



Corporate Governance Statement 2013

CONTENTS

- **Corporate governance**
- **Remuneration statement**

ATRIA PLC
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Corporate governance

Atria Plc



TABLE OF CONTENTS

Corporate governance

1.	Corporate governance	4
1.1	Articles of Association	4
1.2	Shareholder agreement	4
2.	Corporate Governance Statement	5
3.	General Meeting	5
4.	Nomination Board	6
5.	Supervisory Board	6
6.	Board of Directors	7
6.1	Duties of the Board of Directors	8
6.2.	Meeting practices and information flow	8
6.3	Composition of the Board of Directors	9
7.	Board Committees	12
7.1	Nomination Committee	12
7.2	Remuneration Committee	13
8.	CEO	14
9.	Management Team	14
10.	Remuneration	15
11.	Internal control, risk management and internal audit	15
11.1	Risk management at Atria	15
11.2	Internal audit	16
12.	Auditing	17
13.	Insider policy	17
14.	Communications	18

Appendix: Articles of Association

Remuneration statement

1	Remuneration of the members of the Supervisory Board	23
2	Remuneration of the members of the Board of Directors	24
3	Bonus scheme for the CEO and other management	25
3.1	Incentive plans for management and key personnel	25
3.1.1	Long-term incentive plan	25
3.1.2	Short-term incentive plan	25
3.1.3	Pension benefits	26
3.1.4	Share incentive plan	26

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 each Board member is three (3) years in accordance with Atria's Articles of Association.

Atria Plc has prepared a Corporate Governance Statement in accordance with recommendation 54 of the Corporate Governance Code.

1.1 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 www.atriagroup.com/en/investors/Corporategovernance.

1.2 Shareholder agreement

Lihakunta and Itikka Co-operative, two of Atria's shareholders, have agreed to ensure that they are both represented on the Supervisory Board in proportion with their holdings of 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, Lihakunta, Itikka Co-operative and Pohjanmaan Liha, who hold shares in Atria, have agreed to ensure that Pohjanmaan Liha has one representative on 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 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 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. Extraordinary General Meetings 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 set by the company, which is published 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, P.O. 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. Notices to convene General Meetings are communicated by publishing them on the Company's website and by publishing a stock exchange release at the earliest three (3) months and at the latest three (3) weeks before the General Meeting. Notices will be published no later than nine (9) days prior to the record date for the General Meeting. In addition, the Board of Directors may decide to publish the notice, or a notification of its delivery, in one or more national newspapers determined by the Board, or in another manner decided by the Board.

To have the right to participate in a General Meeting, shareholders must register with the Company by 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 General Meetings; in addition to the aforementioned, auditors shall be present at Annual General Meetings. First-time candidates for the Supervisory Board or the Board of Directors shall be present at the General Meeting where decisions on their appointment are made, unless there is compelling justification for their absence.

4. Nomination Board

Atria Plc's General Meeting has appointed a Nomination Board 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 Board in accordance with their ownership in early November preceding the next General Meeting. The right to nominate a representative to the Nomination Board is determined on the basis of 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 Board 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. Some shareholders are obligated to notify the company of certain changes in shareholding when necessary under the Finnish Securities Markets Act. Such shareholders may present a written request to the company's Board of Directors by the end of October for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights.

The Nomination Board is convened by the Chairman of the Board of Directors, and the Nomination Board elects a Chairman from amongst its members. The Nomination Board 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.

Following the Annual General Meeting held in 2013, the members of Atria Plc's Supervisory Board are as follows:

Name	Born	Member from	Education	Main occupation	Share ownership
Hannu Hyry (Chairman)	1956	2013		Farmer	144
Juho Anttikoski (Vice Chairman)	1970	2009		Farmer	4,000
Mika Asunmaa	1970	2005		Farmer	6,000
Lassi-Antti Haarala	1966	2002	Agrologist	Farmer	6,000
Jussi Hantula	1955	2012	Agrologist	Farmer	681
Henrik Holm	1966	2002		Farmer	430
Veli Hyttinen	1973	2010	Agrologist	Farmer	1,500
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4,000
Jukka Kaikkonen	1963	2013	Agrologist	Farmer	0
Juha Kiviniemi	1972	2010	MSc (Agr.)	Farmer company authority	300 184
Pasi Korhonen	1975	2013		Farmer	0
Ari Lajunen	1975	2013	MSc (Agr. & For.), Agrologist	Farmer	0
Mika Niku	1970	2009		Farmer	200
Pekka Ojala	1964	2013	Agrologist	Farmer	0
Heikki Panula	1955	2005	MSc (Agr.)	Farmer	500
Jari Puutio	1962	2012		Farmer	1,500
Ahti Ritola	1964	2013	BBA	Farmer company authority	0 400
Risto Sairanen	1960	2013		Farmer	0
Timo Tuhkasaari	1965	2002		Farmer	600

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 2013, Atria Plc's Supervisory Board met four (4) times, and the average attendance of the members was 98.7%.

