



Corporate Governance Statement

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Corporate Governance

Atria Plc



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1 Corporate governance

Atria Plc (“Atria” or the “company”) is a Finnish public company, and the responsibilities and obligations of its governing bodies are determined by Finnish law. The parent company, Atria Plc, and its subsidiaries constitute the international Atria Group. The company is domiciled in Kuopio.

Responsibility for the administration and operations of Atria Group lies with the governing bodies of the parent, Atria Plc. These are the General Meeting, Supervisory Board, Board of Directors and CEO.

Atria’s decision-making and corporate governance are in compliance with the Finnish Limited Liability Companies Act, regulations applied to publicly listed companies, Atria Plc’s Articles of Association, the rules of procedure for Atria’s Board of Directors and committees, and NASDAQ OMX Helsinki Ltd’s rules and guidelines. Atria follows the Finnish Corporate Governance Code (“Corporate Governance Code”). The full Corporate Governance Code may be viewed at www.cgfinland.fi. In accordance with the Comply or Explain principle, the company departs from the recommendations of the Code as follows:

- The company has a Supervisory Board.
- As an exception to recommendation 10, the term of a Board member is three (3) years in accordance with Atria’s Articles of Association.

Atria Plc has prepared a review of the corporate governance system in accordance with the recommendation of the Finnish Corporate Governance Code.

Articles of Association

The Articles of Association and the pre-emptive purchase clause can be found in their entirety on the company’s website at <http://www.atriagroup.com/en/investors/corporategovernance>.

Shareholder agreement

There is an agreement between two shareholders of Atria – Lihakunta and Itikka Co-operative – according to which they will jointly ensure that both parties are represented in the Supervisory Board in the proportion in which they own Series KII shares in the company. The parties will also ensure that the Chairman of the Supervisory Board and the Vice Chairman of the Board of Directors are nominated by one party and the Chairman of the Board of Directors and the Vice Chairman of the Supervisory Board by the other party.

Regarding the distribution of Board positions, it has been agreed that each of the parties may nominate three ordinary members and their deputy members to the Board of Directors. The agreement also includes stipulations on the mutual proportion of shareholding and on the procedures followed when either party acquires more Series KII shares directly or indirectly. According to the agreement, the acquisition of Series A shares is not considered in the evaluation of the mutual proportion of shareholding.

Furthermore, there is an agreement between three shareholders of Atria – Lihakunta, Itikka Co-operative and Pohjanmaan Liha – according to which Pohjanmaan Liha will have one representative in the Supervisory Board. The agreement also includes stipulations on Pohjanmaan Liha Co-operative's shareholding.

The company is not aware of any other shareholder agreements.

2 Corporate governance statement

The full corporate governance statement can be found on the company's website at <http://www.atriagroup.com/en/investors/corporategovernance>.

3 General Meeting

The General Meeting is Atria Plc's highest decision-making body. At the General Meeting, shareholders decide on the approval of the financial statements and the use of the profit shown on the balance sheet; discharging of the members of the Board of Directors and of the Supervisory Board, as well as the CEO, from liability; the number of members of the Supervisory Board and of the Board of Directors and their election and remuneration; and the election of one or more auditors and the auditing fees.

The Annual General Meeting is held annually by the end of June on a date designated by the Board of Directors, and the agenda includes the matters to be handled by the Annual General Meeting in accordance with the Articles of Association and any other proposals. An Extraordinary General Meeting may be convened as needed.

Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting if the shareholder so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice. Where applicable, the shareholder must submit a request to have the matter dealt with by the Annual General Meeting by the date published, for example, on the company's website at www.atriagroup.com. The request, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, PO Box 900, FI-60060 ATRIA.

The General Meeting is convened by the Board of Directors. It is held in the company's domicile, Kuopio, or in Helsinki. The notice to convene the General Meeting is communicated by publishing the notice on the company's website and by a stock exchange release at the earliest three (3) months and at the latest three (3) weeks before the General Meeting, however, no later than nine (9) days prior to the record date of the General Meeting. In addition, the Board of Directors may decide to publish the notice, or delivery notification of the notice, in one or more national newspapers determined by the Board, or in some other manner it may decide.

To have the right to participate in a General Meeting, a shareholder must register with the company no later than on the day mentioned in the notice of meeting, which can be no earlier than ten (10) days before the meeting.

The CEO, the Chairman of the Board and the majority of the Board members shall be present at the General Meeting, and also auditors shall be present at the Annual General Meeting. A first-time candidate for the Supervisory Board or the Board of Directors shall be present at the General Meeting where the decision on his or her appointment is made, unless there is a weighty reason for his or her absence.

