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## 1. Corporate Governance Statement

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, the Supervisory Board, the Board of Directors and the CEO.

Atria's decision-making and corporate governance comply with the Finnish Limited Liability Companies Act, the regulations applicable to publicly listed companies, Atria Plc's Articles of Association, the charters for Atria's Board of Directors and its committee, and the rules and guidelines of Nasdaq Helsinki Ltd. Atria follows the Finnish Corporate Governance Code which took effect on 1 January 2016 ("Corporate Governance Code"). The full Corporate Governance Code is available on the website of the Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi). In accordance with the comply or explain principle, the company departs from the recommendations of the Code as follows (the departures are explained under the relevant points):

- The company has a Supervisory Board.
- As an exception to recommendation 6 of the Corporate Governance Code, the term of office of each Board member is three years in accordance with Atria's Articles of Association.
- As an exception to recommendation 10 of the Corporate Governance Code, only three of eight members of the Board of Directors are independent of the company.
- As an exception to recommendations 17 and 18a of the Corporate Governance Code, one of the three members on the Nomination and Remuneration Committee is independent of the company.

Atria Plc has prepared this Corporate Governance Statement in accordance with the Corporate Governance Code. The Corporate Governance Statement is presented as a report separate from the Report by the Board of Directors.

### 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.atria.com](http://www.atria.com), under Investors, Corporate Governance.

### 1.2 Shareholder agreement

There is a shareholder agreement between Lihakunta and Itikka Co-operative, two of Atria's shareholders, where they 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 Chair of the Supervisory Board and the Deputy Chair of the Board of Directors are nominated by one party and the Chair of the Board of Directors and the Deputy Chair 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 Co-operative, which hold shares in Atria, have shareholder agreement where they have agreed to ensure that Pohjanmaan Liha Co-operative 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, the Annual General Meeting, as stated in section 3 below, 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 Corporate Governance Statement can be found in its entirety on the company's website at [www.atria.com](http://www.atria.com), under Investors, Corporate Governance.

## 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 auditor's remuneration.

The Annual General Meeting is held annually by the end of June on a date designated by the Board of Directors, and the agenda includes matters that are to be handled by the Annual General Meeting in accordance with the Limited Liability Companies Act and

the Articles of Association and any other proposals mentioned in the notice of the meeting. 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 General Meeting by the date set by the company, which is published on the company's website at [www.atria.com](http://www.atria.com). The request, together with the accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, P.O. Box 900, FI-60060 ATRIA.

General Meetings are convened by the Board of Directors. General Meeting 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, but nevertheless 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 concerning the delivery of the notice, in one or more Finnish national newspapers determined by the Board of Directors, or in any other manner it may decide.

A shareholder registered in the shareholder register maintained by Euroclear Finland Ltd on the record date of the General Meeting has the right to participate in the General Meeting. To have the right to participate in General Meeting, shareholders must register with the company by the day mentioned in the notice of the meeting, which can be no earlier than ten (10) days before the meeting.

According to recommendation 3 of the Corporate Governance Code the CEO, members of the Board of Directors and members of Supervisory Board shall be present at the General Meeting. The auditor shall be present at the Annual General Meeting. Candidates for Board or Supervisory Board shall be present at the General Meeting deciding on their election.

The company's Annual General Meeting for 2018 was held in Helsinki on 26 April 2018. The meeting was attended, either in person or by a representative, by a total of 319 holders of A shares, representing a total of 9,640 799 shares and votes, and three (3) holders of KII shares, representing a total of 9,203,981 shares and 92,039,810 votes. The minutes of the meeting as well as other documents related to the meeting are available on Atria's website at [www.atria.com](http://www.atria.com), under Investors, Annual General Meeting.

#### 4. Shareholders' Nomination Board

Atria Plc has a Shareholders' Nomination Board pursuant to recommendation 18b of the Corporate Governance Code. Atria Plc's Annual General Meeting held on 3 May 2012 established a Nomination Board and confirmed its written charter. The charter was amended by a decision made at the Annual General Meeting on 6 May 2014 and again on 27 April 2017. In accordance with its charter, the Nomination Board prepares proposals concerning the remuneration of the Board of Directors and Supervisory Board and the election of the members of the Board of Directors 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. 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 September preceding the Annual General Meeting. The Chair of the Board of Directors will also be appointed on 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 in accordance with 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 (flagging obligation) 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 August 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 Chair of the Board of Directors, and the Nomination Board elects a Chair from amongst its members. The Nomination Board shall present its proposal to the Board of Directors by the first day of February preceding the Annual General Meeting.

On 28 September 2018, the owners of Atria's KII shares and the largest owner of series A shares nominated the following members on the Nomination Board: Jukka Kaikkonen (Lihakunta), Kjell-Göran Paxal (Pohjanmaan Liha Co-operative), Juho Anttikoski (Itikka Co-operative) and Timo Sallinen (Varma Mutual Pension Insurance Company). Juho Anttikoski was elected as the Chair of the Nomination Board and Seppo Paavola, the Chair of Atria's Board of Directors, acts as the Nomination Board's expert member.

The Nomination Board which prepared the proposal for the Annual General Meeting of 2019 convened two times. The Nomination Board submitted its proposals for the Annual General Meeting to be held on 26 April 2019 to the Board of Directors on 17 January 2019. The proposals were published in the form of a stock exchange release on 17 January 2019.

Name	Year of birth	Education	Main occupation	Attendance in meetings	Shareholding on 31 December 2018
Juho Anttikoski	1970		Farmer	2/2	4,000
Jukka Kaikkonen	1963	Agrologist	Farmer	2/2	500
Kjell-Göran Paxal	1967	Agrologist	Farmer	2/2	2,566
Timo Sallinen	1970	M.Sc. (Econ.)	Head of Listed Securities	2/2	0

#### 5. Supervisory Board

In accordance with Atria Plc's Articles of Association, the company has a Supervisory Board elected by the Annual General Meeting. The Supervisory Board consists of a minimum of 18 and a maximum of 21 members, who are elected for a term of three years at a time. The Supervisory Board elects a Chair and a Deputy Chair from amongst its members for a term of one year at a time. The Supervisory Board meets four 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 duties of the Supervisory Board are:

- Supervising the company's administration which is under responsibility of 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; and
- Submitting its statement on the financial statements and the auditors' report to the Annual General Meeting.