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 of the Corporate Governance Code. 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.

6.1 Duties of the Board of Directors

Atria's Board of Directors shall ensure the appropriate organisation of the company's administration, operations, accounting and supervision of asset management. 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 that exceed 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 to 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.

6.2 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 2013, the Board of Directors met fifteen (15) times. The average attendance 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 by business area. The review also covers forecasts, investments, organisational changes and other issues that are important for the Group.

The company shall provide the Board of Directors with sufficient information on the company's operations to enable the Board to properly perform its duties. The agenda of the meeting shall be delivered to the members of the Board of Directors at least 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 at least three days before the meeting.

6.3 Composition of the Board of Directors

Name	Seppo Paavola, Chairman
Year of birth	1962
Education	Agrologist (secondary school graduate)
Main occupation	Farmer
Relevant work experience	Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996 Agricultural entrepreneur 1996–
Member of the Board since	3.5.2012
Current key positions of trust	Supervisory Board of Itikka Co-operative, member 2000–present, Vice Chairman 2008–2011 and Chairman 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–
Past key positions of trust	Supervisory Board of Atria Plc, member 2006–2009 and Vice Chairman 2009–2012
Independency	Independent of the company, dependent on significant shareholders
Share ownership in the company	3,300
Share-based rights in the company	None

Name	Timo Komulainen, Vice Chairman
Year of birth	1953
Education	Agrologist
Main occupation	Farmer
Relevant work experience	Acquisition agent, Lihakunta 1979–1984, positions of trust
Member of the Board since	1993
Current key positions of trust	Board of Directors of Lihakunta, member 1988– and Chairman 1996– Board of Directors of A-Farmers Ltd, Vice Chairman 2000–2003 and Chairman 2003– Chairman of the Board of Directors of A-Rehu Oy 2004– Board of Directors of Jukola Co-operative, member 1984– and Vice Chairman 1995–
Independency	Independent of the company, dependent on significant shareholders
Share ownership in the company	200
Share-based rights in the company	None

Name	Esa Kaarto
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	Board of Directors of Itikka Co-operative, member 2002– and Chairman 2009– Board of Directors of A-Farmers Ltd, member 2004– and Vice Chairman 2009– Vice Chairman of the Board of Directors of A-Rehu Oy 2009– Member of the Board of Directors of Oy Feedmix Ab 2009– Member of the Board of Directors of Kiinteistö Oy Rehukanava 2009– Chairman of the Board of Directors of Suurusrehu Oy 2009–
Independency	Independent of the company, dependent on significant shareholders
Share ownership in the company	1,100
Share-based rights in the company	None

Name	Kjell-Göran Paxal
Year of birth	1967
Education	Agrologist
Main occupation	Farmer, piglet and pork producer
Relevant work experience	Feed salesman, Foremix Oy 1990–1997 Primary Production Manager, 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 Oy Foremix Ab, 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–
Past 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, dependent on significant shareholders
Share ownership in the company	666
Share-based rights in the company	None

Name	Jyrki Rantsi
Year of birth	1968
Education	Agrologist
Main occupation	Farmer, piglet and pork producer
Relevant work experience	Agricultural entrepreneur
Member of the Board since	2013
Current key positions of trust	Vice Chairman of the Board of Directors of Lihakunta 2013– Member of the Board of Directors of Rautavaara Data Network Co-operative 2011– Member of the Supervisory Board of North-east Savo Co-operative Bank 2008–
Independency	Independent of the company, dependent on significant shareholders
Share ownership in the company	700
Share-based rights in the company	None