4 Nomination Committee

Atria Plc's General Meeting has appointed the Nomination Committee to prepare proposals concerning the election and remuneration of Board members for the next Annual General Meeting.

Shareholders or their representatives who own Series KII shares as well as the largest holder of Series A shares who does not own Series KII shares or a representative thereof shall be elected to the Nomination Committee in accordance with the situation in early November preceding the next General Meeting. The right to nominate a representative to the Nomination Committee is determined in accordance with the shareholder register maintained by Euroclear Finland Ltd in accordance with the situation on the first banking day of the November preceding the Annual General Meeting. The Chairman of the Board of Directors shall also be appointed to the Nomination Committee as an expert member.

If a shareholder does not wish to exercise his or her right to nominate a member, the right will be transferred to the next largest Series A shareholder as per the shareholder register who would not otherwise have the right to nominate a member. If a shareholder who is obligated to notify of certain changes in shareholding when necessary under the Finnish Securities Markets Act presents a written request to the company's Board of Directors by the end of October, the holdings of corporations or foundations controlled by such shareholder, or the shareholders' holdings in several funds or registers, are added up when calculating voting rights.

The Nomination Committee is convened by the Chairman of the Board of Directors and the Committee elects a Chairman from amongst its members. The Nomination Committee shall present its proposal to the Board of Directors by the first day of the February preceding the Annual General Meeting.

5 Supervisory Board

In accordance with Atria Plc's Articles of Association, the company has a Supervisory Board elected by the General Meeting. The Supervisory Board consists of a minimum of 18 and a maximum of 21 members, who are elected for terms of three years. A person aged sixty-five (65) or older cannot be elected to the Supervisory Board. The Supervisory Board elects a Chairman and a Vice Chairman from amongst its members for terms of one year. The Supervisory Board meets three times a year on average.

The duties of the Supervisory Board are specified in the Limited Liability Companies Act and Atria Plc's Articles of Association. The key duties of the Supervisory Board are as follows:

- Supervising the administration of the company by the Board of Directors and the CEO.

- Providing instructions to the Board of Directors on matters that are of far-reaching consequence or important in principle.
- Submitting its statement on the financial statements and auditors' report to the Annual General Meeting.

Shareholders of the company representing more than 50% of the votes have expressed their satisfaction with the current model based on the Supervisory Board because it brings a far-reaching perspective on the company's operations and decision-making.

In 2012, the members of Atria Plc's Supervisory Board were as follows:

Chairman of the Supervisory Board:

- Ari Pirkola born 1959, Farmer, member since 2008

Vice Chairman of the Supervisory Board:

- Juho Anttikoski born 1970, Farmer, member since 2009

Members:

- Mika Asunmaa born 1970, Farmer, member since 2005
- Lassi-Antti Haarala born 1966, Agrologist, Farmer, member since 2002
- Jussi Hantula born 1955, Agrologist, Farmer, member since 2012
- Juhani Herrala born 1959, Farmer, member since 2002
- Henrik Holm born 1966, Farmer, member since 2002
- Veli Hyttinen born 1973, Agrologist, Farmer, member since 2010
- Pasi Ingalsuo born 1966, Agrologist, Farmer, member since 2004
- Juha Kiviniemi born 1972, MSc (Agric.), Farmer, member since 2010
- Teuvo Mutanen born 1965, Provincial Secretary, Agricultural Entrepreneur, member since 2007
- Mika Niku born 1970, Farmer, member since 2009
- Heikki Panula born 1955, MSc (Agric.), Farmer, member since 2005
- Pekka Parikka born 1951, Farmer, member since 2008
- Juho Partanen born 1962, Farmer, member since 2011
- Jari Puutio born 1962, Farmer, member since 2012
- Juho Tervonen born 1950, Farmer, member since 2001
- Tomi Toivanen born 1954, Farmer, member since 2009
- Timo Tuhkasaari born 1965, Farmer, member since 2002.

All members of Atria Plc's Supervisory Board are members of the administrative bodies of the company's principal owners – Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative. All members of the Supervisory Board are independent of the company and dependent on significant shareholders.

In 2012, Atria Plc's Supervisory Board met four (4) times, and the average attendance percentage of the members was 94.74.

The Supervisory Board's share ownership in the company is available on the company's website under [Insider Register](#).

6 Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of five and a maximum of seven members. The term of office of a member of Atria's Board of Directors differs from the term of one year specified in recommendation 10. As per the Articles of Association, the term of a member of the Board of Directors is three (3) years. Shareholders representing more than 50% of the votes have stated that the term of three (3) years is appropriate for the long-term development of the company and have not seen the need to shorten the term from that specified in the Articles of Association.

