



# 2023

CORPORATE GOVERNANCE STATEMENT

modulight

**modulight**

## Governance principles

Modulight Corporation is a public limited liability company registered in Finland, and its shares are listed on the Nasdaq First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd. The company's domicile is in Tampere.

In its administration and management, Modulight complies with the Finnish Limited Liability Companies Act (624/2006 with changes), the Finnish Securities Markets Act (746/2012 with changes), the company's Articles of Association and the rules and guidelines of Nasdaq Helsinki Ltd and other provisions applicable to the company. Modulight complies with the Finnish Corporate Governance Code ([Corporate Governance 2020](#)) prepared by the Securities Market Association ([www.cgfinland.fi](http://www.cgfinland.fi)). This Corporate Governance Statement has been prepared in accordance with the Finnish Corporate Governance Code. The company has additionally published a separate Remuneration report in accordance with the Corporate Governance Code.

In compliance with the Finnish Limited Liability Companies Act, the responsibility for supervising and managing the company is divided between the General Meeting, the Board of Directors and the Managing Director. Shareholders participate in the supervision and management of the company through resolutions made at General Meetings.

## General Meeting

The General Meeting is Modulight's highest decision-making body. According to Modulight's Articles of Association, an Annual General Meeting of shareholders must be held annually on a date determined by the Board of Directors within six (6) months of the end of the financial year. An Extraordinary General Meeting may be convened to discuss a specific matter when the Board of Directors deems it appropriate or otherwise required by law. The company's Annual General Meeting 2023 was held on May 2, 2023, in Tampere, Finland.

# Board of Directors

## Duties, composition and election of the Board of Directors

Modulight's Board of Directors is responsible for the company's administration and appropriate organization of operations and represents the company.

The responsibilities of the Board of Directors include:

- ❑ adopting the company's strategy and monitoring its implementation
- ❑ approving the company's financial statements, half-year reports and business reviews and supervising the appropriateness of the financial statements and the proper management of the company's financial affairs
- ❑ deciding on significant individual investments and acquisitions of companies and real estate, as well as strategically significant business expansions and reductions, confirming the company's long-term strategic and financial objectives and approving the budgets and risk management principles
- ❑ approving and confirming the charters of the Board's committees and the company's internal guidelines and remuneration policy, as well as deciding on the incentive plans for the CEO and personnel
- ❑ appointing the CEO and deciding on the terms of their employment
- ❑ the establishment and dissolution of committees subordinate to the Board of Directors and the drafting of their charters
- ❑ drafting of the Board's diversity policy

As the company does not have a separate Audit Committee, the company's Board of Directors also takes care of:

- ❑ monitoring the process of financial reports and financial statements
- ❑ monitoring the effectiveness of the company's internal control, internal audit and risk management
- ❑ the follow-up to the statutory audit
- ❑ the assessment of the independence of the auditor or audit firm, in particular with regard to non-audit services, and the preparation of a proposal for a decision on the election of the auditor

According to Modulight's Articles of Association, the company's Board of Directors consists of a minimum of three (3) and a maximum of six (6) ordinary members. The Board of Directors elects a chairman from among its members for its term of office.

Modulight's Annual General Meeting elects the Board of Directors. The term of office of the members of the Board of Directors expires at the end of the next Annual General Meeting following their election. The Board of Directors is responsible for preparing and convening the Annual General Meeting on time.

## Diversity of the Board of Directors

The principles concerning the diversity of the Board of Directors are considered in the election of the members of the Board of Directors. Both genders are represented on the company's Board of Directors. In 2023, two of the five Board members were women. When selecting the composition of the company's Board of Directors, emphasis is on the expertise and experience in the company's industry and business collectively needed by the Board of Directors. The elected Board member must have the necessary competence in the position and be able to devote enough time to the task.

The company's long-term goal is to achieve gender balance in the Board of Directors, considering the aforementioned and other competence requirements for the position, as well as relevant experience of the company's international operating environment and applicable industries and corporate culture.

The company has a Shareholders' Nomination Board, which is responsible for preparing proposals for the General Meeting concerning the composition of the Company's Board of Directors. One of the tasks of the Shareholders' Nomination Board is to prepare and present the principles concerning the company's diversity to the Board of Directors.