The company has a Supervisory Board because 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 of the Supervisory Board based on the Articles of Association, because it brings a far-reaching perspective on the company's operations and decision-making.

The 20 members of Atria Plc's Supervisory Board are as follows (31 December 2018):

Name	Born	Member as of	Education	Main occupation	Attendance in meetings	Shareholding on 31 December 2018
Jukka Kaikkonen (Chair)	1963	2013	Agrologist	Farmer	4/4	500
Juho Anttikoski (Deputy Chair)	1970	2009		Farmer	4/4	4,000
Mika Asunmaa	1970	2005		Farmer	4/4	11,000
Reijo Flink	1967	2014	Agrologist	CEO	4/4	4,660
Lassi-Antti Haarala	1966	2006	Agrologist	Farmer	4/4	6,000
Jussi Hantula	1955	2012	Agrologist	Farmer	4/4	791
Hannu Hyry	1956	2013		Farmer	4/4	144
Veli Hyttinen	1973	2010	Agrologist	Farmer	3/4	1,500
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4/4	4,000
Jussi Joki-Erkkilä	1977	2016		Agricultural entrepreneur	3/4	0
Marja-Liisa Juuse	1963	2015		Farmer	4/4	250
Juha Kiviniemi	1972	2010	M.Sc. (Agr.)	Farmer	4/4	300 184 company authority
Ari Lajunen	1975	2013	M.Sc. (Agr.)	Farmer	4/4	0
Juha Nikkola (from 26 April 2018)	1976	2018	M.Sc. (Agr.)	Farmer	3/3	100
Mika Niku	1970	2009		Farmer	3/4	300
Pekka Ojala	1964	2013	Agrologist	Farmer	3/4	100
Heikki Panula	1955	2005	M.Sc. (Agr.)	Farmer	4/4	500
Risto Sairanen	1960	2013		Farmer	4/4	0
Ola Sandberg (from 26 April 2018)	1981	2018	Agrologist	Farmer	3/3	
Timo Tuhkasaari	1965	2002		Farmer	4/4	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 dependent of the company and of significant shareholders.

In 2018, Atria Plc's Supervisory Board met four (4) times, and the average attendance of the members was 95%.

## 6. Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of five (5) and a maximum of nine (9) members. The term of office of a member of Atria's Board of Directors departs from the term of one year specified in recommendation 6 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. As an exception to recommendation 10 of the Corporate Governance Code, three of the eight members on the Board of Directors are independent of the company. It is the company's view that an understanding of Atria's business requires in-depth knowledge of and commitment to the meat industry from the majority of the Board's members.

### 6.1 Duties of the Board of Directors

Atria's Board of Directors takes care of the company's administration and its appropriate organisation. The Board of Directors is responsible for the appropriate organisation of the supervision of the company's accounting and asset management. The Board of Directors has confirmed a written charter concerning the duties of the Board, the matters to be dealt with, meeting practices and the decision-making procedure. According to this charter, the Board of Directors supervises and monitors company's operations and management and discusses and decides on significant matters related to the company's strategy, investments, organisation and financing. The charter lays 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
- Monitoring and evaluating the company's financial reporting system
- Preparing the items to be dealt with at Annual General Meetings and ensuring that decisions are implemented
- Approving the audit plan for internal auditing, as well as monitoring and assessing the effectiveness of internal control and auditing as well as the risk management systems
- Appointing and dismissing 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
- Monitoring and evaluating the independence of the auditor and particularly the provision of services other than auditing services provided by the auditor
- Monitoring auditing of financial statements and consolidated financial statements
- 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 16 of the Corporate Governance Code.

The Board of Directors assesses its operations and working methods regularly by conducting a 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 2018, the Board of Directors met 13 times. The average attendance of the members of the Board of Directors was 98%.

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 provides the Board of Directors with sufficient information on the company's operations to enable the Board to properly perform its duties. The agenda of a meeting is delivered to the members of the Board of Directors at least one week before the meeting. The meeting material is prepared by the CEO and the secretary of the Board of Directors according to the instructions provided by the Chair. The meeting material is delivered to the members at least three days before the meeting.

### 6.3 Composition of the Board of Directors on 31 December 2018:



Name	Seppo Paavola, Chair	Jyrki Rantsi, Deputy Chair
Year of birth	1962	1968
Education	Agrologist (secondary school graduate)	Agrologist
Main occupation	Farmer	Farmer, pork producer
Relevant work experience	<ul style="list-style-type: none"> <li>• Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996</li> <li>• Agricultural entrepreneur 1996–present</li> </ul>	Agricultural entrepreneur
Member of the Board since	2012	2013
Concurrent key positions of trust	<ul style="list-style-type: none"> <li>• Supervisory Board of Itikka Co-operative, member 2000–present, Deputy Chair 2008–2011 and Chair 2012–present</li> <li>• Chair of the Board of Directors of Perhonjokilaakso Co-operative Bank (former Kaustinen Co-operative Bank) 2002–present</li> <li>• Member of the Board of Directors of Pellervo Confederation of Finnish Co-operatives 2012–present</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Directors of Lihakunta, Chair 2015–present</li> <li>• Member of the Board of Directors of Finnpig Oy 2013–present</li> <li>• Chair of the Board of Directors of A-Farmers Ltd 2018–</li> </ul>
Past key positions of trust	<ul style="list-style-type: none"> <li>• Supervisory Board of Atria Plc, member 2006–2009 and Deputy Chair 2009–2012</li> <li>• Member of the Co-operative Advisory Committee of Pellervo Confederation 2012–2017</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Directors of Lihakunta, Deputy Chair 2013–2015</li> <li>• Deputy Chair of the Board of Directors of A-Farmers Ltd 2015–2017</li> </ul>
Independence	Dependent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2018	4,400	700
Share-based rights in the company	None	None
Attendance in meetings	13/13	12/13