Duties of the Board of Directors

Atria's Board of Directors shall ensure the appropriate organisation of the company's administration, operations, accounting and asset management supervision. To this end, the Board of Directors has adopted written rules of procedure concerning the duties of the Board, the matters to be dealt with, meeting practices and the decision-making procedure. According to these rules, the Board of Directors discusses and decides on significant matters related to the company's strategy, investments, organisation and financing. The rules of procedure lay down the following key duties for the Board of Directors:

- Approving the strategic goals and guidelines for the Group and its business areas
- Approving the budgets and business plans for the Group and its business areas
- Deciding on the investment plan for each calendar year and approving major investments (i.e., investments exceeding one million euros)
- Approving major M&A and restructuring operations
- Approving the Group's operating principles for important elements of management and supervision
- Discussing and adopting interim reports and financial statements
- Preparing the items to be dealt with at General Meetings and ensuring that decisions are implemented
- Approving the audit plan for internal auditing
- Appointing the CEO and deciding on his or her remuneration and other benefits
- Approving, at the CEO's proposal, the hiring of his or her direct subordinates and the principal terms of their employment contracts
- Approving the organisational structure and the key principles of incentive schemes
- Monitoring and evaluating the CEO's performance
- Deciding on other matters that are important in view of the size of the Group and that are not part of day-to-day operations, such as considerable expansion or contraction of business or other material changes in operations, and the sale and pledging of fixed assets
- Deciding on other matters which, under the Limited Liability Companies Act, fall within the remit of the Board of Directors
- Performing the Audit Committee's duties referred to in recommendation 27 of the Corporate Governance Code.

The Board of Directors regularly assesses its operations and working methods through self-evaluation once a year.

Meeting practices and information flow

The Board of Directors meets at regular intervals about 10 times during the term in accordance with a separate meeting schedule confirmed in advance by the Board, and when necessary. In 2012, the Board of Directors met fifteen (15) times. The average meeting attendance percentage of the members of the Board of Directors was 96.2.

During the meetings of the Board of Directors, the CEO gives a review of the financial situation of the Group. The review also covers forecasts, investments and organisational changes, and all other important issues from the point of view of the Group.

The following reports are reviewed in each regular meeting:

- Report on the development of the company's business operations for each business area
- Report on measures taken between Board meetings.

The agenda of the meeting shall be delivered to the members of the Board of Directors no later than one week before the meeting. The meeting material shall be prepared by the CEO and the secretary of the Board of Directors according to the instructions provided by the Chairman. The meeting material shall be delivered to the members no later than three days before the meeting.

Composition of the Board of Directors

Name	Paavola Seppo Felix, Chairman
Year of birth	1962
Education	Agrologist (secondary school graduate)
Main occupation	Farmer
Relevant work experience	Farm advisor at Rural Centre of Central Ostrobothnia 1991–1996 Agricultural entrepreneur 1996–
Member of the Board since	3.5.2012
Current key positions of trust	Member of the Supervisory Board of Itikka Co-operative 2000 – 2008, vice-chairman 2008 – 2012 and chairman of the Supervisory Board of Itikka Co-operative 2012 - Chairman of the Board of Directors of Kaustinen Co-operative Bank 2002 - Member of the Board of Directors of Pellervo Confederation of Finnish Co-operatives 2012 - Member of the Co-operative Advisory Committee 2012 -
Expired key positions of trust	Member 2006 – 2009 and vice-chairman 2009 – 2012 of the Supervisory Board of Atria Plc
Independency	Independent of the company and dependent on significant

	shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

Name	Komulainen Timo Juhani, Vice Chairman
Year of birth	1953
Education	Agrologist
Main occupation	Farmer
Relevant work experience	Positions of trust
Member of the Board since	1993
Current key positions of trust	Member 1988 – 1996 and chairman 1996 - of the Board of Directors of Lihakunta Vice-chairman 2000 – 2003 and chairman 2003- of the Board of Directors of A-Farmers Ltd Chairman of the Board of Directors of A-Rehu Oy 2004 - Member 1984 – 1995 and vice chairman 1995 - of the Board of Directors of Jukola Co-operative
Independency	Independent of the company and dependent on significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

Name	Heikkilä Tuomo Juhani
Year of birth	1948
Education	Farm school
Main occupation	Farmer
Relevant work experience	Positions of trust
Member of the Board since	1996
Current key positions of trust	Member of the Board of Directors of Lihakunta 1996 - 2012
Independency	Independent of the company and dependent on significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