## Members of the Board of Directors

### **Jyrki Liljeroos**

Born 1955, Master's Degree in Business Administration (University of Uppsala)  
Chairman of the Board since 2021

- ❑ Senior Advisor, Santen Oy and Santen Japan Ltd, 2017-2018
- ❑ Corporate Officer, Santen Pharmaceutical Co., Ltd Japan, 2004-2016
- ❑ President, Santen Oy, 1997-2016
- ❑ President, Santen GmbH, 2001-2013
- ❑ General Manager, Santen Europe, 2000-2012

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- ❑ Chairman of the Board, Modulight, Inc., 2021-
  - ❑ Member of the Board, Modulight, Inc., 2017-2021
  - ❑ Member of the Board, StemSight Oy, 2023-
  - ❑ Vice member of the Board, Tilt Biotechnology Ltd, 2022-
  - ❑ Chairman of the Board, Tuomi Logistiikka Oy, 2020-
  - ❑ Chairman of the Board, Provex Oy, 2008-
  - ❑ Member of the Board, Serres Oy, 1993-2023
  - ❑ Member of the Board, PareeGroup Oy, 1993-2023
  - ❑ Member of the Board (2019-) and Chairman (2021-), Heart Foundation Finland
  - ❑ Member (2014-) and Chairman (2017-), Eye Research Foundation
  - ❑ Chairman of the Board, Hallituspartnerit Ry, 2018-2021
  - ❑ Chairman of the Board, Tampere Mission Ry, 2021-
  - ❑ Chairman of the Board, Sydän-Suomen alue Ry, 2005-
  - ❑ Vice Chairman, Suomen Sydänliitto Ry, 2013-2020
  - ❑ Member of the Board, Suomen Sydänliitto Ry, 2024-
  - ❑ Vice Chairman, Pirkanmaan Kansanterveys Ry, 2014-2023
  - ❑ Chairman of the Board, Pirkanmaan Kansanterveys Ry, 2023-
  - ❑ Member of the Board, Tampereen Yliopiston tukisäätiö, 2019-
  - ❑ Chairman of the Board, Santen Oy, 2016-2017
  - ❑ Chairman of the Board, SantenPharma Ab, 1998-2016
  - ❑ Member of the Board, Santen Oy, 1997-2016

### **Pia Kantola**

Born 1969, Master of Science (Tech.), Master of Science (Financial Administration)

Member of the Board since 2021

- ❑ Vice President, Operations, Vitec Software Group and CEO, Vitec Shared Services Oy, 2024-
  - ❑ CEO and Co-founder, Aisti Health Oy, 2022-2023
  - ❑ CEO, Piceasoft Oy, 2019-2022
  - ❑ Chief Operating Officer and Vice President, Customer Experience, HMD Global Oy, 2016-2019
  - ❑ Senior Director, Product Management, Microsoft Mobile Oy, 2014-2016
  - ❑ Vice President, Logistics (2011-2014), Director Product Development (2006-2011), Senior Product Manager (2003-2006) and Customer Care Manager (1999-2003), Nokia Oyj
  - ❑ Sales Support Engineer, Oy Mercantile Ab Fastems FMS unit, 1997-1999
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- ❑ Member of the Board, several Vitec Software Group companies, 2024-
  - ❑ Member of the Board, Finnish Business Angel Network ry, 2023-
  - ❑ Member of the Board, Variantum Oy, 2020-

### **Timur Kärki**

Born 1971, Master of Science (Tech.)

Member of the Board since 2021

- ❑ CEO (2010–2019), Head of Project Management (2007–2010) and System Developer (2002–2007), Gofore Oyj
- ❑ Chief Technology Officer, Wireless Artificial Intelligence Services, 2001–2002
- ❑ Production Manager and Senior Software Specialist, Tietovalta Ltd, 1999–2001
- ❑ Software Engineer, Sonera Medialab, 1997–1999

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- ❑ Chairman of the Board, Gofore Oyj, 2019–
  - ❑ Member of the Board, Finland Chamber of Commerce, 2021–
  - ❑ Member of the Board, Navakka Group Oy, 2018–
  - ❑ Member of the Board, Ilves-Hockey Oy, 2017–

### **Anne Koutonen**

Born 1962, Master of Science (Econ.)