Name	Nella Ginman-Tjeder	Pasi Korhonen
Year of birth	1959	1975
Education	M.Sc. (Econ.)	
Main occupation	Eira Hospital, Managing Director	Farmer
Relevant work experience	<ul style="list-style-type: none"> <li>• Ifolor Oy, Managing Director 2007–2014</li> <li>• American Express, Country Manager 2004–2007</li> </ul>	Farmer
Member of the Board since	2016	2016
Concurrent key positions of trust	<ul style="list-style-type: none"> <li>• Member of the Board of Directors of Viking Malt Oy 2014–present</li> <li>• Member of the Board of Directors of Stiftelsen Arcada 2010–present</li> <li>• Member of the Board of Directors of Oy Indmeas Ab 2008–present</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Directors of Lihakunta, member 2013–present and Deputy Chair 2016–present</li> <li>• Board of Directors of Kainuun maa- ja metsäsäätiö, member 2013–present</li> </ul>
Past key positions of trust	Member of the Board of Directors of Tulikivi Corporation 2013–2015	Sotkamo Municipal Council, Councillor 2005–2017
Independence	Independent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2018	0	0
Share-based rights in the company	None	None
Attendance in meetings	13/13	13/13



Name	Jukka Moisio	Kjell-Göran Paxal
Year of birth	1961	1967
Education	M.Sc. (Econ.), MBA	Agrologist
Main occupation	CEO of Huhtamäki Oyj	Farmer, piglet and pork producer
Relevant work experience	<ul style="list-style-type: none"> <li>• CEO of Huhtamäki Oyj 2009–present</li> <li>• Ahlström Oyj 1991–2008 (various duties)</li> </ul>	<ul style="list-style-type: none"> <li>• Feed salesman, Oy Foremix Ab 1990–1997</li> <li>• Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997</li> </ul>
Member of the Board since	2014	2012
Concurrent key positions of trust	Member of the Supervisory Board of Finnish Fair Co-operative	<ul style="list-style-type: none"> <li>• Board of Directors of Pohjanmaan Liha Co-operative, deputy member 1999–2001, Deputy Chair 2002–2009 and Chair 2010–present</li> <li>• Board of Directors of A-Farmers Ltd, deputy member 2001–2002 and member 2003–present</li> <li>• Board of Directors of Oy Foremix Ab, member 2004–2009 and Chair 2010–present</li> <li>• Member of the Board of Directors of A-Rehu Oy 2010–present</li> <li>• Chair of the Board of Directors of Ab WestFarm Oy 2010–present</li> </ul>
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
Independence	Independent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2018	0	2,566
Share-based rights in the company	None	None
Attendance in meetings	12/13	13/13



Name	Ritola Ahti	Harri Sivula
Year of birth	1964	1962
Education	B.Ba. (Business Administration)	M.Sc. (Admin.)
Main occupation	Farmer and beef producer	Professional board member
Relevant work experience	Entrepreneur in agriculture, real estate and commerce since 1985	<ul style="list-style-type: none"> <li>• Tokmanni Group Corporation, Acting Managing Director 2017–2018</li> <li>• Managing Director of GS1 2015–2017</li> <li>• CEO, Restel Ltd 2010–2014</li> <li>• CEO of Onninen Oy, 2006–2010</li> <li>• Deputy CEO of Kesko Corporation/Division Manager Kesko Food, 1987–2006</li> </ul>
Member of the Board since	2018	2009
Concurrent key positions of trust	Itikka Cooperative: member of the Board of Directors since 2013 and Chair of the Board of Directors since 2018	<ul style="list-style-type: none"> <li>• Member of the Board of Directors of Tokmanni Oy 2011–present</li> <li>• Member of the Board of Directors of Leipuri Oy 2014–present</li> <li>• Member of the Board of Directors of Makua Foods Oy 2015–present</li> <li>• Member of the Board of Directors of Kamux Oyj 2016–present</li> <li>• Member of the Board of Directors of GS1 Finland Oy 2016–present</li> <li>• Member of the Board of Directors of Dieta Oy 2016–present</li> </ul>
Past key positions of trust	<ul style="list-style-type: none"> <li>• Itikka Cooperative: member of the Representative Council 2001–2012, member of the Supervisory Board since 2012–2013,</li> <li>• Member of the Supervisory Board of Atria Plc since 2013–2018,</li> <li>• Member of the Representative Council of the South Ostrobothnia Cooperative Bank 2004–2017</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Board of Directors of TyöHelo Oy 2017–2018</li> <li>• Member of the Board of Directors of Olvi Oyj 2007–2011</li> <li>• Member of the Board of Directors of Norpe Oy 2010–2013</li> <li>• Member of the Board of Directors of Leipuri Oy 2010–2013</li> <li>• Member of the Supervisory Board of Nets 2011–2013</li> </ul>
Independence	Dependent of the company and significant shareholders	Independent of the company and significant shareholders
Shareholding on 31 December 2018	400	10,000
Share-based rights in the company	None	None
Attendance in meetings	9/9	13/13

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

#### 6.4 Principles concerning the diversity of the Board of Directors

For Atria, diversity represents a part of the company's responsible business. When planning the composition of Atria's Board of Directors, diversity is considered from a variety of aspects, also accounting for the extent of the company's business operations and its development needs.

