



Corporate Governance Statement 2014

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ATRIA PLC
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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 committee, 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 to their holdings of Series KII shares in the company. The parties will also ensure that the Chairman of the Supervisory Board and the deputy Chairman of the Board of Directors are nominated by one party and the Chairman of the Board of Directors and the deputy 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.

Despite the above, as stated in Section 3 below, the Annual General Meeting decides on the number of members of the company's Supervisory Board and of the Board of Directors and their election.

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, among other things, on the approval of the financial statements and the use of the profit shown on the balance sheet; the discharge 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 matters that are 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. The notice to convene the General Meeting is communicated by publishing the notice on the Company's website and by a company announcement 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 for the General Meeting. In addition, the Board of Directors may decide to publish the notice, or a 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, 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 the General Meeting and the company's auditors shall be present at the Annual General Meeting. 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 Annual General Meeting held on 3 May 2012 has appointed a Nomination Board to prepare proposals concerning the election and remuneration of Board members for the next Annual General Meeting. On 6 May 2014 Annual General Meeting decided to expand the duties of the Nomination Board, so that in the future it will also prepare a proposal concerning the remuneration of the members of the Supervisory Board 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 Annual 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. No person who is aged sixty-five (65) or older can be elected to the Supervisory Board. The Supervisory Board elects a Chairman and a deputy 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 granted by the company's shares 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 2014, 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
Reijo Flink	1967	2014	Agrologist	CEO	4,660
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	500
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	300
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 2014, 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 5 and a maximum of 9 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, the taking of long-term loans 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 2014, the Board of Directors met fifteen (15) times. The average attendance of the members of the Board of Directors was 98.3%.

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–present
Member of the Board since	2012
Current key positions of trust	Supervisory Board of Itikka Co-operative, member 2000–present, Deputy Chairman 2008–2011 and Chairman 2012–present Chairman of the Board of Directors of Kaustinen Co-operative Bank 2002–present Member of the Board of Directors of Pellervo Confederation of Finnish Co-operatives 2012–present Member of the Co-operative Advisory Committee 2012– present
Past key positions of trust	Supervisory Board of Atria Plc, member 2006–2009 and Deputy Chairman 2009–2012
Independency	Independent of the company, dependent on significant shareholders
Share ownership in the company	3,700
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– present and Chairman 1996– present Board of Directors of A-Farmers Ltd, Deputy Chairman 2000–2003 and Chairman 2003– present Chairman of the Board of Directors of A-Rehu Oy 2004– present Board of Directors of Jukola Co-operative, member 1984– and Deputy Chairman 1995– present
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– present and Chairman 2009– present Board of Directors of A-Farmers Ltd, member 2004– present and Deputy Chairman 2009– present Deputy Chairman of the Board of Directors of A-Rehu Oy 2009– present Member of the Board of Directors of Oy Feedmix Ab 2009– present Member of the Board of Directors of Kiinteistö Oy Rehukanava 2009– present Chairman of the Board of Directors of Suurusrehu Oy 2009– present
Independency	Independent of the company, dependent on significant shareholders
Share ownership in the company	1,100
Share-based rights in the company	None