Name	Maisa Romanainen
Year of birth	1967
Education	MSc (Econ.)
Main occupation	Executive Vice President, Director, Department Store Division, Stockmann Group 2008–
Relevant work experience	Brio Oy: Product Manager and Purchasing Manager, among other duties, 1990-1996 Stockmann Oyj Abp: - Purchasing Manager 1996–1997 - Department Store Director, Moscow, Russia 1998–2000 - Department Store Director, Tallinn, Estonia 2000–2005 - Director, international department stores 2005–2007 - Director, Finnish and Baltic department stores 1 Jan–5 Nov 2008 - Executive Vice President, Director, Department Store Division 6 Nov 2008–present
Member of the Board since	2010
Current key positions of trust	Deputy member of the Board of Directors of the 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 2012–
Independency	Independent of the company and significant shareholders
Share ownership in the company	0
Share-based rights in the company	None

Name	Harri Sivula
Year of birth	1962
Education	MSc (Admin.)
Main occupation	CEO, Restel Group 2011–
Relevant work experience	Kesko Oyj 1987–1999 - Sales Manager, Purchasing Manager - Division Manager, Sales Director - Director of Marketkesko - Director of Lähikesko - Director of the Food Division Kesko Oyj/Kesko Food, 1999–2006 - Executive Vice President Onninen Oy, 2006–2010 - CEO
Member of the Board since	2009
Current key positions of trust	Chairman of the Board of Directors of Tokmanni Oy 2011–
Past key positions of trust	Member of the Board of Directors of Olvi Oyj 2007–2011 Member of the Board of Directors of Norpe Oy 2010–2013 Member of the Board of Directors of Leipurin Oy 2010–2013 Member of the Supervisory Board of Luottokunta Oy 2011–2013
Independency	Independent of the company and significant shareholders
Share ownership in the company	10,000
Share-based rights in the company	None

The members of the Board of Directors are obliged 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 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.

7.1 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 Deputy CEO
- Making preparations to search for successors to the CEO and Deputy CEO
- 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 discussed. 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 2013.

As noted in section 4 above, Atria Plc's General Meeting has established a separate Nomination Board to prepare proposals concerning the election and remuneration of Board members for the next Annual General Meeting.

7.2 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 shall not be elected to the Remuneration Committee, nor shall any other member of the company's management personnel.

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

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

- Preparing the terms of employment of the CEO and Deputy CEO 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 schemes 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 entire personnel before their approval and assessing their functionality and the achievement of the systems' goals
- 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 at least twice a year and otherwise whenever necessary. At the meetings, the matters belonging to the duties of the Remuneration Committee are discussed. 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 five (5) times in 2013. 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.

Since March 2011, Atria Plc's CEO has been Juha Gröhn, MSc (Food Sc.).

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 preparing strategic plans and putting them into practice, handling significant projects and organisational changes, and reviewing and implementing the Group's risk management measures in their respective areas of responsibility.

In 2013, the Management Team met twelve (12) times.

Atria Group's Management Team consists of the following members:

Name	Born	Joined Atria in	Education	Position	Share ownership
Juha Gröhn	1963	1990	MSc (Food Sc.)	CEO	17,493
Juha Ruohola	1965	1999	MSc (Agr. & For.), eMBA	Group Vice President and Deputy CEO	2,580
Heikki Kyntäjä	1952	2009	MSc (Econ.)	CFO	1,000
Mika Ala-Fossi	1971	2000	Meat industry technician	Executive Vice President Atria Finland	940
Tomas Back	1964	2007	MSc (Econ.)	Executive Vice President Atria Scandinavia	1,880

Olle Horm	1967	2012	Engineer	Executive Vice President Atria Baltic	0
Jarmo Lindholm	1973	2002	MSc (Econ.)	Executive Vice President Atria Russia	1,020

10. Remuneration

Atria Plc has prepared a Remuneration Statement in accordance with recommendation 47 of the Corporate Governance Code. The statement is available on the company's website at 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. They aim to ensure that the company can achieve its 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 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.

11.1 Risk management at Atria

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, which has been 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 used 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. During risk assessment, an action plan is defined. This is then used as a basis for managing the risks that have been identified.

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 may be related to business decisions, resources allocation, the way in which changes in the business environment are responded to, or management systems in general.

Financial risks may refer to the risk of insufficient financial resources in the short or medium term, the risk of 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 company to achieve its 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 that are 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 advisers are also used in the development work.

