

**Corporate Governance
Statement 2018 and
Remuneration
Statement 2018**

COMPONENTA

Componenta Corporation Corporate Governance Statement 2018 and Remuneration Statement 2018

The parent company of Componenta Group is Componenta Corporation ("Componenta" or the "Company"), a public company registered in Finland whose shares are listed on the Helsinki Stock Exchange. The parent company and its subsidiaries form Componenta Group.

The administration and management of Componenta are based on European Union's and Finnish legislation, the parent company Componenta Corporation's Articles of Association, the guidelines and rules of the Finnish Financial Supervisory Authority and the rules of Nasdaq Helsinki Ltd. The administration and management are guided by Componenta's values, operating principles, policies as well as a sustainable way of working.

Componenta complies with the Corporate Governance Code for Finnish listed companies, which is available at www.cgfinland.fi.

The Componenta Corporate Governance Statement 2018 and the Remuneration Statement 2018 have

been prepared in accordance with the Finnish Corporate Governance Code 2015 and are published as separate reports at www.componenta.com. Componenta Corporation's Board of Directors has reviewed this statement. The statement will not be updated during the financial period but up-to-date information on its sections is available on Componenta's website: www.componenta.com/investors/corporate-governance.

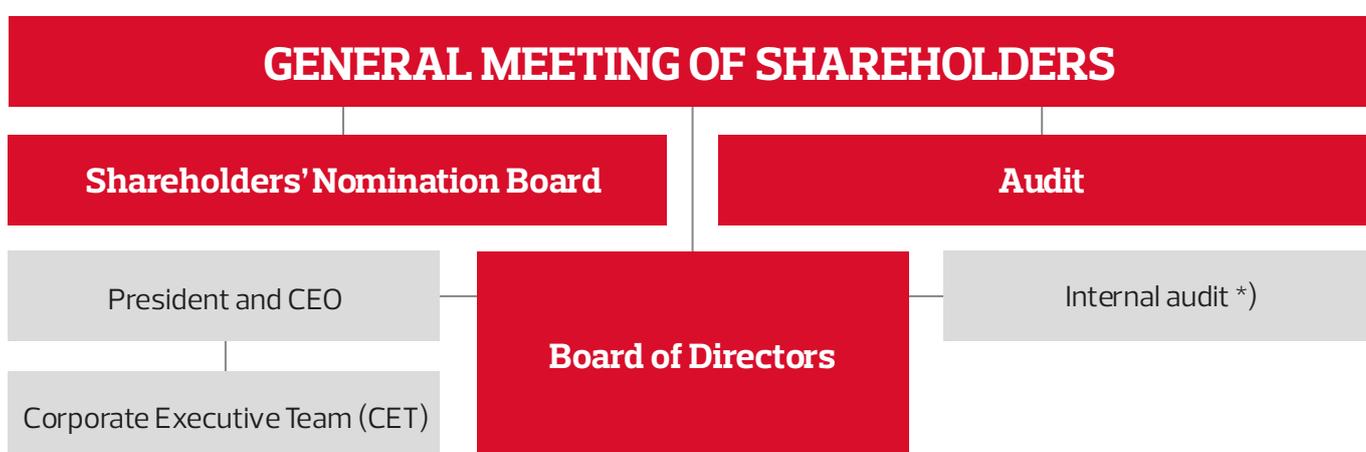
GOVERNING BODIES OF COMPONENTA

Supreme authority at Componenta is exercised by the shareholders at the General Meeting of Shareholders.

The company is managed by the Board of Directors and the President and CEO.

At the Group level, the President and CEO is responsible for operations. The Group's Corporate Executive Team assists and supports the President and CEO in carrying out their duties.

Governing bodies



*) Componenta Group's financial administration conducts an internal audit of Group companies in accordance with the annual plan together with the external auditors.

General Meeting

Componenta's supreme decision-making body is the General Meeting. Shareholders exercise their decision by making rights at the General Meeting, where shareholders have the right to speak, ask questions and vote. The Annual General Meeting of Componenta must be held within six months of the end of the financial period.

The General Meeting decides on matters that come under its authority as defined in the Companies Act and the company's Articles of Association. These include approval of the financial statements, deciding on the use of the profit shown in the balance sheet, and election of Board members and auditor.

Every Componenta shareholder is entitled to attend the General Meeting. One share carries one vote at a General Meeting.