Member of the Board since 2023

- ❑ CFO and VP, Finance and Control and IR, Nokian Tyres plc, 2006–2018
- ❑ Several managerial positions, Treasury, Nokian Tyres plc, 1997–2006
- ❑ Financial Analyst, Oy Kyro Ab, 1995–1997
- ❑ Manager, Domestic Money Market, Suomen Säästöpankki – SSP Oy, 1992–1994

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- ❑ Member of the Board, Kemppe Oy, 2022–
  - ❑ Member of the Board, Merus Power Oyj, 2021–
  - ❑ Member of the Board, Robit Oyj, 2020–
  - ❑ Member of the Board, HKScan Oyj, 2019–
  - ❑ Member of the Board, Image Wear Oy, 2019–
  - ❑ Member of the Board, Kojamo Oyj, 2018–
  - ❑ Member of the Board, Tammer Brands Oy, 2018–, Chairman of the Board, 2020–
  - ❑ Member of the Board, Componenta Oyj, 2017–, Vice Chairman of the Board, 2019–

### **Seppo Orsila**

Born 1975, Master of Science (Tech.), MBA

Member of the Board since 2000

- ❑ CEO, Modulight, Inc., 2019–
- ❑ CFO of the Accessories Business Unit, Nokia Mobile Phones, 2010–2014

- ❑ CFO of the Sales/Business Development unit and the Controlling Management Team, Nokia Mobile Phones, 2006–2014
- ❑ CFO and Vice President of Marketing, Modulight, Inc., 2000–2006
- ❑ Sales Manager, Nordic Epitaxy Oy, 1999–2000
- ❑ Strategic Research Manager, Tampere University of Technology, 1997–2000

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- ❑ Chairman of the Board, Modulight, Inc., 2000–2021
  - ❑ Member of the Board, Adwatec Oy, 2020–
  - ❑ Member, Industry Committee, Tampere Chamber of Commerce, 2017–
  - ❑ Member of the Board, Healthtech Finland, 2015–
  - ❑ Vice Member of the Board, Technology Industries of Finland, 2022–

## Independence assessment

The Board of Directors assesses the independence of its members from the company and significant shareholders annually and as required.

Of the Board members, Chairman of the Board, Jyrki Liljeroos, Pia Kantola, Timur Kärki and Anne Koutonen are independent of the company and its significant shareholders. Seppo Orsila, as one of the company's main shareholders and as its CEO, is not independent of significant shareholders or the company.

## Shareholdings of the members of the Board of Directors

On December 31, 2023, the members of the Board of Directors of Modulight held in total 15.72% of the company's shares. Shareholdings of the members of the Board of Directors as on December 31, 2023, directly or through their controlling entities, are presented below:

Name	Number of shares	% of shares
Jyrki Liljeroos	460,950	1.08%
Pia Kantola	0	0%
Timur Kärki	35,000	0.08%
Anne Koutonen	0	0%
Seppo Orsila	6,205,500	14.56%

The members of the Board of Directors did not own any share-based rights.

## Committees of the Board of Directors

The committees of the Board of Directors assist the Board by preparing matters falling within the competence of the Board of Directors. Modulight's Board of Directors has one committee, the Remuneration Committee.

### *Remuneration Committee*

To improve the efficiency of its work, the Board of Directors has established a Remuneration Committee. The Board of Directors annually elects the members and the Chair of the Committee from among its members and approves the Committee's charter.

The Remuneration Committee prepares the remuneration and appointment matters of the company's CEO and other senior management as well as the incentive schemes for other personnel.

The duties of the Remuneration Committee also include preparing the Remuneration Policy to be presented to the General Meeting, assessing the competitiveness of remuneration and coordinating the Remuneration Policy with the company's long-term objectives. If necessary, the Remuneration Committee also proposes measures to the Board of Directors to achieve the objectives of the Remuneration Policy.

Minutes of all meetings of the Remuneration Committee are drawn up and submitted to the Board of Directors. The Chairman of the Remuneration Committee reports on the Committee's work and recommendations at each Board meeting. The Remuneration Committee evaluates its work and charter once a year and recommends proposed changes to the Board of Directors.