The aim in the selection of a diverse Board of Directors is for the Board to support the development of Atria's current and future business. The selection also aims to ensure that the Board has core competence from a variety of fields within the value chain of Atria's business operations, a wide range of experience of entrepreneurship and business activities, as well as know-how and understanding of international business required by the company's strategy. Rather than every member of the Board being qualified in all of the aforementioned areas, the aim is that every Board member possess some skills in one or more of the aforementioned areas. The diversity of the Board of Directors is furthermore supported by the members' other complementary skills, their training and experience from different occupational fields and industries, as well as by a consideration of the Board members' age and gender distribution. A constructively questioning and challenging Board of Directors brings added value to the management's activities and diversifies the Board's work. In addition to the aforementioned areas, the selection considers the candidates' ability to spend a sufficient amount of time on their Board duties.

Atria aims to promote the selection of Board members who are as qualified as possible, with merits from various segments of the value chain regarding the Board's composition and that candidates of both genders have equal opportunities to be selected for the Board. It is Atria's goal that both genders are represented on the Board of Directors and if there are two equally qualified candidates, a representative of the minority sex is prioritized.

To achieve the objectives set in the principles on diversity, the Board of Directors has actively conveyed these objectives to Atria's shareholders. During the 2018 financial period, one of the Board members was a woman while the rest were men. The share of the minority sex in the Board has been 12.5 percent. The company's minimum objective with regard to both genders being represented has therefore been fulfilled. The company's objective with regard to multi-professional core competencies covering the various segments of the value chain has also been fulfilled, given the members' in-depth knowledge of the meat industry, as well as of commercial and industrial activities.

#### 7. Board Committees

The Board of Directors may decide to establish committees to handle duties designated by the Board. The Board confirms the committees' charters.

The Board of Directors has one board committee: the Nomination and Remuneration Committee. The Board of Directors appoints the members of the Committee from amongst its members according to the Committee's charter. 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 reports regularly to the Board of Directors, which supervises the operations of the Committee.

The Nomination and Remuneration Committee has three (3) members. The Nomination and Remuneration Committee consists of the Chair, Deputy Chair and one member of the Board of Directors elected by the Board itself. As an exception to recommendations 17 and 18a of the Corporate Governance Code, one (1) of the three members of the Nomination and Remuneration Committee is independent of the company. The Nomination and Remuneration Committee consists of the members of Board of Directors which mostly are dependant of company and significant shareholders. Chair and deputy Chair of the board of directors are nominated in accordance with the shareholders' agreement made between Lihakunta and Itikka Co-operatives. In accordance with recommendations 17 and 18a of the Corporate Governance Code, the company's CEO or other members of the Board of Directors who are a part of the company's management cannot serve as members of 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, ensure the objectivity of decision-making, enhance the achievement of the company's goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Nomination and Remuneration Committee is also to ensure that the merit pay systems are linked to the company's strategy and the results obtained.

According to its charter, the duties of the Nomination and Remuneration Committee are as follows:

- Making 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 the service contracts 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 who 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 Chair of the Nomination and Remuneration Committee convenes the Committee as needed. At the meetings, the matters belonging to the duties of the Committee are reviewed. 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 Chair of the Nomination and Remuneration Committee is Seppo Paavola and the other members are Jyrki Rantsi, Harri Sivula until 25th of April 2018 and Nella Ginman-Tjeder starting 26th of April 2018. Seppo Paavola and Jyrki Rantsi are dependent of the company and of significant shareholders. Harri Sivula and Nella Ginman-Tjeder are independent of the company and of significant shareholders. In 2018, the Nomination and Remuneration Committee met four (4) times, and the average attendance of the members was 100% as follows: Seppo Paavola 4/4; Jyrki Rantsi 4/4; Harri Sivula 1/1; and Nella Ginman-Tjeder 3/3.

As noted in section 4 above, Atria Plc's Annual 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 who is in charge of managing the company's day-to-day operations in accordance with the instructions and orders issued by the Board of Directors and informing the Board of Directors of the development of the company's operations and financial performance. The CEO also is also responsible for ensuring the legality of the company's accounting and the reliability of asset management. The CEO is appointed by the Board of Directors, which decides on the terms of his or her service contract.

Since March 2011, Atria Plc's CEO has been Juha Gröhn, M.Sc. (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 in 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 2018, the Management Team met eight (8) times.

## 10. Remuneration

Atria Plc has prepared a Remuneration Statement – which constitutes a part of this Corporate Governance Statement – in accordance with the Corporate Governance Code. The statement is available on the company's website at [www.atria.com](http://www.atria.com) under Investors, Corporate Governance.

## 11. Internal control, risk management and internal audit

### 11.1 Internal control

The company's Board of Directors and CEO are responsible for the company's adequate internal control. The Board of Directors determines the operating principles of internal control. Internal control is a process incorporated into everything that Atria does, aiming to ensure the achievement of the company's strategic and financial objectives. The purpose of internal control is to ensure that Atria's operations are efficient and in line with the company's strategy, that all financial and operational reports are reliable, that the Group's operations comply with the applicable laws and regulations, and that the company's internal principles and codes of conduct are complied with.

Atria has Group-level instructions and rules valid in all of the Group's business areas and business units. The company seeks to ensure compliance with the instructions and rules by way of training and information bulletins as well as with the help of various control activities. The business areas and/or business units may furthermore have their own specific instructions and/or training related internal control.