An Extraordinary General Meeting must be held if shareholders representing a minimum of 10% of the shares demand it in writing to process a specific matter.

As a rule, the General Meeting of Shareholders processes matters proposed by the Board of Directors to the General Meeting. A shareholder is entitled to have a matter included in the agenda of the meeting if, according to the Limited Liability Companies Act, it falls within the competence of the Annual General Meeting, provided that the shareholder requests this from the Board in writing early enough for the matter to be included in the notice of the meeting. In order to have a matter included in the agenda of a General Meeting, the shareholder must submit a request with justifications or decision proposals in writing to Componenta Corporation, Teknobulevardi 7, FI-01530 Vantaa, Finland. The company will publish the date by which shareholders must submit their requests on its website by the end of the financial year preceding the General Meeting of Shareholders.

In 2018, the Annual General Meeting was held on 24 May 2018. At the Annual General Meeting, some 25.6% of the company's shares and votes were represented. The minutes of the Annual General Meeting is available on the company's website: www.componenta.com/investors/corporate-governance/general-meeting. No Extraordinary General Meetings were held in 2018.

Board of Directors

Composition

The Annual General Meeting elects Componenta's Board of Directors every year, which according to the Company's Articles of Association has 3–7 members. The term of office of the Board continues until the close of the following Annual General Meeting. The Board elects from its members a Chairman and Vice Chairman. The Shareholders' Nomination Board prepares the proposals for the Annual General Meeting concerning the composition of the Board of Directors.

The diversity of the future Board is taken into account when proposing and electing Board members, ensuring, for example, that both men and women are represented and that the expertise and experience of Board members correspond to the needs of the company.

The majority of the Board members must be independent of the Company. In addition, at least two of the members belonging to this majority must be independent of major shareholders in the Company. Independence is evaluated in accordance with Recommendation 10 of the Corporate Governance Code for Finnish listed companies.

The Annual General Meeting decides on the remuneration paid to the Board.

Operations of the Board of Directors

The Board of Directors draws up written Rules of Procedure for itself. The main tasks and duties of the Board of Directors are to:

- oversee the management and business operations of Componenta and make major decisions relating to the strategy, capital expenditure, organization, corporate transactions and financing;
- appoint the President and CEO and the members of the Group's Corporate Executive Team, and approve the organizational structure and the principles for incentive schemes;
- ensure that the Company's accounting, supervision of financial management and risk management have been arranged appropriately;

- approve the key operating principles and values, and confirm the annual business plans and budgets; and
- make proposals to the General Meetings and convene the meetings.

The Board is responsible for the duties of Audit Committee. As part of these duties the Board:

- monitors the financial statement reporting process;
- controls the financial reporting process;
- monitors the effectiveness of internal control, internal audit and risk management systems;
- reviews of the description of the main principles related to the internal control and risk management systems over financial reporting process included in the company's Corporate Governance Statement;
- monitors the statutory audit of the financial statements and consolidated financial statements;
- assesses the independence of the auditor and the non-audit services offered by the auditor, and
- prepares the decision on the election of the auditor.

The Board meets when it is convened by the Chairman or, in their absence, by the Vice Chairman. The Board forms a quorum when more than half of the members are present, and one of these must be the Chairman or Vice Chairman. Componenta's General Counsel serves as secretary to the Board meetings.

The Board of Directors evaluates its own performance annually under the leadership of the Chairman. The Board also reviews the principles of corporate governance annually and amends it when required.

Board members

On 24 May 2018, the Annual General Meeting elected the following four members to Componenta's Board of Directors: Olli Isotalo, Anne Leskelä, Asko Nevala and Petteri Walldén.

At its organizational meeting held after the Annual General Meeting, the Board of Directors elected Petteri Walldén as the Chairman of the Board and Olli Isotalo as the Vice Chairman of the Board. All members of the Board of directors are independent of the company and the company's significant shareholders.

Additional information on the members of the Board of Directors, their independence and shareholding in page 11 of this statement.

Board meetings

The Board of Directors met 15 times during 2018. The average attendance rate at Board meetings was 97%.