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

11.2 Internal audit

Atria's financial administration handles internal audits in collaboration with an external service provider. Internal audits are conducted in compliance with policies approved by the Board of Directors. A key task of internal audit is to review and assess the suitability, 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:

- Accuracy 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 audit is to ensure that all of the company's business areas comply with the Group's rules and guidelines and that the operations are effectively managed. The

results of internal auditing are documented. They are discussed with the management of the audited entity before the report and suggestions for improvement are presented to the Group's CEO.

The achievement of financial targets is regularly monitored by means of Group-wide financial reporting. The reports include actual figures, budgets and up-to-date forecasts for the current year.

The entities to be audited are defined in cooperation 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. Where necessary, internal audit also conducts separate studies commissioned by the Board of Directors or the Group's management. 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) regular 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 an Auditor's Report in accordance with the law, in conjunction with the company's financial statements, and regularly reports to the Board of Directors and management. The auditor participates in a Board meeting at least once a year, during which the audit plan and auditing results are discussed.

In 2013, 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 2013 accounting period

In 2013, the Group paid a total of EUR 473,000 in auditor's remuneration. In addition, EUR 54,000 was paid for services not related to auditing.

13. Insider policy

Atria complies with NASDAQ OMX Helsinki Ltd's Guidelines for Insiders that entered into force 1 July 2013. 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 cooperation with Euroclear Finland Oy. The company's legal department and CFO monitor compliance with the insider guidelines. The company has limited its 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 correct and sufficient information available at all times to determine the value of Atria's shares. An additional aim is to provide the financial markets with comprehensive information to enable active participants in the capital markets to form a justified image of Atria as an investment.

Silent period

Atria has established a silent period for its investor relations communications of three weeks prior to the publication of interim reports and annual reports. During this period, Atria does not give any statements on its financial status.

Investor information

Atria publishes financial information in real time on its website at www.atriagroup.com. The site contains annual reports, interim reports and press and stock exchange releases. The company's largest shareholders and insiders are regularly updated on the website, along with details on their holdings.

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.

Atria Plc

Articles of Association 31 Dec 2013

1) Business name and domicile

The company's business name is Atria Oyj in Finnish, Atria Abp in Swedish and Atria Plc in English. The company is domiciled in Kuopio.

2) Line of business

The company's line of business is slaughterhouse operations, meat processing, pre-processed food production and related industrial and business operations. The company may engage in business operations by itself or via its subsidiaries.

3) Nominal value of shares

The shares have no nominal value.

4) Series of shares

Series A shares have preference for a dividend of EUR 0.17, after which Series KII shares are paid a dividend of up to EUR 0.17. If dividend remains to be paid after this, Series A and Series KII shares entitle their holders to an equal right to a dividend.

Each Series KII share entitles its holder to ten (10) votes at a General Meeting and each Series A share to one (1) vote.

5) Redemption clause

If a Series KII share is transferred to a party outside the company, or a Series KII share is transferred to a shareholder within the company who had not previously owned shares in this series, the transferee must notify the Board of Directors thereof without delay and other Series KII shareholders have the right to pre-emptively purchase the share, subject to the following conditions:

If two or more holders of Series KII shares wish to exercise their pre-emptive purchase rights, the shares shall be divided amongst them by the Board of Directors in proportion to their ownership of Series KII shares. If the shares cannot be divided evenly in this manner, the remaining shares shall be distributed by lot amongst those seeking to exercise their pre-emptive purchase rights.

The redemption price is the average price of the company's Series A shares quoted on the stock exchange during the three-month period preceding the transfer or, in the event that a stock exchange or equivalent quotation is not available or the transfer is gratuitous, the actual value of the shares as judged from the last financial statements and as determined by the company's auditor.

The Board of Directors shall immediately notify Series KII shareholders of the share transfer. This notification must be carried out in the same manner as the Notice of Meeting. The notification must include the pre-emptive purchase price and the deadline for the pre-emptive purchase request.

A person entitled to exercise his or her pre-emptive purchase right shall present the pre-emptive purchase request to the company in writing within two (2) months of the date on which the Board of Directors was notified of the share transfer.

The redemption price must either be paid to the transferee in cash, with a bank draft or with a bank-endorsed cheque within one (1) month of the deadline for presenting a redemption request or deposited with the administrator of execution proceedings during the period specified.

Disagreements concerning pre-emptive purchase rights and the pre-emptive purchase price shall be submitted for resolution by arbitrators in the order specified in the Arbitration Proceedings Act (967/92).