Name	Jukka Moisio
Year of birth	1961
Education	MSc (Econ.), MBA
Main occupation	CEO of Huhtamäki Oyj
Relevant work experience	CEO of Huhtamäki Oyj 2009 - present Ahlstrom Corporation 1991–2008, various duties, latest position as CEO
Member of the Board since	6.5.2014
Current key positions of trust	Member of the Supervisory Board of the Finnish Fair Corporation
Independency	Independent of the company and of significant shareholders
Share ownership in the company	0
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, Oy Foremix Ab 1990–1997 Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997
Member of the Board since	2012
Current key positions of trust	Board of Directors of Pohjanmaan Liha, deputy member 1999–2001, Deputy Chairman 2002–2009 and Chairman 2010– present Board of Directors of A-Farmers Ltd, deputy member 2001–2002 and member 2003–present Board of Directors of Oy Foremix Ab, member 2004–2009 and Chairman 2010– present Member of the Board of Directors of A-Rehu Oy 2010– present Chairman of the Board of Directors of Ab WestFarm Oy 2010– present
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	Deputy Chairman of the Board of Directors of Lihakunta 2013– present Member of the Board of Directors of Finnpig Oy 2013- present
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	VR Group, Senior Vice President of the Passenger Services
Relevant work experience	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 2008 - Executive Vice President, Director, Department Store Division 2008–2014 Brio Oy: Product Manager and Purchasing Manager, among other duties, 1990-1996
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– present Member of the Board of Directors of Tuko Logistics Co-operative 2009–2014 Member of the Board of Directors of the Finnish Grocery Trade Association 2008–2014 Member of the Board of Directors of the Finnish-Russian Chamber of Commerce 2012– present
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	Board of Directors professional
Relevant work experience	CEO, Restel Group 2011–2014 Kesko Corporation 1987–1999 - Sales Manager, Purchasing Manager - Division Manager, Sales Director - Director of Marketkesko - Director of Lähikesko - Director of the Retail Division Kesko Corporation/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– present Member of the Board of Directors of Leipurin Oy 2014- present
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 Nets 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.

On May 6 2014 the Board of Directors decided to merge the Nomination Committee and the Remuneration Committee into one Nomination and Remuneration Committee. The Board of Directors appoints the members of the committee from among its members according to the rules of procedure of the committee. The Committee has no autonomous decision-making power. The Board of Directors makes decisions on the basis of the Committee's preparations and proposals. The committee shall regularly report to the Board of Directors which supervises the operation of the Committee.

The Nomination and Remuneration Committee consists of the Chairman, Deputy Chairman and one member of the Board of Directors elected by the Board itself. In accordance with recommendations 29 and 30 of the Corporate Governance Code, the company CEO, the members of the Board of Directors who belong to the Company's management shall not be elected as members of to the Nomination and Remuneration Committee.

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

According to the rules of procedure, the duties of the Nomination and Remuneration 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
- 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 Nomination and Remuneration Committee shall convene the Committee as needed. At the meetings, the matters belonging to the duties of the Committee are discussed. The Nomination and 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 Nomination and Remuneration Committee is Seppo Paavola and the other members are Timo Komulainen and Harri Sivula. All members of the Committee are independent of the company. Harri Sivula is also independent of significant shareholders. In 2014, the Nomination and Remuneration Committee met 8 times and the average attendance of the members was 100%.

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 the members of the Board of Directors as well as the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

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 planning the operations and is 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.

In 2014, 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
Heikki Kyntäjä	1952	2009	MSc (Econ.)	CFO, Deputy CEO	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 approved by the Board of Directors the aim of which is to contribute to the identification and understanding of risks and to ensure that management receive relevant and sufficient information about risks in support of business decisions.

Risk management is used to identify, assess, eliminate 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 efforts are made to remove and manage the identified risks.

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 to, 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 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. The management of financial risk is centralised in the Group's Treasury unit. The Group's CFO gathers and reports the most significant risks 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 by the Board of Directors under "Risk management at Atria".

11.2 Internal audit

Atria's Group Control function 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 appropriateness, functionality and profitability of the company's risk management and internal control, and it thus aims to promote operational and process quality and to contribute to the achievement of the organisation's goals. Within its tasks, 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 managed effectively. 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 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; the number of deputy auditors shall not exceed this. 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 document in accordance with the law, in conjunction with the company's financial statements, and reports regularly to the 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 the results of auditing is arranged.

In 2014, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorised public accountants, as the company's auditor for the term ending at the closing of the next Annual General Meeting. According to the firm, the auditor in charge is Authorised Public Accountant Juha Wahlroos. The remuneration is paid to the auditor according to an invoice.

Auditor's remuneration for the 2014 accounting period

In 2014, the Group paid a EUR 356,000 in auditor's remuneration. The whole Group paid a total of 68,000 euros 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 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 gives no 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.