Attendance of Board members at meetings in 2018

Board Member	Presence at meetings	Presence, %
Petteri Walldén (chair)	15/15	100%
Tommi Salunen* (v. chair until 24 May)	6/6	100%
Olli Isotalo (v. chair as of 24 May)	13/15	87%
Anne Leskelä	15/15	100%
Asko Nevala**	9/9	100%

* Board member until 24 May 2018

** Board member as of 24 May 2018

Componenta's Board of Directors as of 24 May 2018

Board member	Year of birth	Education	Main occupation	Board member since	Shareholding 31 December 2018
Petteri Walldén, chairman	1948	M.Sc. (Eng.)	M.Sc. (Eng.)	2017	-
Olli Isotalo, v. chair	1959	M.Sc. (Eng.)	President and CEO, Patria Plc	2015	-
Anne Leskelä	1962	M.Sc. (Econ.)	Vice President, Finance & IR at Nokian Tyres Plc (until 4 July 2018)	2017	-
Asko Nevala	1958	M.Sc. (Eng.)	CEO, Alteams Group	2018	-

The Board of Directors evaluated its own performance in February 2019 under the leadership of the Chairman.

The Company's Communications and Disclosure Policy was updated at the Board meeting held on 8 August 2018 and the Insider Guidelines at the Board meeting held on 12 November 2018.

Nomination Board

Componenta has a Shareholders' Nomination Board which has the task each year of preparing and presenting the proposals for members of the Board of Directors and their remuneration to be made to the following Annual General Meeting. The Nomination Board is convened annually by asking the three largest shareholders in the Company as of 31 August to appoint one member to the board. In addition to these, the chairman of the Company's Board of Directors serves as an expert member of the board.

The members of the Nomination Board elect one of the members to be chairman of the board. The first meeting of the Nomination Board is convened by the chairman of the Company's Board of Directors and after that the meetings are convened by the chairman of the board. The Nomination Board gives its proposal to the Company's Board of Directors no later than the end of the January preceding the Annual General Meeting. The Nomination Board makes sure that the proposal is presented at the Annual General Meeting.

The Nomination Board has written rules of procedure, which state that its main tasks and duties are to:

- prepare and present the proposal to be made to the AGM concerning the number of members on the Board of Directors;
- prepare and present the proposal to be made to the AGM concerning the members of the Board of Directors;
- prepare and present the proposal to be made to the AGM concerning the remuneration of the members of the Board of Directors; and
- look for succession candidates for the members of the Board

In 2018, the Nomination Board comprised:

Shareholder	Representative
Varma Mutual Pension Insurance Company	Timo Sallinen
Elo Mutual Pension Insurance Company	Hanna Hiidenpalo
The Finnish Cultural Foundation	Jari Sokka

In addition, the Chairman of the Board of Directors, Petteri Walldén acted as an expert member of the Nomination Board. The Nomination Board elected Timo Sallinen as its Chairman.

The Nomination Board met three times under the leadership of Chairman Timo Sallinen and had an attendance rate of 100% at its meetings.

The Nomination Board proposed to the Annual General Meeting to be held in 2019 that four members are elected to the Board of Directors. Three of the proposed Board members are male and one is female.

Board diversity

When preparing its proposal for members of the Board of Directors, the Nomination Board paid attention to the Board diversity policy. According to the diversity policy, the persons proposed for the Board of Directors shall possess wide-ranging expertise in the business operations of companies with international operations and of developing these. According to the diversity policy, it would be of advantage to the work of the Board if a member of the Board had experience of the company's business sector or of a major customer segment.

When selecting the members of the Board the goal is that they represent both genders and that their know-how and experience of the different areas in business operations (including production, sales, treasury and financial administration) complement each other and cover the key functions at industrial and listed companies. A further goal is to ensure continuity, so that at least some of the people elected to the Board possess experience of the company's business operations over a longer period.

Componenta aims to increase the proportion of women on its Board. To make progress in achieving this goal, the Company specifically looks for members of both genders when evaluating potential candidates for the Board of Directors.

President and CEO

The Board of Directors appoints the President and CEO and decides on the President's remuneration and other benefits.

The President and CEO is responsible for managing and developing Componenta's business in accordance with the Finnish Limited Companies Act and the instructions given by the Board of Directors.

The President and CEO prepares and presents matters for consideration at Board meetings and implements the decisions of the Board of Directors. They report to the Board of Directors, inter alia, on matters including the Company's financial situation, its business environment and other major matters. The President and CEO also prepares and implements the Group's strategy in accordance with the decisions of the Board.

The President and CEO is chairman of Componenta's Corporate Executive Team.

In 2018, Harri Suutari, b. 1959, B.Sc. (Eng.) was President and CEO of Componenta.