**Atria Group's Management Team on 31 December 2018:**



Name	Juha Gröhn, CEO	Tomas Back, CFO and Deputy CEO of Atria Plc, Executive Vice President, Atria Denmark	Mika Ala-Fossi, Executive Vice President, Atria Finland
Year of birth	1963	1964	1971
Education	M.Sc. (Food Sc.)	M.Sc. (Econ.)	Meat industry technician
Joined Atria in	1990	2007	2000
Relevant work experience	<ul style="list-style-type: none"> <li>• Atria Plc, CEO since 2011–</li> <li>• Managing Director of Atria Scandinavia Ab; Vice President of Atria Plc 2010–2011</li> <li>• Managing Director of Atria Finland Ltd; Vice Managing Director of Atria Plc</li> <li>• Director for Meat Industry and Vice Managing Director, Atria Ltd 2004–2006</li> <li>• Director for Steering and Vice Managing Director, Atria Ltd 2003–2004</li> <li>• Director for Slaughterhouse Industry and Vice Managing Director, Atria Ltd 1999–2003</li> <li>• Director, Meat Products and Convenience Food Industries, Atria Ltd 1993–1998</li> <li>• R&amp;D Manager Itikka-Lihapolar 1991–1993</li> <li>• ForemanLihapolar 1990–1991</li> </ul>	<ul style="list-style-type: none"> <li>• CFO and Deputy CEO of Atria Plc, Executive Vice President, Atria Denmark 2018–</li> <li>• Executive Vice President, Atria Scandinavia 2011–2017</li> <li>• Executive Vice President, Atria Baltic 2010–2011</li> <li>• CFO, Atria Plc 2007–2011</li> <li>• CFO, Huhtamäki Americas / Rigid Europe 2003–2007</li> <li>• Financial Manager/CFO, Huhtamäki Oyj 1996–2002</li> <li>• Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Vice President, Atria Finland, 2011–</li> <li>• Director, Convenience Food and Meat Product Business 2007–2011</li> <li>• Director, Poultry Business, Atria Finland 2006–2007</li> <li>• Production Manager, Atria Ltd 2003–2006</li> <li>• Unit Manager, Atria Ltd 2000–2003</li> <li>• Foreman, Liha-Saarioinen Oy 1997–2000</li> </ul>
Concurrent key positions of trust	<ul style="list-style-type: none"> <li>• Member of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) since 2012–</li> <li>• Member of the Board of Directors in East Office of Finnish Industries Ltd</li> <li>• Member of the Board of Directors in Laihian Mallas since 2018–</li> </ul>		<ul style="list-style-type: none"> <li>• Chair of the Board of Directors since 2015 and member since 2007 of Länsi-Kalkkuna Oy</li> <li>• Chair of the Board of Directors since 2015 and member since 2011 of Honkajoki Oy</li> <li>• Member of the board of Directors of Lihatie dotus ry since 2011–</li> </ul>
Past key positions of trust	Chair of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL), 2013–2015	<ul style="list-style-type: none"> <li>• Member and Deputy Chair of the Board of Directors of the Swedish Meat Industry Association, 2012–2018</li> <li>• Member of the Board of Directors of the Swedish Food Federation, 2012–2018</li> <li>• Member of the Board of Directors of the Svensk Fägel Service Ab, 2017–2018</li> </ul>	
Shareholding on 31 December 2018	20,500	1,880	940



Name	Jarmo Lindholm, Executive Vice President, Atria Sweden	Olle Horm, Executive Vice President, Atria Estonia	Ilari Hyryrynen, Executive Vice President, Atria Russia
Year of birth	1973	1967	1965
Education	M.Sc. (Econ.)	Engineer	MBA
Joined Atria in	2002	2012	2018
Relevant work experience	<ul style="list-style-type: none"> <li>Executive Vice President, Atria Sweden 2018–</li> <li>Executive Vice President, Atria Russia 2011–2017</li> <li>Group Vice President, Product Leadership, Atria Plc 2010–2011</li> <li>Group Vice President, Product Group Management and Product Development, Commercial Director, Atria Finland Ltd 2005–2010</li> <li>Marketing Manager, Atria Ltd 2002–2005</li> <li>Account Manager, Marketing Manager, AC Nielsen 2000–2002</li> <li>Customer Service Manager &amp; e-Business, Unilever Finland 1998–2000</li> </ul>	<ul style="list-style-type: none"> <li>Executive Vice President, Atria Estonia 2018–</li> <li>Executive Vice President, Atria Baltic 2012–2017</li> <li>Chair of the Board, Maag Meat Industry 2009–2012</li> <li>Chair of the Board, Skanska EMV AS 2008–2009</li> <li>Chair of the Board, Rakvere Lihakombinaat AS 2000–2008</li> <li>Head of transportation and equipment department, EMV AS 1998–1999</li> <li>Management and development duties, EK AS 1992–1998</li> </ul>	<ul style="list-style-type: none"> <li>Executive Vice President, Atria Russia 2018–</li> <li>Country director, Russia, Tikkurila Plc 2014–2018</li> <li>Managing Director, Tikkurila Polska S.A. 2012–2014</li> <li>Director, BU North, Tikkurila Plc 2010–2012</li> <li>Tikkurila Ltd/ Plc, several positions 2003–2010</li> <li>Dynea Overlays Ltd, Sales Manager 2002–2003</li> <li>Akzo Nobel Coatings Ltd, Sales Manager 1998–2002</li> <li>Kausalan Tapetti ja Väri Ltd, Salesman 1988–1998</li> </ul>
Concurrent key positions of trust	<ul style="list-style-type: none"> <li>Member of the Board of Directors of the Swedish Food Federation since 2018–</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Directors of the Estonian Food Industry Federation</li> <li>Member of the Board of Directors of the Estonian Pig Breeders Association</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Directors of the East Office of Finnish Industries Oy since 2018</li> </ul>
Past key positions of trust	<ul style="list-style-type: none"> <li>Member of the Board of Directors of the East Office of Finnish Industries Oy 2012–2018.</li> </ul>		
Shareholding on 31 December 2018	1,020	-	-