Remuneration statement

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 2014 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 Deputy Chairman of the Supervisory Board: 1,500 euros/month
- Travel allowance according to the Company's travelling policy

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

In 2014, 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)
Hannu Hyry, Chairman	39,750		39,750
Anttikoski Juho, Deputy chairman	21,500		21,500
Asunmaa Mika	1,750	600	2,350
Flink Reijo (from 6 May 2015)	1,000		1,000
Haarala Lassi Antti	1,750		1,750
Hantula Jussi	1,750		1,750
Holm Henrik	2,000	4,200	6,200
Hyttinen Veli	2,500	5,100	7,600
Ingalsuo Pasi	1,750	6 600	8,350
Kaikkonen Jukka	2,250		2,250
Kiviniemi Juha	1,750		1,750
Korhonen Pasi	2,000		2,000
Lajunen Ari	2,750		2,750
Niku Mika	2,000		2,000
Ojala Pekka	3,250		3,250
Panula Heikki	1,750		1,750
Puutio Jari	1,750		1,750
Ritola Ahti	1,750		1,750
Sairanen Risto	2,250	600	2,850
Tuhkasaari Timo	1,750		1,750
TOTAL	97,000	17,100	114,100

The Annual General Meeting held in 2014 decided to keep the fees and compensation of the members of the Supervisory Board and compensation for meeting expenses be unchanged.

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. Remuneration is handled in the form of monetary compensation. The members have no share incentive plans or share-based bonus schemes. The principles governing the remuneration of the CEO are set out in a different section.

The remuneration paid to the Board of Directors in 2014 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 Company's travelling policy

In 2014 monthly fees and meeting fees paid to the members of the Board of Directors for participating in the procedures of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were the following:

Name	Position	Board of Directors and committee work	Benefits from Group companies	Total (EUR)
Seppo Paavola	Chairman	72,300		72,300
Timo Komulainen	Deputy Chairman	44,100	33,900	78,000
Esa Kaarto	Member	30,600	21,300	51,900
Jukka Moisio	Member (from 6 May 2015)	15,100		15,100
Kjell-Göran Paxal	Member	31,800	8,100	39,900
Jyrki Rantsi	Member	33,300	1,800	35,100
Maisa Romanainen	Member	24,300		24,300
Harri Sivula	Member	28,200		28,200
YHTEENSÄ		279,700	65,100	344,800

In accordance with the proposal at the Nomination Board the Annual General Meeting 2014 decided to keep the fees and compensation of the members of the Board of Directors unchanged.

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 age 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

Atria's long-term incentive plan includes an earning period consisting of three year-long periods.

The 2012–2014 earning period ended on 31 December 2014. The compensation earned in an earning period is determined after the period is over based on progress against set targets. Payments from the 2012–2014 earning period were based on the Group's earnings per share (EPS). The plan covered about 40 people. The plan had no impact on expenses in 2012–2014.

In November 2014, Atria Plc's Board of Directors decided to adopt a new long-term bonus scheme for the Group's personnel for 2015–2017. The earnings periods will begin on 1 January 2015, 1 January 2016 and 1 January 2017, and will end on 31 December of the aforementioned years. The amount of the reward earned in each earnings period will be determined on the basis of targets, with an assessment by the end of May following each earning period. The plan offers an opportunity to earn cash rewards for reaching targets established for the relevant earning period. All payments under the plan for the period 2015–2017 are based on the Group's earnings per share (EPS) excluding extraordinary items. Bonuses earned during the period will be paid in instalments in the coming years. Cash rewards payable under the plan for the entire 2015–2017 earning period are capped at EUR 4.5 million. The plan covers a maximum of 45 people.

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 2014. 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 and other members of the Management

Team, Atria Plc's merit pay schemes cover approximately 40 people. The plan's impact on expenses in 2014 was EUR 0.7 million.

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 2014 were as follows:

	Salaries	Merit pay	Fringe benefits	Supplementary pension contributions	Total (EUR)
CEO Juha Gröhn	458,271		19,572	131,276	609,119
Deputy CEOs: Juha Ruohola (until 3 June 2014)	97,055		5,216	26,783	129,054
Heikki Kyntäjä (from 3 June 2014)	122,715		6,610	13,657	142,982
Other member of the Management Team	1,350,177	35,600	69,331	129,720	1,584,828
TOTAL	2,028,218	35,600	100,729	301,436	2,465,983

3.1.4 Share incentive plan

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