Corporate Executive Team

Componenta's Corporate Executive Team assists the President and CEO in managing and developing Componenta. The Board of Directors decides on the appointment of members of the Corporate Executive Team and on the terms of their employment based on the proposal of the President and CEO, in accordance with the "one over one" principle in use at the Group.

The members of Componenta's Corporate Executive Team are those in charge of the Group's major functions and the senior vice presidents in charge of the Group's business areas. The Corporate Executive Team convenes regularly, at least once a month. Its key tasks include promoting the achievement of the Group's business goals and the development of business operations.

Componenta's Corporate Executive Team at the end of 2018 comprised

	Position	Year of birth	Education	Member of the CET since	Shareholding 31 December 2018
Harri Suutari	President and CEO	1959	B. Sc. (Eng.)	2015	2,499,000
Marko Karppinen	CFO	1971	M. Sc. (Econ.)	2016	-
Pasi Mäkinen	COO	1969	B. Sc. (Eng.)	2015	500
Mervi Immonen	General Counsel	1979	LL.M.	2018	-

Risk management, internal control and internal audit

Risk management is part of the company's monitoring system and it aims to ensure that the risks to which the company's business is exposed are identified, evaluated and monitored. It aims to help forecast the threats and opportunities for business operations and ensure the continuity of business.

The objective of internal control and risk management related to Componenta's financial reporting is to ensure that the reporting is reliable and that all applicable laws and regulations have been complied with.

Componenta compiles its financial reporting in accordance with the International Financial Reporting

Standards (IFRS), the Finnish Securities Markets Act, the Finnish Accounting Act and the guidelines and statements of the Finnish Accounting Board, while also complying with the rules and regulations of the Finnish Financial Supervisory Authority and the rules of Nasdaq Helsinki Ltd.

Risk management

The Board of Directors confirms the principles for risk management and those responsible for this. The Board of Directors monitors the effectiveness of risk management systems. The President and CEO supervises the implementation of the risk

management program to ensure that it focuses on matters that are essential for local and operational activities. The Corporate Executive Team participates in identifying and evaluating risks, allocating responsibilities and monitoring the risks.

The CFO is responsible for development of Componenta's risk management.

Management of business operations is responsible for identifying and managing risks in their own business areas as part of their operational activities.

All employees are responsible for identifying and evaluating the risks that are related to their work or that are otherwise under their control and for reporting on them to their supervisors.

The financial risks relating to Componenta Group's business operations are managed in accordance with the Treasury Policy approved by the Board of Directors. The Group's treasury department manages financial risks and ensures for their own part the availability of equity and debt finance to the Group on competitive terms. The Group's treasury department is also responsible for managing and hedging the cash position.

The Corporate Executive Team conducts the Enterprise Risk Management (ERM) process annually and monitors the major risks to operations regularly. The main risks are identified and evaluated in the ERM process and corrective action is decided on.

In 2018, the Corporate Executive Team conducted the annual Enterprise Risk Management (ERM) process, in which the risks were identified and assessed, and the required actions were decided.

Risks and business-related uncertainties

The most significant risks to Componenta's business operations include the risks linked to the operating environment (competitive situation, price risks, commodity risks and environmental risks), business risks (customer, supplier, productivity, production and process risks, labour market disruptions, contractual and product liability risks, personnel and data security risks) as well as financing risks (the risks related to the availability of financing and liquidity as well as

currency, interest rate and credit risks). Exchange rate fluctuations are hedged using foreign currency loans and deposits, as well as other natural hedging relationships. Due to the restructuring procedures, the company does not currently achieve the necessary limits for hedging derivative contracts.

Essential for the Group's business operations is the availability of certain commodities, such as recycled steel, pig iron and energy, at competitive prices. The cost risk related to raw materials is primarily managed using price agreements, on the basis of which the product prices are adjusted in line with the changes in the commodity prices. Rising raw material prices may result in more money being tied to working capital than estimated.

Componenta's potential risks related to liquidity and access to working capital may weaken the volume of future trading and reduce the number of orders that will be placed on new products by customers in the future. Volumes may also shrink because of customers lost for commercial reasons.

