM International AB,
Member of the Board (2015–)
- Balco AB,
Member of the Board (2016–)
- Fibo AS,
Member of the Board (2016–)
- Nordic Room Improvement AB,
Member of the Board (2013–)

- Sweco Theorells AB,
Chief Executive Officer (2001–2006)
- Ballast Väst AB,
CEO (1997–2001)
- NCC Industry,
Marketing Manager (1994–1997)
- NCC Construction AB,
Communication Manager
(1991–1993)

HOLGER HANSEN

Born 1969
M. Sc. (Econ.)
Member of the Board (2017–)

- Clopethan A/S,
Chairman of the Board (2009–)
- Palsgaard Spær A/S,
Chief Executive Officer (2016–)
- Junckers Holding A/S,
Vice Chairman of the Board (2009–)
- Nordic Waterproofing Group,
Chief Executive Officer (2012–2015)
- Icopal Group,
Chief Financial Officer (1995–2008)

RONNIE NEVA-AHO

Born 1967
Secondary school graduate
Member of the Board (2017–)

- Kreate Oy,
Member of the Board (2015–)
- Rototec Oy,
Member of the Board (2015–)
- Access Point Oy,
Chairman of the Board (2013–)
- Delete Oy,
Vice President (2010– 2015)
- Tehoc Oy,
Chief Executive Officer (1998–2011)

VILHELM SUNDSTRÖM

Born 1969
M. Sc. (Econ.)
Member of the Board (2017–)

- Axcel Private Equity,
Partner (2006–2019)
- Merrill Lynch International,
Director (2004–2006)
- D. Carnegie AB,
Investment Professional
(2002–2004)
- Morgan Stanley,
Vice President (1995–2002)
- Nordic Capital,
Investment Manager (1997–1999)

Evaluation of independence

Due to the ownership structure of Delete Group Oyj, the majority shareholder appoints the Board of Directors and therefore the company does not evaluate the independence of the board members.

Shareholdings of the Board of Directors

Ax DEL Oy owns 85% of Delete Group Oyj shares. 15% of the shares are owned by key employees of the company (including the Board of Directors and Group Management) and certain other minority shareholders.

The Board of Directors operations in 2018

In 2018, Delete Group's Board of Directors convened 17 times, with an attendance rate of 92.6%.

The Board of Directors evaluates its operations and working methods annually and develops the

operations based on the results. In 2018, the Board focused on acquisitions, evaluation of strategic alternatives, review and implementation of the strategy and the listing of the bond notes.

Board Committees

The Board Committees assist the Board of Directors by preparing matters falling within the competence of the Board of Directors. The committees are not autonomous decision-making bodies, although they have several monitoring and oversight responsibilities. The committees report to the Board of Directors on the matters addressed and make proposals to the Board of Directors for decision-making as appropriate.

Audit and Investment Committee

The Audit and Investment Committee assists the Board of Directors in its responsibilities relating to the appropriate arrangement of the control of the company accounts and finances pursuant to the Companies Act as well as its responsibilities relating

to the company's investments. The Audit and Investment Committee consists of at least two members, of which at least two members must be members of the Board. The members of the Audit and Investment Committee are elected for a one-year term in the organizing meeting of the Board. One of the members of the Audit and Investment Committee, which must be a Board member, is designated by the Board of Directors as Chair of the Audit and Investment Committee. The members must have the qualifications necessary to perform the responsibilities of the Audit and Investment Committee and at least one member must have expertise specifically in accounting, bookkeeping or auditing.

The Audit and Investment Committee meets as often as appropriate but minimum four times a year depending on the reporting cycle of the company. The Chair of the Committee will at each Board Meeting report on the Committee work and related recommendations. The CFO of the Group acts as secretary to the Committee.

The members of the Audit and Investment Committee are Vilhelm Sundström (The Chair) and Holger Hansen.

Remuneration Committee

The Remuneration Committee prepares matters pertaining to the remuneration and appointment of CEO and other executives as well as to the remuneration schemes of the personnel and remuneration principles to be observed by the company. The Remuneration Committee consists of at least two members, of which at least two members must be members of the Board. The CEO or other executives of the company cannot be appointed to the Remuneration Committee.

Attendance at the meetings

	BoD meeting	Audit and Investment Committee meetings	Remuneration Committee meetings	Project Committee meetings
Åsa Söderström Winberg	17/17	–	2/2	4/4
Holger Hansen	14/17	6/6	–	–
Ronnie Neva-aho	17/17	–	–	4/4
Vilhelm Sundström	15/17	6/6	2/2	–

The Remuneration Committee meets as often as appropriate, but at least twice a year. The Chair of the Remuneration Committee will at each Board Meeting report on the Remuneration Committee work and related recommendations. The CEO of the Group acts as secretary to the Remuneration Committee. Once a year the Remuneration Committee evaluates its work and charter and recommends any proposed changes to the Board of Directors.