Name	Kaarto Esa
Year of birth	1959
Education	MSc (Agr.)
Main occupation	Farmer
Relevant work experience	Farmer
Member of the Board since	2009
Current key positions of trust	Member 2002 – and Chairman 2009- of the Board of Directors of Itikka Co-operative Member 2004- and Vice Chairman 2009- of the Board of Directors of A-Farmers Ltd Vice Chairman of the Board of Directors of A-Rehu Oy 2009- Member of the Board of Directors of Feedmix Oy 2009- Member of the Board of Directors of Rehukanava Oy 2009- Chairman of the Board of Directors of Suurusrehu Oy 2009-
Independency	Independent of the company and dependent on significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

Name	Paxal Kjell-Göran
Year of birth	1967
Education	Agrologist
Main occupation	Farmer, piglet and pork producer
Relevant work experience	Feed salesman at Foremix Oy 1990–1997 Primary Production Manager at Pohjanmaan Liha Co-operative 1990–1997
Member of the Board since	3.5.2012
Current key positions of trust	Board of Directors of Pohjanmaan Liha: deputy member 1999–2001, Vice Chairman 2002–2009 and Chairman 2010– Board of Directors of A-Farmers Ltd: deputy member 2001–2002 and member 2003- Board of Directors of Foremix Oy: member 2004–2009 and Chairman 2010- Member of the Board of Directors of A-Rehu Oy 2010- Chairman of the Board of Directors of Ab WestFarm Oy 2010 -
Expired key positions of trust	Deputy member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001
Independency	Independent of the company and dependent on significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

Name	Maisa Romanainen
Year of birth	1967
Education	MSc (Econ.)
Main occupation	Department Store Group Manager of Stockmann plc, Executive Vice President, 2008–
Relevant work experience	Product Manager, Purchasing Manager, etc. at Brio Oy Stockmann plc: - Purchasing Manager, 1996–1997 - Department Store Manager, Moscow, Russia, 1998–2000 - Department Store Manager, Tallinn, Estonia, 2000–2005 - Manager, Foreign Department Stores, 2005–2007 - Manager, Finnish and Baltic Department Stores, 1 Jan–5 Nov 2008 - Department Store Group Manager, Executive Vice President, 6 Nov 2008–
Member of the Board since	2010
Current key positions of trust	Vice member of the Board of Directors of East Office of Finnish Industries 2008 - Member of the Board of Directors of Tuko Logistics Co-operative 2009-

	Member of the Board of Directors of The Finnish Grocery Trade Association 2008- Member of the Board of Directors of the Finnish-Russian Chamber of Commerce (FRCC) 2012-
Independency	Independent of the company and significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

Name	Sivula Harri Juhani
Year of birth	1962
Education	MSc (Admin.)
Main occupation	CEO at Restel Group 2011–
Relevant work experience	Kesko Corporation, 1987–1999 - Sales Manager, Purchasing Manager - Division Manager, Sales Director - Director of Marketkesko - Director of Lähikesko - Director, Retail Division Kesko Corporation/Kesko Food Ltd, 1999–2006 - Vice President Onninen Oy, 2006–2010 - CEO
Member of the Board since	2009
Current key positions of trust	Member of the Board of Directors of Norpe Oy 2010- Member of the Board of Directors of Leipurin Oy 2010- Chairman of the Board of Directors of Tokmanni Oy 2011- Member of the Supervisory Board of Nets Oy 2011-
Expired key positions of trust	Member of the Board of Directors of Olvi Oyj 2007-2011
Independency	Independent of the company and significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register .
Share-based rights in the company	None

The members of the company's Board of Directors are independent of the company. Harri Sivula and Maisa Romanainen are independent of both the company and its significant shareholders. Seppo Paavola, Timo Komulainen, Tuomo Heikkilä, Esa Kaarto and Kjell-Göran Paxal are members of the administrative bodies of the company's principal owners – Lihakunta, Itikka Co-operative and Pohjanmaan Liha.

The members of the Board of Directors are obligated to provide the Board with sufficient information to assess their skills and independency and to notify the Board of any changes to the information.

7 Board committees

The Board of Directors may set up committees to handle the duties designated by the Board. The Board shall approve the rules of procedure for the committees. The committees of the Board of Directors are the Nomination Committee and the Remuneration Committee, whose members are elected by the Board from amongst its members according to the rules of procedure of the committee. The committees have no autonomous decision-making power. Decisions are made by the Board of Directors based on the committees' preparations. The committees shall report on their work to the Board of Directors, which also supervises their operations.

Nomination Committee

The Nomination Committee consists of the Chairman of the Board of Directors and two members of the Board of Directors elected by the Board itself. In accordance with recommendation 29 of the Corporate Governance Code, the company's CEO or the members of the Board of Directors who belong to the company's other management shall not be elected as members of the Nomination Committee.