The Remuneration Committee consists of at least three (3) members of the Board of Directors. The Committee meets as necessary, but at least two (2) times a year. The members of the Remuneration Committee are Jyrki Liljeroos (Chair), Pia Kantola and Timur Kärki. The members were elected at the constitutive meeting of the Board on May 2, 2023.

## Activities of the Board of Directors in 2023

The Board of Directors evaluates its operations and working methods annually and develops its operations based on the results. The assessment is carried out as a combination of internal self-assessment and external evaluation. At the same time, the expectations of the company's stakeholders regarding the work of the Board of Directors are assessed and an assessment is made of the timeliness of the Board's charter.



In 2023, the Board of Directors focused on the implementation of the strategy updated on November 29, 2022. The focus was on the company's five strategic projects and their monitoring. On the R&D pipeline, the focus was on advancing current projects. On the commercial side, the focus was on geographical expansion, which meant hiring an experienced salesperson in the United States and exporting the company's technology to other market areas, especially in Europe and Asia.

In 2023, the Board of Directors convened 19 times, and the Remuneration Committee met twice. The average attendance rate of the members in Board meetings was 97%. The average attendance rate at the Remuneration Committee meetings was 100%.

#### *Attendance of Board members in meetings in 2023*

	Board of Directors	Remuneration committee
Jyrki Liljeroos	19/19	2/2
Pia Kantola	19/19	2/2
Timur Kärki	18/19	2/2
Anne Koutonen	13/13	
Seppo Orsila	19/19	
Kalle Palomäki (January 1-May 2, 2023)	6/6	
Petteri Uusimaa (January 1-May 2, 2023)	5/6	

## Shareholders' Nomination Board

The Shareholders' Nomination Board is responsible for preparing proposals to the Annual General Meeting regarding the election and remuneration of the members of the Board of Directors.

The main task of the Nomination Board is to ensure that the Board of Directors and its members have sufficient knowledge and experience to meet the company's needs, and to prepare justified proposals for the composition and remuneration of the company's Board of Directors for the Annual General Meeting. To ensure sufficient expertise of the Board of Directors when making the proposal for the composition, the Nomination Board must consider the legislation and the recommendations of the Corporate Governance Code. In addition to the above, the Nomination Board must consider the independence requirements in the Corporate Governance Code and the rules of First North concerning the company.

Each shareholder of the company may also submit their own proposal directly to the Annual General Meeting.

The Nomination Board has four members, three of whom are representatives appointed by the company's three largest shareholders and one is a member of the Board of Directors elected by the company's Board of Directors from among its members. If a shareholder does not wish to exercise their right to nominate a member, the right shall be transferred to the next largest shareholder, who would otherwise not have the right to nominate a member. In the event that the representative of the largest owner is simultaneously the Chairman of the company's Board of Directors, they cannot be elected Chairman of the Nomination Board, but they may act as the owner's representative as a member of the Nomination Board.

Since March 2023, the Nomination Board for 2023 has consisted of Petteri Uusimaa nominated by Petteri Uusimaa, Seppo Orsila nominated by Seppo Orsila, Pekka Savolainen nominated by Pekka Savolainen, and Jyrki Liljeroos nominated by the company's Board of Directors. The term of office of the members of the Nomination Board is valid until further notice, until the General Meeting decides otherwise, and ends after the appointment of a new Nomination Board.

The Nomination Board shall present and justify its proposals to the Annual General Meeting. The Nomination Board shall submit its proposal for the Annual General Meeting to the company's Board of Directors annually no later than five weeks before the next Annual General Meeting. The proposals of the Nomination Board are published as a company release and included in the notice of the Annual General Meeting.

In 2023, the Nomination Board convened once. The average attendance rate of the members of the Nomination Board at the meetings was 100%.