The members of the Remuneration Committee are Åsa Söderström Winberg (The Chair) and Vilhelm Sundström.

Project Committee

The Project Committee assists the Board in preparing and following up on major tenders and projects of the Group. The Board of Directors remains responsible for the duties assigned to the Project Committee. The Committee has no autonomous

decision-making power.

The Project Committee meets as often as appropriate, but at least twice a year. The Chair of the Project Committee will at each Board Meeting report on the Project Committee work and related recommendations. The CFO of the Group acts as secretary to the Project Committee.

The members of the Project Committee are Ronnie Neva-aho (The Chair) and Åsa Söderström Winberg.

CHIEF EXECUTIVE OFFICER

The Board of Directors of Delete Group Oyj appoints the Group's Chief Executive Officer (CEO). The CEO is responsible for the daily management of the company's administration according to the guidelines and instructions given by the Board. In addition, the CEO is responsible for ensuring that the company's accounting has been carried out according to applicable laws and that asset management has been organized in a reliable manner. The CEO manages the company's daily business and is responsible for controlling and steering the business areas. The CEO of the company is Tommi Kajasoja.

MANAGEMENT OF THE GROUP

In the operative management of Delete Group, the CEO is assisted by other members of the Group's management. The tasks and responsibilities of the management include for example investment planning, specifying and preparing the Group's strategic guidelines, allocating resources and controlling routine functions.

MEMBERS OF THE GROUP'S MANAGEMENT

TOMMI KAJASOJA

Born 1974
M. Sc. (Eng.)
Chief Executive Officer
(2018–)

- Delete Finland Oy, Country Manager and Managing Director, (2016–)
- Delete Finland Oy, Business Area Director, Industrial & Property Services (2014–2016)
- Maintpartner Group Oy, Vice President, Sales & Marketing (2013–2014), President, Expert Services (2012–2014), President, Baltic Countries (2012–2014), Head of Business Development (2010–2012)
- Maintpartner AB, Country President & Managing Director (2010–2011)
- Maintpartner Oy, Vice President, West & North Finland region, chemical industry BA and Manager, Business Development & Improvement, Finland (2007–2008)
- ABB Service, various managerial positions in Finland and New Zealand (2000–2007)

VILLE MANNOLA

Born 1979
M. Sc. (Econ.)
Chief Financial Officer
(2017–)

- GS-Hydro Corporation, Chief Financial Officer (2015–2017)
- GS-Hydro Corporation, Director, Group Finance and Control (2014–2015)
- GS-Hydro Corporation, Group Controller (2010–2013)
- Marioff Corporation, Head of Group Financial Planning and Analyses (2008–2010)

JOONAS EKHOLM

Born 1982
M. Sc. (Econ.)
Director, Group Finance
(2017–)

- Delete Oy, Director, Group Finance (2014–2016)
- Delete Oy, Group Controller (2012–2014)
- Eltel Networks, Senior Controller, Group Controlling (2011–2012)
- Wärtsilä Corporation, Controller, Group Control (2010–2011)
- Wärtsilä Corporation, Assistant Controller, Group Control (2007–2010)

JANIKA VILKMAN

Born 1980
LL.M.
General Counsel (2013–)

- EY, Manager, Legal Services (2012–2013)
- Fondia Oy, Legal Counsel (2010–2012)
- Ernst & Young Oy, Legal Counsel (2007–2010)
- Ciba Specialty Chemicals Oy, Assisting Legal Counsel (2006–2007)

LARS-GUNNAR ALMRYD

Born 1965
M. Sc. (Eng.)
Country Manager and Managing Director,
Delete Sweden AB (2017–)

- IL Recycling AB, President & CEO (2008–2017)
- Billerud Korsnäs AB, Purchasing Director (2007–2008)
- Stora Enso, Senior Vice President – Head of Stora Enso Logistics, Managing Director – Stora Enso Logistics AB (2003–2007), Manager Production – Stora Enso Hylte AB (1997–2003), Paper Machine Superintendent – Stora Kvarnsveden AB (1990–1997)

Shareholdings of the Group Management

Ax DEL Oy owns 85% of the Delete Group Oyj shares. 15% of the shares are owned by key employees of the company (including the

Board of Directors and Group Management) and certain other minority shareholders.

DESCRIPTIONS OF INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

Internal control

Delete Group's internal control framework contains all relevant financial and operational functions with emphasis on business risk approach. This approach is based on Delete Group's risk management process and defined areas, such as project controls, revenue recognition, asset management and treasury controls.

The principles of internal control define the general framework for the implementation of statutory and regulatory obligations concerning Delete Group and how the laws and principles governing the sector in terms of supervision are generally applied to the company's activities.