According to the rules of procedure, the duties of the Nomination Committee are as follows:

- Making the preparations for the nomination of the CEO and Vice President
- Making the preparations for the mapping of the successors to the CEO and Vice President
- Performing other duties separately assigned to the Nomination Committee by the Board of Directors.

The Chairman shall convene the Nomination Committee as needed. At the meetings, the matters belonging to the duties of the Nomination Committee are reviewed. The Nomination Committee may invite other people to join its meetings if deemed necessary and may use external experts to assist the Committee in fulfilling its duties.

The Chairman of the Nomination Committee is Seppo Paavola and the other members are Maisa Romanainen and Timo Komulainen. All members of the Nomination Committee are independent of the company. Maisa Romanainen is also independent of significant shareholders. The Committee did not meet in 2012.

Remuneration Committee

The Remuneration Committee consists of the Chairman, Vice Chairman and one member of the Board of Directors elected by the Board itself. In accordance with recommendation 32 of the Corporate Governance Code, the CEO or people belonging to the company's other management shall not be elected as members of the Remuneration Committee.

The aim of the Remuneration Committee is to ensure the objectivity of decision-making, enhance the achievement of the company's goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Remuneration Committee is also to ensure that the merit pay systems are connected with the company's strategy and the results obtained.

According to the rules of procedure, the duties of the Remuneration Committee are as follows:

- Preparing the terms of employment of the CEO and Vice President and bringing them before the Board of Directors
- Preparing the remuneration, fees and other employment benefits of the directors that report to the CEO and bringing them before the Board of Directors
- Preparing the forms and criteria of the bonus and incentive plans of top management and bringing them before the Board of Directors
- Preparing the content and group assignments of the pension programmes of the company's management and bringing them before the Board of Directors
- Submitting its statement on the bonus arrangements for the whole personnel before their approval and assessing their functionality and the achievement of the goals of the systems
- If required, discussing possible interpretation problems related to the application of the approved bonus schemes and recommending a solution
- If required, reviewing information to be published in the financial statements and, where applicable, in other bonus-related documents
- Performing other duties separately assigned to it by the Board of Directors.

The Chairman of the Remuneration Committee shall convene the Committee as needed, but no less than two times per year. At the meetings, the matters belonging to the duties of the Remuneration Committee are reviewed. The Remuneration Committee may invite other people to join its meetings if deemed necessary and may use external experts to assist the Committee in fulfilling its duties.

The Chairman of the Remuneration Committee is Seppo Paavola and the other members are Timo Komulainen and Harri Sivula. All members of the Remuneration Committee are independent of the company. Harri Sivula is also independent of significant shareholders. The Remuneration Committee met four times in 2012. All members of the Committee attended all meetings.

8 CEO

The company has a CEO in charge of managing the company's operations in accordance with the instructions and orders issued by the Board of Directors, as well as informing the Board of Directors of the development of the company's operations and financial performance. The CEO also sees to the organisation of the company's day-to-day administration and ensures reliable asset management. The CEO is appointed by the Board of Directors, which decides on the terms of his or her employment.

Atria Plc's CEO is Juha Gröhn, MSc (Food and Sc.). The full presentation of the CEO is available on the company's website under [CEO](#) and the CEO's ownership data under [Insider Register](#).

9 Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in business planning and operational management. The duties of the Management Team include, among others, preparing strategic plans and putting them into practice, handling significant projects and organisational changes as well as reviewing and implementing the Group's risk management measures in their respective areas of responsibility.

The Management Team met eleven (11) times in 2012.

The presentations of the members of the Management Team are available on the company's website under [Management Team](#) and the ownership data of the Management Team under [Insider Register](#).

10 Remuneration

Atria Plc has prepared a remuneration statement in accordance with recommendation 47 of the Finnish Corporate Governance Code. The statement is available on the company's website (www.atriagroup.com/en/investors/Corporategovernance).

11 Internal control, risk management and internal audit

Internal control and risk management are processes under the responsibility of the company's top management, aimed at ensuring the achievement of the company's goals. The operating principles of internal control are confirmed by the company's Board of Directors. Atria's internal control includes comprehensive risk management and independent internal audit. The purpose of internal control is to ensure that Atria's operations are efficient and in line with the company's strategy, all financial and operational reports are reliable, the Group's operations are legal and the company's internal principles and codes of conduct are complied with.

Risk management

The purpose of risk management is to support the execution of Atria's strategy and the achievement of targets and to secure business continuity. Atria Group's risk management goals, principles, responsibilities and powers are specified in its Risk Management Policy, approved by the Board of Directors. The aim of the policy is to contribute to the identification and understanding of risks and to ensure that management receive relevant and sufficient information in support of business decisions.