*Attendance of the members of the Nomination Board at meetings:*

Member	Participation
Seppo Orsila	1/1
Pekka Savolainen	1/1
Petteri Uusimaa	1/1
Jyrki Liljeroos	1/1

## CEO

The Board of Directors of Modulight Corporation appoints the CEO and decides on the terms of their employment, which are defined in a written CEO's contract. The CEO is responsible for the implementation of the company's objectives, plans, and policies set by the Board of Directors. According to the Finnish Limited Liability Companies Act, the CEO is responsible for ensuring that the

company's accounting complies with legislation and that the management of the company's assets is arranged in a reliable manner. The Board of Directors evaluates the CEO's work and the achievement of the goals set for them.

Seppo Orsila has been the CEO of Modulight since 2019. Seppo Orsila's personal and ownership information is presented above.

## Modulight's Management Team

Modulight's Management Team, which supports the CEO, is responsible for the company's development and operations as well as business operations in accordance with the targets set by the Board of Directors and the CEO. The Management Team assists the CEO in the preparation of the strategy, operating principles and other business operations, as well as the company's common affairs, among other things. The CEO acts as the Chairman of the Management Team.

### Members of the Management Team

#### Seppo Orsila

Born 1975, Master of Science (Tech.), MBA

CEO since 2019

Member of the Management Team since 2000

- ❑ CFO of the Accessories business unit, Nokia Mobile Phones, 2010–2014
- ❑ CFO of the Sales/Business Development unit and the Controlling Management Team, Nokia Mobile Phones, 2006–2014
- ❑ CFO and Vice President of Marketing, Modulight, Inc., 2000–2006
- ❑ Sales Manager, Nordic Epitaxy Oy, 1999–2000
- ❑ Strategic Research Manager, Tampere University of Technology, 1997–2000

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- ❑ Chairman of the Board, Modulight, Inc., 2000–2021
  - ❑ Member of the Board, Adwatec Oy, 2020–
  - ❑ Member, Industry Committee, Tampere Chamber of Commerce, 2017–
  - ❑ Member of the Board, Healthtech Finland, 2015–
  - ❑ Vice Member of the Board, Technology Industries of Finland, 2022–

#### Ancuta Guina

Born 1974, Master of Science (Tech.), MBA

Finance Director since 2021

Member of the Management Team since 2006

- ❑ Finance and Quality Manager, Modulight, Inc., 2015–2021
- ❑ Manager of Resource Allocation and Product Promotion, Modulight, Inc., 2006–2015
- ❑ Marketing Coordinator, Modulight, Inc., 2000–2006

### **Ulla Haapanen**

Born 1976, Bachelor of Science (Natural Sciences)

Marketing Director since 2023

Member of the Management Team since 2019

- ❑ Marketing Manager, Modulight, Inc. and Modulight Corporation, 2019–2023
- ❑ Designer in charge of Product Creation and Promotion, Modulight, Inc., 2014–2019
- ❑ Product Engineer, Modulight, Inc., 2006--2014
- ❑ Researcher, Tampere University of Technology, 2001–2006

### **Juha Lemmetti**

Born 1975, Master of Science (Tech.)

Director, R&D since 2019

Member of the Management Team since 2019

- ❑ Chief Software Architect, Modulight, Inc, 2016–2018
- ❑ Senior Software Engineer, OptoFidelity Oy, 2013–2017
- ❑ CEO (2009–2013) and Chief of SW Design (2000–2009), Atostek Oy

### **Kati Reiman**

Born 1978, Bachelor of Business Administration

People & Culture Director since 2022

Member of the Management Team since 2019

- ❑ Manager, SOPS & HR, Modulight, Inc. and Modulight Corporation, 2019–2022
- ❑ Coordinator, Modulight, Inc., 2005–2019
- ❑ Customer Service Representative, Nokia Oyj, 1998–2002

### **Jari Sillanpää**

Born 1969, Master of Science (Tech.)

Director, Sales & Services since 2021

Member of the Management Team since 2020

- ❑ CEO, Nanofoot Finland Oy, 2015–2020
- ❑ Director, Sales and Marketing, Corelase Oy, 2003–2015

- ❑ Director of ERP Management, Manager of ERP Manufacturing, Manager of Business Process Development and Quality Manager, Coherent, Inc. and Coherent Finland Oy, 1996–2003
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- ❑ Member of the Board, Nanofoot Finland Oy, 2015–2020

### **Petteri Uusimaa**

Born 1969, D.Sc. (Tech.)