Name	Pasi Luostarinen, Executive Vice President Marketing & Market Insight	Lars Ohlin, Executive Vice President Human Resources
Year of birth	1966	1958
Education	M.Sc. (Econ.)	BA (International Business Administration)
Joined Atria in	2000	2007
Relevant work experience	<ul style="list-style-type: none"> <li>Executive Vice President Marketing &amp; Marketing Insight, Atria Plc 2016–</li> <li>Senior Vice President Marketing &amp; Product Development, Atria Finland 2011–2016</li> <li>Group Vice President Strategy / Senior Vice President Marketing &amp; Product Development, Atria Plc and Atria Finland 2009–2011</li> <li>Group Vice President Brand Management &amp; Cold Cuts / Senior Vice President Meatproducts, Atria Plc and Atria Finland 2007–2011</li> <li>Group Vice President Marketing &amp; Product Development, Atria Plc 2006–2007</li> <li>Marketing Director, Atria Plc, Atria Finland and Atria Sweden 2000–2006</li> <li>Marketing Director, Valio 1997–2000</li> <li>Trade Development Manager, British American Tobacco Nordic 1996–1997</li> <li>Key Account Manager/ Category Manager, Fazer Makeiset Oy 1993–1996</li> <li>Product Manager, Oy Mallasjuoma 1991–1993</li> </ul>	<ul style="list-style-type: none"> <li>Executive Vice President Human Resources, Atria Plc 2016–</li> <li>Senior Vice President Human Resources, Atria Scandinavia 2014–2016</li> <li>General Manager, Ridderheims &amp; Falbygdens (Atria Deli) 2010–2014</li> <li>Business Development Director, Atria Scandinavia 2007–2010</li> <li>Business Development Director, Sardus 2000–2007</li> <li>Business Area Director, Nationalencyklopedin 1997–2000</li> <li>Vice Managing Director, Forte 1995–1997</li> <li>Market Development Director, Master Foods Finland and Baltics 1992–1995</li> <li>Human Resource Director, Master Foods Sweden and Finland 1988–1992</li> <li>Product manager, Master Foods Sweden 1987–1988</li> <li>Product manager, Findus/Nestlé 1984–1987</li> </ul>
Concurrent key positions of trust		
Past key positions of trust		
Shareholding on 31 December 2018	1,880	510

Atria has strategic and annual financial goals which steer the operations of the entire Group. These goals have been communicated to all business areas, and they have been agreed on and approved as part of the strategy process or the annual goal-setting process. The achievement of the financial goals is monitored on a monthly and quarterly basis in each business area and at Group level. Atria's internal control ensures that the instructions given by the management are followed and that financial reporting is carried out reliably and appropriately. The procedures involved include the documentation of financial processes, various instructions related to financial administration and briefing related to control measures. The control measures consist of both preventive and investigative measures. Typical controls include approval, insurance, verification, reconciliation, operational inspections, the protection of assets, segregation of duties and the administration of access rights..

### 11.2 Risk management at Atria

The objective of risk management is to support the realisation of Atria's strategy and the achievement of targets, to prevent unfavourable events from occurring and to safeguard business continuity. Atria's risk management operations are guided by the Risk Management Policy, approved by the Board of Directors and, where applicable, ISO 31000 and ISO 31010 standards. Risk Management Policy specifies risk management goals, principles, responsibilities and powers, together with the principles of risk assessment and reporting.

Risk management at Atria is systematic and dynamic and supports the continuous development of the organisation. It is based on a uniform model for risk identification, assessment and reporting in all business areas and Group administration and forms an integral part of the annual planning process. In risk assessment, a risk management plan is drawn up for managing the risks identified.

Atria defines risk as the effect of uncertainty on the company's objectives. Risks can cause positive or negative deviations from the objectives. Risks may be caused by events within Atria, or by external conditions or events. For reporting purposes, Atria's risks are divided into four categories: strategic risks, operational risks, liability risks and financial risks.

#### Organisation and responsibilities of risk management

The Board of Directors approves the Risk Management Policy and any changes to it and supervises the implementation of the principles specified in the policy. The Group's CEO is responsible for the appropriate organisation of risk management at Atria, and the CFO sees to the development of the risk management and risk reporting framework. The members of the Group's Management Team are responsible for identifying and assessing strategic risks and for implementing risk management in their respective areas of responsibility. The management teams of the business areas are responsible for identifying and assessing risks and for implementing risk management in their respective business areas. The directors of the business areas ensure that the management teams fulfil their risk management and risk reporting responsibilities.

The Group's Treasury Committee is responsible for identifying and assessing financial risks and for implementing risk management throughout the Group. When preparing an annual plan for internal audit, key observations from the risk assessments made as part of the Group's planning process are taken into account. Every Atria employee is responsible for identifying and assessing risks associated with their work and any other risks that they encounter, and for drawing attention to and preventing such risks.

Major risks and uncertainties which the Board of Directors is aware of are discussed in more detail in the Report by the Board of Directors under "Risk management at Atria".

### 11.3 Internal audit

Atria's Group Control function handles internal audits in collaboration with an external service provider. An audit plan is drawn up annually for internal audit and approved by the Board of Directors. The priority areas of the audit plan are affected by risk management, issues identified as part of the Group's internal reporting, goals related to improving the quality and efficiency of the operations, and current issues in the company's business environment. Where necessary, internal audit also conducts separate studies commissioned by the Board of Directors or the Group's management.

Internal audit ensures and evaluates the functioning of the company's internal control system, the relevance and efficiency of the activities, and compliance with guidelines. It also aims to promote the quality of the operations and process, ensure the achievement of Atria's targets, support the development of risk management practices, and highlight best practices and opportunities in various functions.

Internal audit assesses the following areas:

- Accuracy and adequacy of financial information
- Compliance with operating principles, codes of practice and regulations
- Protection of property against losses
- Cost-effectiveness and efficiency in the use of resources
- Implementation of changes
- Opportunities provided by various practices and the utilisation of best practices

The results of internal auditing are documented and discussed with the audited area of operation and Group management. A summary of the audit results is presented to the Board of Directors at least once a year. Regular discussions are held with the auditor to ensure that the audit activities cover a sufficiently wide range of operations and to avoid overlapping activities.