Risk management is applied to identify, assess and manage factors that jeopardise the attainment of goals. In compliance with the policy, the Group has in place a uniform operating model for risk identification and reporting in all business areas. The model forms an integral part of annual strategic planning. Risks are managed in accordance with the specified

approved principles in all business areas and Group operations. In risk assessment, an action plan is defined according to which the identified risks are managed.

Risk definition and classification

Risks are defined as external or internal (within Atria Group) events that may have a positive or negative impact on the execution of the company's strategy, the achievement of its targets and the continuity of business.

Atria is subject to many different risks. For reporting purposes, Atria's risks are divided into four categories: **business risks, financial risks, operational risks and accident risks.**

Business risks are related, for example, to business decisions, resources allocation, the way in which changes in the business environment are responded or management systems in general.

Financial risks refer, for example, to the risk of insufficient financial resources in the short or medium term, the risk of the counterparties failing to meet their financial obligations or the risk of changes in market prices affecting the company.

Operational risks are defined as deficiencies or disruptions in processes or systems, risks related to people's actions and risks related to legislation or other regulations.

Accident risks refer to external or internal (within Atria) events or disruptions that cause damage or loss.

Organisation and responsibilities of risk management

Atria Plc's Board of Directors approves the Risk Management Policy and supervises its implementation. The CEO is responsible for organising risk management.

Internal control and risk management are implemented by the entire organisation, including the Board of Directors, management and the entire personnel. However, the responsibility for internal control and risk management lies with the company's top management. Organising internal control and risk management is part of Group management. The company's management defines the operational procedures and codes of practice that enable the achievement of the company's goals.

The Group's Management Team and the management teams of the business areas are responsible for identifying and assessing risks and for implementing risk management in their respective areas of responsibility. Financial risk management is centralised in the Group's Treasury unit. The Group's CFO gathers the most significant risks identified and reports them to the Board of Directors at least once a year. The CFO is responsible for development, guidelines and support in risk management and reporting. External advisors are also used in the development work.

Risk management is discussed in more detail in the annual report under "Risk management".

Internal audit

Atria has an internal audit function that is independent of the rest of the organisation and supports Group administration and business area management in achieving their goals. A key task of internal audit is to review and assess the appropriateness, functionality and profitability of the company's risk management and internal control. Therefore, its aim is to contribute to the achievement of the organisation's goals. Within its duties, the function assesses the following areas:

- Correctness and adequacy of financial information
- Compliance with operating principles, codes of practice, regulations and reporting systems
- Protection of property against losses
- Cost-efficiency and effectiveness of the use of resources.

The purpose of internal control is to ensure that all of the company's business areas comply with the Group's rules and guidelines and that the operations are managed effectively. The results of internal auditing are documented, and they are discussed with the management of the audited entity before the report and suggestions for improvement are presented to the CEO of the Group.

The entities to be audited are defined in co-operation with Group management. The audit plan is also based on annual Group-wide risk assessment. The company's Board of Directors approves the annual plan for internal audit. Internal audit also serves as an expert in development projects related to its task domain and carries out separate studies on the assignment of the Board of Directors or the Group's top management. The Internal Auditor reports to the CEO. A summary of the audit results is presented to the Board of Directors at least once a year.

12 Auditing

In accordance with the Articles of Association, the company shall have at least one (1) and no more than four (4) auditors and at most as many deputy auditors. The auditors and deputy auditors shall be public accountants or firms of independent public accountants authorised by the Central Chamber of Commerce of Finland. The term of service of the auditors shall end at the conclusion of the Annual General Meeting following their election.

The auditor provides Atria's shareholders with the audit report required by the law in conjunction with the company's financial statements and regularly reports to the company's Board of Directors and management. The auditor participates in a Board meeting at least once a year, on which occasion a discussion of the audit plan and auditing results is arranged.

In 2012, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorised public accountants, as the company's auditor until the closing of the next AGM. According to the firm, the auditor in charge is Authorised Public Accountant Juha Wahlroos.

Auditor's remuneration for the 2012 accounting period

In 2012, the Group paid a total of 486,000 euros in auditor's remuneration. The whole Group paid a total of 71,000 euros for services not related to auditing.

13 Insider policy

Atria complies with NASDAQ OMX Helsinki Ltd's insider guidelines in force since 9 October 2009. Atria's Board of Directors has confirmed the insider guidelines for the company, which include instructions for permanent and project-specific insiders. The company's guidelines have been distributed to all insiders.