Chief Technology Officer since 2019

Member of the Management Team since 2000

- ❑ CEO, Modulight, Inc., 2000–2019
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- ❑ Member of the Board, Modulight, Inc., 2000–2023
- ❑ Member of the Board, Nanofoot Finland Oy, 2017–2020
- ❑ Member of the Management Team, EPIC (European Photonics Industry Consortium), 2014–2020
- ❑ Chairman, Biophotonics Committee, EPIC (European Photonics Industry Consortium), 2014–2020

### **Ville Vilokkinen**

Born 1975, Master of Science (Tech.)

Director of Operations since 2005

Member of the Management Team since 2005

- ❑ Product/Device Engineer, Modulight, Inc., 2000–2005
- ❑ Researcher and Research Assistant, Tampere University of Technology, 1997–2000

## Shareholdings of the members of the Management Team

On December 31, 2023, the members of the Management Team of Modulight held in total 40.05% of the company's shares.

The Management Team's shareholdings as of December 31, 2023, directly or through their controlled entities, are presented below:

Name	Number of shares	% of shares
Seppo Orsila	6,205,500	14.56%
Ancuta Guina	670,320	1.57%
Ulla Haapanen	51,193	0.12%
Juha Lemmetti	553,140	1.30%
Kati Reiman	293,580	0.69%
Jari Sillanpää	51,373	0.12%
Petteri Uusimaa	6,205,500	14.56%
Ville Vilokkinen	3,039,750	7.13%

The members of the Management Team did not own any share-based rights.

## Descriptions of internal control procedures and risk management

### Internal control

The purpose of internal control is to ensure the efficiency and productivity of Modulight's operations, the reliability of financial and operational management reporting, and compliance with applicable laws and regulations and internal guidelines in the company.

Internal control is an essential part of managing the company's business and in ensuring the achievement of its business objectives. The company strives to organize internal control efficiently so that deviations from the company's goals are detected as early as possible or can be prevented.

Modulight's internal control comprises the internal control policy approved by the Board of Directors, as well as the decision-making and approval procedures, control points defined uniformly in different processes and their monitoring and undertaking of corrective measures.

Risk assessment forms the basis for effective internal control. The monitoring functions ensure that as few of the identified risks as possible materialize. Measures of internal control are directed in accordance with and to the extent required by the risks identified by the company.

## Risk management

Modulight's risk management is guided by the company's risk management policy. Risk management creates the operating conditions in which business-related risks are managed comprehensively and systematically at all levels of the organization. The principle is to identify risks, assess their magnitude and significance, define risk mitigation measures and decide on their implementation and monitor their impact. The company implements internal risk management by process area, starting from the strategy. The risk analysis is updated each time a new risk is identified, and it is processed in a risk analysis process that brings them up for consideration by the management team and/or the responsible person involved, if necessary. If necessary, the risks are brought before the Board of Directors.

Modulight uses a Group-level risk assessment and monitoring model and conducts an annual comprehensive risk assessment, which assesses the most significant risks to the company's strategy and other objectives, as well as their likelihood and impact on the business, and maps out risk management measures. If necessary, the risk assessments are updated, for example, for the risk assessments of half-year reports and business reviews.

Modulight's Board of Directors is responsible for defining the company's risk-taking level, taking strategic risks, and monitoring the results of risk management and assessing its effectiveness.

## Risk reporting

Risks and related changes are reported to the company's Board of Directors. Modulight's Board of Directors discusses the most material risks, their management and assesses the effectiveness of risk management at least once a year.

Financial and operational risks, risks related to sustainability and related risk management activities are regularly reported to the Management Team. The Board of Directors discusses strategic risks annually in connection with the company's strategy discussion. The Company's CEO is responsible for organizing risk management, allocating risk management resources and evaluating the set risk management principles. The CEO reports the findings to the Board of Directors as part of the CEO's reporting.

Key risks and risk management activities are reported annually in the annual report, half-year report and business reviews and on a case-by-case basis, as appropriate. By defining risk management and identifying risks, the company aims to target internal control measures where they are best able to prevent the realization of the company's material risks.