## 12. Auditing

In accordance with the Articles of Association, the company has one (1) auditor, which is a public accountant firm authorised by Finnish Patent and Registration Office. The term of service of the auditor ends at the conclusion of the first 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 2018, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Ltd., a firm of authorised public accountants, as the company's auditor for a term ending at the closing of the next Annual General Meeting. According to the firm, the auditor in charge is Authorised Public Accountant Samuli Perälä. The remuneration is paid to the auditor according to an invoice accepted by the company.

#### Auditor's remuneration for the 2018 accounting period

In 2018, the Group paid EUR 343,000 to PricewaterhouseCoopers Ltd. as the auditor's remuneration. The company paid in 2018 EUR 6,000 for services not related to auditing.

## 13. Insider policy

Atria complies with Nasdaq Helsinki Ltd.'s Guidelines for Insiders. Atria's Board of Directors has furthermore confirmed Atria's insider policy, which complement other insider guidelines and include instructions concerning insiders and insider administration. The company's insider policy has been distributed to all Managers as defined by the company, as well as to the people involved in the preparation of periodic disclosure or who have regular access to unpublished financial information. The guidelines are furthermore available on the company's intranet.

The Market Abuse Regulation (EU No 596/2014) has been applied since 3 July 2016. Atria has not established a permanent insider list and insider information is controlled by project-specific insider registers, which are established according to need. All project-specific insiders are informed of their insider status in writing and provided with the appropriate insider instructions.

Atria has determined that the members of the Board of Directors, members of the Supervisory Board, the CEO, the CFO and the Deputy CEO satisfy the definition of Managers with a notification obligation. The company maintains a list of the Managers and their closely associated persons.

The company maintains a list of the Managers and Atria's project-specific insiders subject to a notification obligation in cooperation with Euroclear Finland Oy. The company's legal department and CFO monitor compliance with the insider guidelines. Managers' and people's, involved in the preparation of periodic disclosure or who have regular access to unpublished financial information, right to trade in the company's financial instruments has been restricted in such a way that the aforementioned people may not trade in the company's shares 30 days prior to the publication of an interim report and a release of the financial statements and further should the period between the end of a review period and the publication of the report/release exceed 30 days.

## 14. Related-party transactions

The company has defined its related parties and maintains a list of such related parties. Atria monitors and assesses related-party transactions to ensure that any possible conflicts of interest are accounted for in the appropriate manner in the decision-making of the company.

## 15. Communications

The aim of Atria's investor reporting is to ensure that the market is, at all times, in possession of information correct and sufficient 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; this period covers 30 calendar days prior to the publication of interim reports and annual reports. If there is more than 30 days between the end of the reporting period and the review/release publication, this period is silent. During this period, Atria issues no statements on its financial standing.

#### Investor information

Atria publishes financial information in real time on its website at [www.atria.com](http://www.atria.com). The site contains annual reports, interim reports, and press and stock exchange releases. Information on the company's largest shareholders is updated regularly on the website. The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in its entirety on the company's website at [www.atriagroup.com](http://www.atriagroup.com), under Investors, Disclosure Policy.



## Remuneration statement

### 1. Remuneration statement

This remuneration statement of Atria Plc ("Atria" or "the company") is a consistent description of the remuneration of the company's Board of Directors and management pursuant to the Corporate Governance Code.

### 2. Remuneration of the members of the Supervisory Board

The Annual General Meeting decides on the remuneration of the members of the Supervisory Board annually, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board. The remuneration paid to the Supervisory Board in 2018 was as follows:

- Meeting compensation: EUR 250/meeting
- Compensation for loss of working time: EUR 250 for meeting and assignment dates
- Fee of the Chair of the Supervisory Board: EUR 1,500/month
- Fee of the Deputy Chair of the Supervisory Board: EUR 750/month
- Travel allowance according to the Company's travel policy.

The members of the Supervisory Board have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

In 2018, 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)
Jukka Kaikkonen, Chair	22,750		22,750
Juho Anttikoski, Deputy Chair	13,000		13,000
Mika Asunmaa	2,250	3,000	5,250
Reijo Flink	1,000		1,000
Lassi Antti Haarala	2,500		2,500
Jussi Hantula	2,250		2,250
Henrik Holm until April 25th 2018	500		500
Hannu Hyry	2,250		2,250
Veli Hyttinen	2,000	11,000	13,000
Pasi Ingalsuo	2,250	9,400	11,650
Jussi Joki-Erkkilä	1,750		1,750
Marja-Liisa Juuse	2,250		2,250
Juha Kiviniemi	2,250		2,250
Ari Lajunen	2,500		2,500
Juha Nikkola starting 26th of April 2018	1,750		1,750
Mika Niku	2,000	4,200	6,200
Pekka Ojala	3,000		3,000
Heikki Panula	2,250		2,250
Ahti Ritola until 25th of April 2018	0		0
Risto Sairanen	2,500		2,500
Ola Sandberg starting 26th of April 2018	1,750		1,750
Timo Tuhkasaari	2,250		2,250
TOTAL	75,000	27,600	102,600

### 3. Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration of the members of the Board of Directors annually, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board. Remuneration is handled in the form of monetary compensation. The members of the Board of Directors have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

The remuneration paid to the Board of Directors in 2018 was as follows:

- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and assignment dates
- Fee of the Chair of the Board of Directors: EUR 4,700/month
- Fee of the Deputy Chair of the Board of Directors: EUR 2,500/month
- Fee of members of the Board of Directors: EUR 2,000/month
- Travel allowance according to the Company's travel policy.