6) Agreement clause

The approval of the company, which will be granted by the Board of Directors, is required for the acquisition of Series KII shares by means of transfer.

7) Board of Directors

The Board of Directors is responsible for the company's governance and proper organisation of the operations. The Board of Directors consists of a minimum of five (5) and a maximum of seven (7) members, who are elected at the Annual General Meeting for a term of three years. Each year, one to three members of the Board retire by rotation, the purpose of which is to ensure that the uninterrupted term of office of each member ends at the conclusion of the third Annual General Meeting following the election.

Members who are due to resign by rotation may be re-elected. However, no person who is sixty-five (65) or older can be elected to the Board of Directors.

8) Supervisory Board

The company has a Supervisory Board consisting of a minimum of 18 and a maximum of 21 members, who are elected for terms of three years. Six members of the Supervisory Board, as decided through the drawing of lots, shall resign in the first year, then six shall resign in the second year, the other members shall resign in the third year and after that members shall resign in rotation. Members who are due to resign by rotation may be re-elected.

No person who is sixty-five (65) or older can 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 shall supervise the governance of the company by the Board of Directors and the CEO. In addition, the Supervisory Board has the following duties:

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

9) CEO

The company has a CEO, who shall be in charge of managing the company's operations in accordance with the instructions and orders issued by the Board of Directors.

10) Representing the company

The company shall be represented by members of the Board of Directors and the CEO, two together. The Board of Directors can grant company employees the right to represent the company, either two together or each severally together with a member of the Board of Directors or the CEO.

11) Procurement

The Board of Directors decides on procurement.

12) Auditors

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 Finland Chamber of Commerce. The auditors' term of office shall end at the conclusion of the next Annual General Meeting following their election.

13) Venue of General Meetings, notice of meeting and registration

The company's General Meetings shall be held in Kuopio or Helsinki, Finland.

Notice of a General Meeting shall be given to the shareholders by publishing it on the company's website and by a stock exchange release not earlier than three (3) months and not later than three (3) weeks before the date of the Meeting and in any case not later than nine (9) days before the General Meeting Record Date. In addition, the Board of Directors may decide to publish the notice, or notification of delivering notice, in one or more Finnish national newspapers determined by the Board of Directors, or in any 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.

14) Annual General Meeting

The Annual General Meeting is held each year within six months of the end of the financial year on a day designated by the Board of Directors. The meeting shall present

- the financial statements and the annual report
- the auditors' report
- the Supervisory Board's statement on the financial statements and the auditors' report

decide on:

- the approval of the income statement and the balance sheet
- any measures called for by the profit or loss reported in the approved balance sheet
- granting of discharge from liability to the members of the Board of Directors and of the Supervisory Board and to the CEO
- the number of members of and the remuneration payable to the Board of Directors
- The number of members of and the remuneration payable to the Supervisory Board
- the number of auditors and deputy auditors

elect:

- members of the Board of Directors to replace those due to resign
- members of the Supervisory Board to replace those due to resign
- auditors and deputy auditors, and

discuss:

- other business stated in the notice of meeting.

15) Book-entry system

The company's shares are incorporated in the book-entry system.

16) Arbitration clause

Disputes between the company and the Board of Directors, a member of the Board of Directors, the CEO, an auditor or a shareholder shall be resolved by means of arbitration in accordance with the provisions of the Companies Act and the Arbitration Proceedings Act.



Remuneration statement 2013

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

1 Remuneration of the members of the Supervisory Board

The Annual General Meeting decides on the remuneration of the members of the Supervisory Board. The remuneration paid to the Supervisory Board in 2013 was as follows:

- Meeting compensation: 250 euros/meeting
- Compensation for loss of working time: 250 euros for meeting and assignment 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 2013, the monthly and meeting fees paid to the members of the Supervisory Board for participating in the work of the Supervisory Board (including fees for work performed in other companies within the same Group) were as follows:

Name	Work of the Supervisory Board	Benefits from Group companies	Total (EUR)
Hyry Hannu, Chairman (from 26 April 2013)	26,250		26,250
Pirkola Ari, Chairman (until 26 April 2013)	13,750		13,750
Anttikoski Juho, Vice Chairman	23,250		23,250
Asunmaa Mika	2,000	600	2,600
Haarala Lassi Antti	1,750		1,750
Hantula Jussi	2,000		2,000
Herrala Juhani (until 26 April 2013)	500		500
Holm Henrik	2,750	4,500	7,250
Hyttinen Veli	2,000	1,800	3,800
Ingalsuo Pasi	2,000	5,400	7,400
Kaikkonen Jukka (from 26 April 2013)	1,500		1,500
Kiviniemi Juha	2,000		2,000
Korhonen Pasi (from 26 April 2013)	1,500		1,500
Lajunen Ari (from 26 April 2013)	1,000		1,000
Mutanen Teuvo (until 26 April 2013)	750		750
Niku Mika	2,000		2,000
Ojala Pekka (from 26 April 2013)	1,750		1,750
Panula Heikki	2,000		2,000
Parikka Pekka (until 26 April 2013)	750		750
Partanen Juha (until 26 April 2013)	500		500
Puutio Jari	2,000		2,000
Ritola Ahti (from 26 April 2013)	1,500		1,500
Sairanen Risto (from 26 April 2013)	1,500		1,500
Tervonen Juho (until 26 April 2013)	750	2,100	2,850

Toivanen Tomi (until 26 April 2013)	500		500
Tuhkasaari Timo	2,000		2,000
TOTAL	98,250	14,400	112,650

2 Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration of the members of Atria's Board of Directors. The remuneration is paid in cash. 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 2013 was as follows:

- Meeting compensation: 300 euros/meeting. Compensation for loss of working time: 300 euros/meeting and assignment 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 members of the Board of Directors: 1,700 euros/month
- Travel allowance according to the Government Travelling Regulations (train travel in VR Extra Class)

In 2013, 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 another company within the same Group) were as follows:

Name	Position	Board of Directors and committee work	Benefits from Group companies	Total (EUR)
Seppo Paavola	Chairman	75,300		75,300
Timo Komulainen	Vice Chairman	41,000	34,800	75,800
Tuomo Heikkilä	Member (until 26 April 2013)	12,800		12,800
Esa Kaarto	Member	33,300	19,800	53,100
Kjell-Göran Paxal	Member	32,400	7,800	40,200
Jyrki Rantsi	Member (from 26 April 2013)	20,500		20,500
Maisa Romanainen	Member	23,100		23,100
Harri Sivula	Member	26,700		26,700
TOTAL		265,100	62,400	327,500

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 directors of each 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 the age of 60. The pension arrangement is payment-based and the amount of pension is based on the CEO's annual earnings at Atria Group as specified by the Board of Directors. The earnings include monetary salary and fringe benefits without cash payments of incentive schemes.

According to the CEO's contract, the period of notice is six (6) months for both parties. If the company terminates the contract, the CEO is entitled to the salary for the period of notice and severance pay, which together correspond 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 plan has three 12-month periods: 2012, 2013 and 2014. The earning period for the plan ends on 31 December 2014. The compensation earned in each earning period is determined after the period is over based on progress against set targets. The plan offers the opportunity to earn cash rewards for reaching targets established for the relevant earning period. Any profit from the plan is based on the Group's earnings per share (EPS). Cash rewards payable under the plan throughout the course of its earning period, between 2012 and 2014, are capped at EUR 4.5 million. The plan covers approximately 40 Atria Group's key personnel.

3.1.2 Short-term incentive plan

Atria Plc's Board of Directors has determined the merit pay system for the management and key personnel for 2013. 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 scheme 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, Deputy CEO and Management Team, Atria Plc's merit pay scheme 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 the group pension insurance is 63 years for the members of the Management Team. However, the Management Team has the right to retire at the age of 60. The pension plan is payment-based, and the pension is based on the insured's annual earnings (monetary salary and fringe benefits) as specified by the Board of Directors.

The financial benefits paid to the CEO and the Management Team in 2013 were as follows:

	Salaries	Merit pay	Fringe benefits	Supplementary pension contributions	Total (EUR)
CEO Juha Gröhn	458,332	36,222	19,511	141,227	655,292
Deputy CEO Juha Ruohola	236,560	13,706	14,723	72,799	337,788
Other members of the Management Team	1,094,086	59,617	60,847	122,695	1,337,245
TOTAL	1,788,978	109,545	95,081	336,721	2,330,325

3.1.4 Share incentive plan

Atria Plc has not any share incentive plan or stock option scheme.