## Other information to be disclosed in the Corporate Governance Statement

### Internal audit

Modulight does not have a separate internal audit function, and the responsibilities of the internal audit are divided between the different functions. The Board of Directors may use external experts to separately assess the control environment or control functions. The audit plan of the company's external auditor must consider the fact that the company does not have its own internal audit.

### Insider management

Modulight complies with the EU Market Abuse Regulation ((EU) 596/2014) and the lower-level regulations issued thereunder, as well as the Finnish Securities Markets Act (746/2012), decrees and instructions issued by the authorities, the rules of the Nasdaq First North Growth Market marketplace and the insider guidelines of Nasdaq Helsinki Ltd.

The company's insider guidelines consist of the current insider guidelines of Nasdaq Helsinki Ltd with company-specific additions. The Board of Directors has approved Modulight's insider policy.

Modulight has appointed an insider manager who is responsible for maintaining the company's insider lists, enforcing trading restrictions and the obligation to report and disclose transactions, internal communications and training related to insider matters, and supervision of insider matters. The company has internal procedures in place for disclosing inside information, the possible postponement of the disclosure of inside information and the maintenance of project-specific insider lists.

The Board of Directors has defined the members and deputy members of the Board of Directors, the CEO and their deputy, and the members of the company's Management Team as persons in a managerial position. Managers and persons closely associated with them shall notify their transactions in the company's financial instruments or derivatives thereof without delay and no later than three business days after the date of the transaction.

### Managers' transactions

Modulight publishes the notifications of transactions made by the management and persons closely associated with them in accordance with Article 19 of the MAR by means of a company announcement without delay and no later than two (2) business days after receipt of the notification.



## Closed period

Modulight follows a closed period in accordance with Article 19 (11) of the MAR Regulation, which begins 30 days before the publication of the business reviews, half-year report or financial statements release. In addition, the company has separately listed persons who participate in the preparation of the financial statements or who have access to material information and who are subject to a trading restriction of the same length and content (closed period).

## Related party transactions

Related party transactions are described in the notes to the financial statements. Transactions with related parties always take place on market terms and are handled by the company's Board of Directors. The company maintains a list of related parties of the company's management, the Board of Directors and their related parties, and keeps the management updated on the reporting obligation and other position-related obligations related to related party transactions. Persons discharging managerial responsibilities and their closely associated persons are obliged to report on transactions in the company's financial instruments when their total amount exceeds EUR 5,000 during a calendar year. All obliged entities are informed of these obligations in writing. The company regularly reviews the up-to-datedness of the list of related parties.

The company publishes the notifications of transactions in the company's financial instruments made by the management and persons closely associated with them without delay and no later than two (2) business days after receipt of the notification.

The company's persons in a managerial position include the company's CEO, the Management Team and the Board of Directors.

## Auditor

According to Modulight's Articles of Association, the company must have an auditor, who is an auditing firm approved by the Finnish Patent and Registration Office. The Board of Directors prepares a proposal for the election of the auditor and the remuneration of the auditor to the Annual General Meeting, and the General Meeting elects the company's auditor and decides on the remuneration of the auditor. The auditor's term of office expires at the end of the first Annual General Meeting following the election.

Modulight's auditor is Moore Idman Oy, with APA Jari Paloniemi as the principal auditor. Jari Paloniemi has been entered in the audit register referred to in Chapter 6, Section 9 of the Auditing Act (1141/2015).

In 2023, the fees paid to the company's auditor for auditing were EUR 23,500 (EUR 21,175 in 2022) and fees paid for other services not related to auditing were EUR 0 (EUR 0 in 2022).

## For further information, please contact:

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[www.modulight.com](http://www.modulight.com)

Twitter: [@modulight](https://twitter.com/modulight)

## Modulight in brief

Modulight Corporation is a biomedical laser company that designs and manufactures products for oncology, ophthalmology and genetics. The company also provides solutions for selected high value-add applications including quantum computing and digital press. The company's products include medical devices, subsystems, software, cloud services and specialized semiconductors. Modulight's products are used worldwide by many Fortune 500 companies, pharmaceutical companies, and well-known cancer centers and universities. Modulight was founded in 2000 and is headquartered in Tampere, Finland. [www.modulight.com](http://www.modulight.com)

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