In 2018 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	Chair	69,900		69,900
Jyrki Rantsi	Deputy Chair	42,300	17,700	60,000
Nella Ginman-Tjeder	Member	29,400		29,400
Esa Kaarto	Member until 25th of April 2018	8,100	9,000	17,100
Pasi Korhonen	Member	35,100		35,100
Jukka Moisio	Member	27,900		27,900
Kjell-Göran Paxal	Member	34,800	7,800	42,600
Ahti Ritola	Member starting 26th of April 2018	23,100	13,100	36,200
Harri Sivula	Member	29,100		29,100
TOTAL		299,700	47,600	347,300

### 4. Bonus scheme for the CEO and other management

The remuneration of Atria Plc's management aims to promote the company's long-term financial success and competitiveness and the favourable development of shareholder value. The bonus scheme for the management consists of a fixed monthly salary, merit pay and pension benefits. The company has a share incentive plan since 1 January 2018.

The Board of Directors' Nomination and Remuneration Committee prepares the following for a decision to be made by the Board of Directors: (i) the terms of the service contracts of the CEO and Deputy CEO; (ii) the remuneration, fees and other employment benefits of the directors who report to the CEO; (iii) the forms and criteria of the bonus and incentive schemes of top management; and (iv) the content and group assignments of the pension programmes of the company's management.

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 performance bonus systems for the management teams of the business areas are approved by the Group's CEO.

The base salary for CEO is EUR 532,379/year containing fringe benefits. According to the terms of short-term incentive plan decided by the Board of Directors the CEO can earn yearly not more than 35% of the yearly salary as merit pays. According to the terms of long-term incentive plan decided by the Board of Directors the CEO can earn yearly maximum approximately 50% of the yearly salary as merit pays.

The retirement age for the CEO is 63 years. The CEO nevertheless 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 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 the termination of employment.

## 5. Incentive plans for management and key personnel

### 5.1.1 Long-term incentive plan

Atria Group Plc's Board of Directors decided on the long-term incentive programme for key personnel for the period 2018–2020. The aim of the share incentive programme is to encourage Atria's senior management to acquire shares in the company and to take action and make decisions that will increase the company's long-term value.

The programme based on share and cash incentives is divided into three year-long earning periods, the first earning period having started 1 January 2018 and expired 31 December 2018. The bonuses payable under the programme are based on the company's earnings per share (70%) and organic growth (30%). The bonuses for 2018 will be paid in three equal instalments in 2019, 2020 and 2021, partly in the form of shares in the company and partly in cash. The cash sum is intended to cover the taxes and tax-like fees arising from the bonus. If a person's employment relationship ends before the payment of the bonus, the bonus will not usually be paid. The target group for the share incentive programme can contain a maximum of 40 people. The estimated total of the bonuses to be paid for the 2018 earning period is approximately EUR 0.2 million. The maximum amount of bonuses to be paid for the 2019 result is equal in value to 45,000 Series A shares, valued at market price when the shares are transferred to the recipients. The bonus will include a cash portion which will cover any taxes or similar costs incurred by the recipients.

### 5.1.2 The ended long-term incentive plan

All payments from the earning period implemented in 2015–2017 were based on the Group's earnings per share (EPS) excluding non-recurring items. Cash bonuses payable under the plan for the entire 2015–2017 earning period was capped at EUR 4.5 million. The plan expired on 31 December 2017, and it covered a maximum of 45 people. The CEO as well as members of the Group's Management Team and the Management Teams of Business Areas are covered by the programme. For the entire 2015–2017 earning period, bonuses worth EUR 2.1 million were accrued.

### 5.1.3 Short-term incentive plan

The maximum amount of merit pay under the short-term incentive plan is 25 to 50% of the annual salary, depending on the effect on the results and the level of competence required for the role. The criteria in the merit pay scheme are the performance requirements and net sales 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.

### 5.1.4 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. The retirement age determined in the insurance agreement can be changed if the earnings-related pension legislation is changed. Members of the Management Team nevertheless have the right to retire at the age of 60. The pension plan is payment-based, and the pension is based on the annual earnings (monetary salary and fringe benefits) of the insured as specified by the Board of Directors.

The financial benefits paid to the CEO and the Management Team in 2018 were as follows:

	Salaries	Fringe benefits	Merit pay	Supplementary pension contributions	Total (EUR)
CEO Juha Gröhn	511,782	20,597	78,828	133,095	744,301
Deputy CEO: Tomas Back	291,278	9,650		37,616	338,543
Heikki Kyntäjä	86,531	3,319	53,588	0	143,438
Other members of the Management Team	1,238,536	71,793	175,415	112,046	1,597,790
<b>TOTAL</b>	<b>2,128,127</b>	<b>105,359</b>	<b>307,831</b>	<b>282,756</b>	<b>2,824,073</b>

### 5.1.5 The Board of Directors' valid authorisations concerning remuneration

Atria Plc's Annual General Meeting held on 26 April 2018 authorised the Board of Directors to decide on (i) the acquisition of a maximum of 2,800,000 of the company's own series A shares; and (ii) an issue of a maximum of 5,500,000 new series A shares and/or on the disposal of any series A shares held by the company through a share issue or by granting option rights or other special rights entitling people to shares as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, in both cases under terms and conditions which enable the use of the acquired and/or issued shares as part of the company's incentive plan.

## Investor reporting

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

Atria has established a silent period for its investor relations communications; this period covers 30 calendar days prior to the publication of interim reports and annual reports and, if there are more than 30 days between the end of the review period and the publication of the report/release, the period in question. Atria will not issue any statements on its financial standing during this period.

### Investor information

Atria publishes financial information in real time on its web pages at [www.atria.com](http://www.atria.com). Here you can find annual reports, interim reports and press and company announcements. The company's largest shareholders and insiders as well as their holdings are updated regularly to the web pages.

### Stock exchange releases

Atria Plc published a total of 24 company announcements in 2018. The releases can be found on the Atria Group website [www.atria.com](http://www.atria.com).

### Disclosure policy

The disclosure policy approved by the Atria Board of Directors describes the key principles followed by Atria as a listed company in its communications with the capital markets and other stakeholders. The disclosure policy is available in full on the company's website.

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