From the point of view of the continuity of operations, the most significant risks and uncertainties related to the restructuring procedures are as follows:

- Componenta Corporation and Componenta Finland Ltd will be able to make the payments in accordance with the restructuring programme that will begin in May 2019. A material risk to the success of the restructuring programmes is the availability of working capital, because the main customers will support Componenta with shorter-than-normal sales terms and because the group companies do not at the moment have access to external financing.
- The objective of the change of Componenta Främmestad AB's operational model is the structural reduction of committed working capital and need for working capital. Changing the operational model includes the risk that the projected sales volumes and margins will not be realised if the customers in question switch over to the competition.
- When analysing cash flow and liquidity forecasts for the companies over the next 12 months, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs.

Control environment

The purpose of Componenta's internal control is to ensure that the Group operates in line with its strategy profitably and effectively, that risk management is arranged appropriately and adequately and that the financial and operational reporting is reliable. Control is based on Componenta's values, operating principles, policies and guidelines (the Disclosure Policy and the Code of Conduct). Internal control is part of management, governance and daily operations.

Financial reporting and supervision are based on budgets drafted and confirmed once a year and on monthly performance reporting. The CFO is responsible for the financial reporting process and for ensuring that the related instructions are consistent and updated regularly. Controllers and the management at the unit are responsible for ensuring that reporting is carried out in accordance with instructions.

Open and adequate communications ensure an effective and functional control environment. Information on reporting tools as well as instructions and principles relating to financial reporting have been provided for all the parties involved in financial reporting, and they are also available on the Group's intranet. Matters such as upcoming changes to IFRS and accounting principles or new reporting requirements are communicated to the financial organization on a regular basis. The Group's CFO reports to the Board of Directors regularly on matters pertaining to internal control.

The Board of Directors supervises the Group's financial reporting process and monitors the effectiveness of internal control, internal audit and risk management systems.

Internal monitoring

The profitability and efficiency of Componenta's operations and the achievement of financial objectives are monitored regularly by means of Group-wide financial reporting. The effectiveness of measures in internal control related to financial reporting is monitored by the Board of Directors, the

President and CEO, the Corporate Executive Team and operative management teams.

Common, group-wide ways of operating also cover reporting, and the related instructions are included in the Controller's Manual maintained by Group Accounting. The CFO has defined the control measures that cover the reporting process and allocated responsibilities for their implementation.

All operational business units have their own controllers who are responsible for financial reporting in cooperation with the management of the respective unit. The management team for each business unit and business area analyses its own financial reports, including volumes, profits, costs, profitability and working capital, every month before the reporting meeting of the Corporate Executive Team.

The Board of Directors is responsible for the final evaluation of the Group's result.

Internal audit

Componenta Group's internal audit is conducted in accordance with the operating principles approved by the Board of Directors, which are based on the Group's internal reporting and the annual audit plan approved by the Board.

Componenta Group's financial administration conducts an internal audit of Group companies in accordance with the annual plan together with the external auditors.

Financial reporting that covers the whole Group regularly monitors how well financial targets are being met. The reports include actual figures, budgets and up-to-date estimates for the current year.

Insider management

Componenta complies with the rules and guidelines of Nasdaq Helsinki Oy, such as its insider guideline, the Market Abuse Regulation ((EU) No 596/2014, "MAR"), provisions of the Securities Markets Act and Criminal Code of Finland, as well as the rules

and regulations of the Finnish Financial Supervisory Authority. These are supplemented by the company's own insider guideline, aimed to establish clear operating guidelines and rules on insider management, publication of inside information, maintenance of lists of insiders and transactions by the management and their related parties. The insider guideline has been distributed to all insiders.

At Componenta, insiders include managers subject to notification obligation and project-specific insiders.

In accordance with the applicable legislation, the persons discharging managerial responsibilities in Componenta (the Board of Directors, President and CEO and the Corporate Executive Team) and the persons closely associated with them notify Componenta and the Financial Supervisory Authority of any trading and other transactions related to Componenta's shares or debt instruments or related derivatives or other financial instruments made on their own account no later than within three days of the transaction. Componenta makes public disclosures on the aforementioned trading and transactions in accordance with the applicable legislation.

Componenta complies with the prohibition on trading (the so-called closed window) that starts 30 days before the release of a financial report or financial statement and ends with the release of the financial report or financial statement. During this time, the persons discharging managerial responsibilities in Componenta (the Board of Directors, President and CEO and the Group's Corporate Executive Team) may not, on their own account or for a third party, directly or indirectly, engage in trading and other transactions related to Componenta's shares or debt instruments or related derivatives or other financial instruments. Componenta has separately appointed certain persons involved in the preparation of Componenta's financial reports, also subject to the aforementioned prohibition on trading.