The insider registers are maintained in co-operation with Euroclear Finland Oy. The company's legal department and CFO monitor compliance with the insider guidelines. The company has limited insiders' right to trade in the company's shares in the 14 days preceding the publication of the company's interim reports and financial statements. In addition to the public insider register, there is a separate register of other permanent insiders, maintained by the legal department, and there are also project-specific registers wherein insider information is recorded by project.

14 Communications

The aim of Atria's investor reporting is to ensure that the market has at all times correct and sufficient information available to determine the value of Atria's share. In addition, the aim is to provide the financial markets with versatile information, based on which those active in the capital markets can form a justified image of Atria as an investment object.

Silent period

Atria has established a silent period for its investor relation communications that is three weeks prior to the publication of interim and annual reports. During this period, Atria gives no statements on its financial status.

Investor information

Atria publishes financial information in real time on its website at www.atriagroup.com, where you can find annual reports, interim reports and press and stock exchange releases. The company's largest shareholders and insiders as well as their holdings are regularly updated on the website.

The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in its entirety on the company's website at www.atriagroup.com/en/investors/disclosurepolicy.



Remuneration statement

REMUNERATION STATEMENT

This remuneration statement of Atria Plc (“Atria” or the “company”) is the report referred to in recommendation 47 of the Finnish Corporate Governance Code.

1. Remuneration of the members of the Supervisory Board

The Annual General Meeting decides yearly on the remuneration to the members of the Supervisory Board. The remuneration paid to the Supervisory Board in 2012 is as follows:

- Meeting compensation 250 euros/meeting
- Compensation for loss of working time 250 euros for meeting and proceeding dates
- Fee of the Chairman of the Supervisory Board 3,000 euros/month
- Fee of the Vice Chairman of the Supervisory Board 1,500 euros/month
- Travel allowance according to the Government Travelling Regulations (train travel in VR Extra Class).

The members of the Supervisory Board have no share incentive plans or share-based bonus schemes.

In 2012, the monthly and meeting fees paid to the members of the Supervisory Board for participating in the work of the Supervisory Board (including being a member of the Supervisory Board of another company belonging the same Group) were as follows:

Remuneration (in euros) of the members of the Supervisory Board in 2012	Work of the Supervisory Board	Benefits from Group companies	Total
Pirkola Ari, Chairman	42,800		42,800
Anttikoski Juho, Vice Chairman since May 2012	13,500		13,500
Paavola Seppo, Vice Chairman until May 2012	12,000		12,000
Alaranta Juha-Matti, until May 2012	1,000		1,000
Asunmaa Mika	2,750		2,750
Haarala Lassi Antti	2,750		2,750
Hantula Jussi, since May 2012	1,000		1,000
Herrala Juhani	2,750		2,750
Holm Henrik	1,750	4,800	6,550
Hyttinen Veli	2,750		2,750
Ingalsuo Pasi	2,750	5,700	8,450
Kiviniemi Juha	2,000		2,000
Mutanen Teuvo	2,500		2,500
Niku Mika	2,250		2,250
Panula Heikki	2,250		2,250
Parikka Pekka	3,250		3,250
Partanen Juha	2,250		2,250
Puutio Jari, since May 2012	1,500		1,500
Tervonen Juho	3,000	7,200	10,200
Toivanen Tomi	2,750		2,750
Tuhkasaari Timo	2,250		2,250
Total	109,800	17,700	127,500

2. Remuneration of the members of the Board of Directors

The Annual General Meeting decides yearly on the remuneration to the members of Atria's Board of Directors. The remuneration to the members of the Board of Directors is paid as monetary compensation. The members have no share incentive plans or share-based bonus schemes. The principles governing the CEO's remuneration are set out in a different section.

The remuneration paid to the Board of Directors in 2012 is as follows:

- Meeting compensation 300 euros/meeting and compensation for loss of working time 300 euros/meeting and proceeding date
- Fee of the Chairman of the Board of Directors 4,400 euros/month
- Fee of the Vice Chairman of the Board of Directors 2,200 euros/month
- Fee of a member of the Board of Directors 1,700 euros/month
- Travel allowance according to the Government Travelling Regulations (train travel in VR Extra Class).

In 2012, the monthly and meeting fees paid to the members of the Board of Directors for participating in the work of the Board of Directors (including being a member of the Board of Directors of another company belonging to the same Group) were as follows:

Name	Position	Board of Directors and committee work	Benefits from Group companies	Total
Seppo Paavola	Chairman since May 2012	44,681		44,681
Martti Selin	Chairman until May 2012	28,503		28,503
Timo Komulainen	Vice Chairman	42,600	36,000	78,600
Tuomo Heikkilä	Member	31,500		31,500
Esa Kaarto	Member	30,900	23,100	54,000
Kjell-Göran Paxal	Member since May 2012	19,600	8,400	28,000
Maisa Romanainen	Member	24,900		24,900
Harri Sivula	Member	27,300		27,300
TOTAL		249,984	67,500	317,484

3. Bonus scheme for the CEO and other management

The bonus scheme for Atria Plc's management consists of a fixed monthly salary, merit pay and pension benefits. The company has no share incentive plan or option scheme in place.