The Board of Directors of Delete Group approves the company's internal control and auditing principles. In accordance with the principles established by the Board of Directors, internal control is part of Delete's operational management. All Delete Group functions operate in accordance with these

principles and the company's instructions and comply with the regulations and instructions issued by the authorities.

Internal controls are a part of Delete Group governance and management. The responsibility for organizing the control function belongs to the Board and the CEO. The Board exercises the responsibility through an appointed audit committee. Chain of responsibility continues throughout the Delete Group organization so that each member of the organization answers to the immediate supervisor on upholding the controls.

Risk management

Risk management is a continuous evaluation, planning, governance and control process related to personnel, property and business as well as sustainability. The objective of risk management is to prevent or minimize the impact of risks. Delete's group management carries out a yearly risk

management evaluation, which is reviewed by the Board. The purpose of the annual risk analysis is to identify high level risks and set mitigation plans. On the basis of this, risk management capabilities are constantly updated and reviewed and approved by the Board of Directors.

Delete Group's key risks are divided into operative, financing and strategic risks.

Operational risks are mainly related to project execution and integration of acquired businesses both quality-wise and financially. The internal control environment is under constant development to improve preventative measures.

Financing risks are mainly related to interest rates, credit and liquidity.

Other uncertainties are related to the market environment as well as the successful implementation of the Group's growth strategy and related corporate acquisitions and the integration of the acquired companies, personnel and recruitments.

OTHER INFORMATION TO BE PROVIDED IN THE CG STATEMENT

Internal audit

Internal audit function is responsible for independent evaluation and assurance with the main purpose to support the CEO and the audit committee in fulfilling the internal control duties. The main purpose of the internal audit function is to provide objective and

independent information, give improvement and development recommendations based on findings and educate and train the management and staff on the control process awareness and enforcement.

The principles of internal audit function are approved by the Board of Directors.

The purpose of internal audit is to check, confirm and assure the CEO, the Board and the management that the controls, risk management and governance are efficient and functional in the organization. Additionally, the internal audit function supports the management and the organization in the development of internal controls environment and ensures

the reaching of set targets. The audit methodology is based on risk perspective.

Delete Group's internal audit is organized and resourced internally. The internal audit function reports to the audit committee and acts under the CEO supervision. The internal audit function reports its findings and development suggestions to the CEO, the audit committee and to the management of the applicable business area.

Insider administration

Delete Group complies with the rules and guidelines issued by Nasdaq Helsinki Ltd, including its Guidelines for Insiders; the Market Abuse Regulation ((EU) No. 596/2014, MAR); the provisions of the Securities Market Act and the Criminal Code; as well as the rules and guidelines of the Financial Supervisory Authority and the European Securities and Markets Authority (ESMA). These are supplemented by the company's own Guidelines for Insiders, which are designed to provide clear instructions and rules for the management of insider issues, the disclosure of insider information, the maintenance of insider lists, and the transactions of management and their closely related parties. The Guidelines for Insiders have been informed to all company employees.

Delete Group is to disclose any insider information that directly concerns the company as soon as possible. The company may delay the disclosure of insider information if all of the conditions stipulated by the applicable regulations for the delay of the disclosure of insider information are met. Delete Group is to maintain project-specific insider registers in circumstances stipulated by the applicable regulations.

The company's General Counsel is responsible for

insider issues. The General Counsel is responsible for the implementation of the following tasks in the company, for example:

- internal communications regarding insider issues;
- training in insider issues;
- the preparation and maintenance of insider lists and their delivery to the Financial Supervisory Authority;
- obtaining approvals from persons on the insider list;
- supervision of insider issues, and
- monitoring regulatory changes concerning insider issues.

Delete Group's managers and their closely associated persons have an obligation to notify the Group and the Finnish Financial Supervisory Authority of their transactions conducted relating to Delete Group Oyj's shares or other financial instruments as of 3 July 2016 according to the provisions of the Market Abuse Regulation. The company publishes such information as a stock exchange release. The members of the Board of Directors, the CEO and the members of the Management team are included as persons having managerial responsibilities in the company (managers subject to the notification obligation).

The company maintains project insider lists of persons who have access to inside information. These lists and the information contained in the lists are not public. The insider lists and the information contained therein are available to the Financial Supervisory Authority.

Managers subject to the notification obligation and persons separately defined by the company cannot acquire or dispose of securities issued by the company, or any securities or derivatives entitling to said securities, during the 30 days prior to the publication of an interim report and financial statements. These publication dates are announced annually in advance in a stock exchange release. In addition, those participating in projects involving insiders may not, during the project, trade in securities or derivatives issued by the company.

Group Management is to supervise compliance with the Guidelines for Insiders and maintain the company's insider registers in cooperation with Euroclear Finland Ltd. The company's managers subject to the notification obligation are to be regularly sent an extract of the information entered into the register of managers' subject to the notification obligation. Their adherence to the restrictions on trading is to be monitored, and the related guidelines are to be provided.