Componenta maintains a project-specific insider list of any projects and events which, if realised, are likely to have a significant effect on the value of Componenta's shares, financial instruments or the derivatives related to them, and the publication

of which has been postponed in accordance with MAR. Every person with access to inside information related to the project is recorded in the project-specific inside list. If inside information is disclosed to parties outside of Componenta (such as financial or other advisors), the person disclosing the information must ensure that the recipient of the information undertakes to keep the information confidential and complies with the insider regulations in force. Componenta requests parties external to the company to maintain the required list of insiders concerning those who have received the information.

A person named in a project-specific list may not unlawfully disclose the inside information to outsiders or other Componenta employees, trade or engage in transactions with Componenta's financial instruments or advise others in relation to the aforementioned. Moreover, amending and cancelling assignments involving Componenta's financial instruments is prohibited when in possession of inside information.

Componenta Corporation's Board of Directors confirmed Componenta's insider guideline on 12 November 2018. The full insider guideline is available on the company's intranet. The General Counsel is responsible for the company's insider affairs.

AUDIT

The Annual General Meeting appoints the auditor and decides on the remuneration of the auditor.

The company has one auditor that must be a firm of authorised public accountants approved by the Finland Chamber of Commerce. In addition to the duties prescribed in current accounting regulations, the auditor reports regularly to Componenta's Board of Directors.

The responsible auditor may function as auditor for a maximum of seven years in succession.

In 2018, Componenta's auditor was Authorised Public Accountants PricewaterhouseCoopers Oy. The responsible auditor was Samuli Perälä. In accordance with the decision of the Annual General Meeting on 24 May 2018, the fees paid to the auditor are based

on invoicing. In 2018 the fees paid to the auditors of Componenta Group's companies, based on the work performed, totalled approximately EUR 353,000 comprising audit fees of approximately EUR 210,000 and fees for other services approximately EUR 142,000.

RELATED PARTY TRANSACTIONS

Componenta did not have substantial related party transactions during 2018. The company assesses and monitors transactions with its related parties and ensures that any conflicts of interests are taken into consideration in the company's decision-making. The company maintains a list of related parties and reports on any related party transactions in conjunction with the consolidated financial statements.

COMMUNICATION

Information about Componenta and its governance is published on the Group's website. All releases and reports published by Componenta are available on the Group's website immediately after they have been published.

The full Componenta Corporate Governance document, the separate Corporate Governance Statement and the Remuneration Statement are available at www.componenta.com.

OTHER MATTERS

Whistleblowing

Componenta has a code of practice for processing reports on any insider trading, market manipulation or attempt or suspicion thereof or unlawful or dishonest practice regarding accounting, internal control, audit or

other operations of the company by the company's employees and other stakeholders ("whistleblowing notifications"). The company's Board of Directors has designated the General Counsel to receive and process any whistleblowing notifications.

Each Componenta employee is liable to report any breaches or non-compliance with the law, the company's Code of Conduct or other instructions issued by Componenta they observe. Componenta employees may report any breaches of instructions issued by Componenta to their supervisors. Each supervisor at Componenta is liable to advise how to act regarding misdemeanours. The company's General Counsel may also be contacted in such cases.

Any suspected breaches of Componenta's Code of Conduct, legislation and regulations may also be reported via the Whistleblowing channel by e-mail to whistleblow@componenta.com or by mail to Componenta Corporation, Legal Affairs, Teknobulevardi 7, FI-01530 Vantaa, Finland. In addition to Componenta's employees, these channels are available for everyone outside the company to use.

Regardless of the means through which the notification was received, all bona fide claims of any breaches or non-compliance with Componenta's Code of Conduct or other instructions issued by the company will be investigated fairly and thoroughly using appropriate internal and/or external expertise.

Componenta ensures that no employee who reports breaches of legislation, the company's Code of Conduct or other guidelines issued by Componenta will be subjected to any harmful consequences due to reporting them.