Atria Plc's Board of Directors decides on the remuneration, other financial benefits and criteria applied in the merit pay system for the Group's CEO and Management Team, as well as the merit pay principles used for other management members.

The director of a business area and the Group's CEO decide on the remuneration of the members of the management teams of the various business areas according to the one-over-one principle. The merit pay systems for the management teams of business areas are approved by the Group's CEO.

The retirement age for the CEO is 63 years. However, the CEO has the right to retire at age 60. The amount of pension is based on the CEO's annual earnings at Atria Group as specified by the Board of Directors. In 2012, the group pension contributions of the CEO were 27% of annual earnings, which included monetary salary and fringe benefits without cash payments of incentive plans.

According to the CEO's contract, the period of notice is six months for both parties. If the company terminates the contract, the CEO is entitled to the salary for the period of notice and a severance pay, corresponding together to 18 months' salary. There are no terms and conditions for any other compensation based on termination of employment.

3.1 Incentive plans for management and key personnel

3.1.1 Long-term incentive plan

In February 2012, Atria Plc's Board of Directors decided to adopt a new long-term merit pay system for the Group's key personnel. The new system has three 12-month periods: 2012, 2013 and 2014. The earning period for the system ends on 31 December 2014. The compensation earned in an earning period is determined after the period is over based on progress against set targets. The system offers an opportunity to earn cash rewards for reaching targets established for the relevant earning period. Any profit from the system is based on the Group's earnings per share (EPS). Cash rewards payable under the system throughout the course of its earning period, between 2012 and 2014, are capped at EUR 4.5 million. The new system covers 40 of Atria Group's key personnel.

3.1.2 Short-term incentive plan

Atria Plc's Board of Directors has determined the management and key personnel's merit pay system for 2012. The maximum bonus payable to Atria Plc's CEO and Management Team is 35% to 50% of annual salary, depending on the performance impact and requirement level of each individual's role. The criteria in Atria Plc's merit pay system are the performance

requirements and working capital at Group level and in the area of responsibility of the person concerned. In addition to the CEO, Vice President and Management Team, Atria Plc's merit pay system covers approximately 40 Group executives.

3.1.3 Pension benefits

Managerial group pension benefits confirmed by Atria's Board of Directors have been arranged for the members of Atria Group's Management Team who are covered by Finnish social security. The retirement age of group pension insurance is 63 years for the members of the Management Team. The pension plan is payment-based, and the annual premium is based on the insured monthly salary (monetary salary and fringe benefits) as specified by the Board of Directors. Equivalent pension benefits have been separately arranged for the members of the Management Team who are not within the scope of Finnish social security.

The financial benefits paid to the CEO and Management Team in 2012 were as follows:

	Salaries, EUR	Merit pay	Fringe benefits	Pension contrib utions	2012 Total
CEO Juha Gröhn	457,411	0	18,359	130,706	606,476
Other members of the Management Team	1,234,775	10,783	79,003	186,524	1,511,085
TOTAL	1,692,186	10,783	97,362	317,230	2,117,561

3.1.4 Share incentive plan

Atria Plc had a share incentive plan in place for key personnel in the Group with three earning periods, namely the calendar years of 2010, 2011 and 2012. At the beginning of 2012, the Board of Directors decided to discontinue the share-based plan, which, therefore, was no longer used in 2012.

Incentives based on the share incentive plan are paid partly in the form of Series A shares and partly in cash. The cash payments covered any taxes or similar costs associated with the incentives. The recipients were not allowed to transfer the shares for a period of two years from the end of the earning period. Profit from the programme for the 2010 and 2011 earning periods was linked to consolidated EBIT and return on total comprehensive income for the year. The cap on share incentives was set at 100,100 of Atria Plc's Series A shares a year for 2010 and 2011. However, no share incentives were awarded based on performance in 2010 and 2011.

In the earlier earning periods of the incentive plan in 2007–2009, incentives were paid partly in the form of Series A shares and partly in cash. The cash payments covered any taxes or similar costs associated with the incentives. The recipients were not allowed to transfer the shares for a period of two years from the end of the earning period. In the 2007–2009 earning periods, a total of 38,540 Series A shares held by the company were transferred at no cost to key personnel under the incentive plan (35,260 shares for 2007 and 3,280 shares for 2009). Of these shares, 4,750 have since returned to the company.