Auditors

The Annual General Meeting of Delete Group Oyj held on March 21st, 2018 elected Authorised Public Accounting firm KPMG Oy Ab as the Auditor of the company. Teemu Suoniemi, Authorised Public Accountant, will act as the Principal Auditor.

Related party transactions

Related party transactions are described in the Notes to the consolidated financial statements. Fair market values are always applied to related party transactions.

REMUNERATION STATEMENT 2018

Remuneration Policy

The purpose of the Remuneration Policy is to set objectives, procedures and governance principles for the management of remuneration. The Remuneration Policy aims to ensure that no individual is involved in the decision-making process related to their own remuneration and that there is an appropriate oversight over any compensation decision.

Decision-making procedure concerning remuneration

Remuneration of the Board Members and Board Committee Members

The General Meeting of shareholders shall resolve upon the composition of the Board of Directors and the remuneration of the Board members and the committee members.

The remuneration of the members of the Board and committees shall consist of an annual fee. In addition, reasonable incurred direct expenses for required travelling and representation will be reimbursed.

Remuneration of the CEO and other Executives

Delete Group's Remuneration Committee consisting of at least two (2) Board members shall prepare matters pertaining to the appointment and remuneration of the CEO and other executives as well as to the remuneration schemes of the personnel and remuneration principles to be observed by the company. The members of the Committee are appointed for

a one-year term by the Board of Directors annually in the first Board meeting after the Annual General meeting. Changes to the Committee can be made at any time. The CEO or other executives of the company shall not be appointed to the Remuneration Committee.

Delete Group Oy's Board of Directors shall resolve upon the appointment and remuneration of the CEO and other leading executives, based on the proposals prepared by the Remuneration Committee. The Board of Directors remains responsible for the duties assigned to the Remuneration Committee. The Remuneration Committee has no autonomous decision-making power, unless otherwise expressly stated in the Charter of the Remuneration Committee.

The duties of the Remuneration Committee include:

- preparation of matters pertaining to the appointment of the CEO and the other executives as well as the identification of their possible successors;
- preparation of matters pertaining to the remuneration and other financial benefits of the CEO and other leading executives, including salary raises of such executives;
- matters pertaining to the remuneration schemes of the company and based on authorization from the Board of Directors, right to approve the incentive schemes and payment of incentives according to the schemes;
- evaluation of the remuneration of the CEO and the other leading executives as well as

ensuring that the remuneration schemes are appropriate; and

- planning of matters pertaining to the remuneration of other personnel and the development of them and the organization.

Remuneration of the Auditor

The General Meeting of shareholders shall resolve upon the remuneration of the auditor. The Audit Committee monitors and evaluates the auditor's performance.

Remuneration principles

The remuneration of the CEO and the other executives are moderate. The remuneration aims at attracting, retaining and motivating the management to lead the company, improve performance and align the interest of the executives with those of the company and its shareholders. Remuneration is tied to the execution and implementation of Delete Group's strategy and consists of an appropriate mix of fixed and variable compensation.

Remuneration of the CEO

The remuneration of the CEO consists of:

- fixed monthly base salary and fringe benefits
- variable salary according to what is annually decided by the Board of Directors
- voluntary pension and statutory pension
- possible proceeds from the management share incentive scheme.

Remuneration of the other leading executives

The Group Management Team are considered to be leading executives. The remuneration consists of:

- fixed monthly base salary and fringe benefits
- variable salary according to what is annually decided by the Board of Directors
- voluntary pension and statutory pension
- possible proceeds from the management share incentive scheme.

Share based incentive schemes

Delete Group Oyj has on August 29th, 2013 launched a share incentive scheme for the management and key employees based on which the management and the key employees of Delete Group Oyj have had the possibility to acquire P-shares and C-shares of the company. The share incentive scheme aims at attracting, retaining and motivating the management and key employees to lead the company, improve performance and align the interest of the management and key employees with those of the company.

Remuneration report

Board of Directors

BoD member	Fees paid 1.1.-31.12.2018
Åsa Söderström Winberg	48,000.00
Holger Hansen	26,000.00
Ronnie Neva-aho	26,000.00
Vilhelm Sundström	0.00
Total	100,000.00

CEO

Tommi Kajasoja	1.2.-31.12.2018
Fixed and variable salary, including fringe benefits	244,000.00
Supplementary pension	9,000.00
Total	253,000.00

Jussi Niemelä	1.1.-31.1.2018
Fixed and variable salary, including fringe benefits	111,000.00
Supplementary pension	9,000.00
Total	120,000.00

Management of the Group

Other executives total	1.1.-31.12.2018
Fixed and variable salary, including fringe benefits	684,000.00
Supplementary pension	22,000.00
Total	706,000.00



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