BOARD OF DIRECTORS 31 DECEMBER 2018



Petteri Waldén
b. 1948, M.Sc. (Eng.)
Board Member and
Chairman since 2017

Primary work experience

Alteams Oy, President and CEO 2007–2010
Onninen Oy, President and CEO 2001–2005
Ensto Oy, President and CEO 1996–2001
Nokia Kaapeli Oy, President and CEO 1990–1996
Sako Oy, President and CEO 1987–1990

Positions of trust

Nokian Renkaat Plc, Chairman of the Board
Savonlinna Opera Festival, Chairman of the Board
Tikkurila Oyj, Vice Chairman of the Board

Componenta shares –



Anne Leskelä
b. 1962, M.Sc. (Econ.)
Board Member since 2017

Primary work experience

Nokian Tyres Plc., Vice President, Finance & IR 2006–2018
Nokian Tyres Plc., Treasurer 2005–2006
Nokian Tyres Plc., Manager, treasury 1997–2005
Oy Kyro Ab, Financial analyst, group 1995–1997
Suomen Säästöpankki – SSP Oy, rahoituspankki, Manager,
domestic money market 1992 – 1994,
SSP Tampereen Alue, Dealer 1989–1992

Positions of trust

Kojamo Plc, Member of the board
Tammer Brands Oy, Member of the board

Componenta shares –



Olli Isotalo
b. 1959, M.Sc. (Eng.)
Board Member since 2015

Primary work experience

Patria Group, President and CEO since 2016
Cargotec Corporation, Kalmar, President 2012–2016
Cargotec Corporation, Marine, Executive Vice
President 2006–2012
Bromma Conquip AB, President 2003–2006
Velsa Oy, Managing Director 1999–2002
Kalmar Industries AB, Vice President, Technology and Production
Development 1997–1999

Componenta shares –



Asko Nevala
b. 1958, M.Sc. (Eng.)
Board member since 2018

Primary work experience

Alteams Group, CEO, since 2010
Alteams Group, COO, 2009–2010
Alteams–STS (Suzhou) Electronics Co. Ltd, Managing Director
2007–2009 and 2004–2005
Alteams Group, Manufacturing Director 2006–2007
Alteams Group, Production Director, 2002–2004
Laihian Metalli Oy, Managing Director, 1999–2001
ABB Distribution Transformers, Production Manager, 1995–1999
Assa–Abloy Rakennushelat, Operations Product Development
Manager, 1991–1995

Componenta shares –

Companies in which Board members have a controlling interest did not own Componenta shares as of 31 December 2018.

CORPORATE EXECUTIVE TEAM 31 DECEMBER 2018



Harri Suutari
b. 1959, B. Sc. (Eng.)
President and CEO since 2015
Member of the Corporate Executive Team since 2015

Primary work experience

Board professional 2012–2015
PKC Group Oyj, President and CEO 2002–2005 and 2008–2012
Ponsse Oyj, President and CEO 1994–2000
Kajaani Automatiikka Oy, President and CEO 1984–1996

Componenta shares 2,499,000



Marko Karppinen
b. 1971, M.Sc. (Econ.)
CFO since 2016
Member of the Corporate Executive Team since 2016

Primary work experience

Componenta Corporation, Senior Vice President, Development 2016
Componenta Turkey, Vice President, Business Development 2016
PKC Group Plc., Director, Internal Audit 2013 – 2016
PKC Group USA Inc, Senior Vice President, Business Development 2011–2013
Proventia Group Oy, CFO 2007–2011
PKC Group Plc, CFO 2003–2007
Ponsse Plc., CFO and other financial positions 1994–2001

Componenta shares –



Mervi Immonen
b. 1979, LL.M., BBA
General Counsel since 2018
Member of the Corporate Executive Team since 2018

Primary work experience

Componenta Corporation, Legal Counsel 2017–2018
Resurs Bank AB branch in Finland, Legal Counsel 2014–2017
Finaref Ltd. / Resurs Bank AB branch in Finland, Collection Manager 2011 – 2014
RealNetworks, Inc., Finance and Operations Manager 2010 – 2011
DNA Plc, Associate Lawyer 2010
Ari Niemelä Attorneys at Law Ltd, Associate Lawyer 2008 – 2010

Componenta shares –



Pasi Mäkinen
b. 1969, B.Sc. (Eng.)
COO since 2017
Member of the Corporate Executive Team since 2015

Primary work experience

Componenta Corporation, Senior Vice President, Turkey, Iron business area 2016–2017
Componenta Orhangazi (Turkey), Business Unit Director 2015–2016
Valmet Technologies Inc., Vice President, Foundry Operations 2013–2015
Metso Foundries Jyväskylä Oy, President 2008–2013
Valmet Oyj/Metso Paper Oy/Metso Foundries Jyväskylä Oy, Production Manager 1999–2008

Componenta shares 500

Companies in which Corporate Executive Team members have a controlling interest did not own Componenta shares as of 31 December 2018.

Remuneration statement 2018

Remuneration of Board of Directors and Board Committees

The Annual General Meeting decides on the remuneration of the Board of Directors and of Board committees.

In 2018, the Annual General Meeting decided that the Chairman of the Board of Directors be paid an annual fee of EUR 50,000, ordinary Board members EUR 25,000 and members of committees of the Board EUR 5,000, and that travel expenses be paid in accordance with the company's travel regulations.

The total annual fees paid to members of the Board and of Board committees in 2018 were EUR 125,000. Board members do not participate in Componenta's share-based incentive scheme or pension schemes. The remuneration statement is performance-based.

Remuneration of Board of Directors

Board 2018		Salaries, fees and fringe benefits, €
Petteri Walldén	Chairman	50,000
Olli Isotalo	Member, Vice Chairman	25,000
Anne Leskelä	Member	25,000
Asko Nevala	Member	25,000
Total		125,000

Remuneration of President and CEO and other management

Componenta's Board of Directors decides on the remuneration and other benefits of the President and the deputy to the President. The Board of Directors decides on the terms of employment of members of the Corporate Executive Team, based on the proposal of the President and CEO, in accordance with the "one over one" principle in use at the Group.

Terms of employment of President and CEO Harri Suutari

Salary and fringe benefits	Total monthly salary EUR 19,000 consisting of cash salary and any fringe benefits.
Short-term incentives	The President and CEO is entitled to an incentive based on achievement of financial targets.
Long-term incentives	The President and CEO is entitled to long-term share-based incentive scheme.
Pension	The retirement age of the President and CEO is 63 years, and he has had a supplementary pension agreement. The agreement has included old age pension after reaching the age of retirement, paid-up pension policy rights if the employment of the insured person is terminated before reaching the age entitling to old age pension as stated in the insurance policy, disability insurance and life insurance. In addition, the President and CEO has had a separate pension capitalisation agreement, under which the pension begins at the age of 63 years and ends at the age of 68 years or when the savings in the capitalisation agreement have been used up. The pension capitalisation agreement was made in 2015. The actual pension is calculated annually by dividing the remaining amount of the savings by the remaining number of months for the pension. The Company's Board of Directors reached agreement with the President and CEO in the autumn of 2016 to stop making the pension payments.
Termination of employment	The President and CEO's contract of employment may be terminated by the company by giving twelve months' notice and by the President and CEO by giving twelve months' notice. The President and CEO is not entitled to any separate compensation after giving notice or being given notice other than the salary and benefits agreed in the terms of notice and the supplementary pension in accordance with the principles of the paid-up pension policy.

Remuneration and other benefits of other members of the Corporate Executive Team

The fixed cash salary of the members of the Corporate Executive Team includes compensation for any work on the boards of directors of Componenta Group companies and any associated companies.

The maximum potential bonus, linked to financial targets, that is paid under short-term incentive schemes is 50 per cent of a person's annual earnings.

Remuneration of the President and CEO and other members of the Corporate Executive Team

2018	Salaries, fees and fringe benefits, €	Bonuses, €	Statutory pension benefits €	Voluntary pension benefits, €	Benefits paid on termination of employment, €	Share-based payments, €	Total, €
President and CEO Harri Suutari	243,330	17,000	-	-	-	1,086	261,416
Other members of Corporate Executive Team	442,234	20,198	-	-	-	2,734	465,166
TOTAL	685,564	37,198	-	-	-	3,820	726,582

Remuneration schemes

The Board of Directors reviews annually the competitiveness of total remuneration, the instruments used and their weighting and goals in the remuneration of different target groups.

Short-term incentive scheme

The Board of Directors confirms the conditions and targets of short-term incentive schemes (schemes with a duration of one calendar year) annually for the entire Group. The potential bonuses paid under short-term incentive schemes are based on the achievement of financial targets set for Componenta's business operations. In 2018, the incentive scheme covered all of the Group's personnel.

The performance-based bonus payable under Componenta's short-term incentive scheme is based on the Group's comparable EBITDA. The bonus is conditional on cash flow after investments being positive. If this condition is not satisfied, the bonus is not paid. The maximum bonus corresponds to 1–6 months' salary depending on the employee group.

Long-term share-based incentive scheme

The Annual General Meeting of Componenta authorized the Board of Directors on 24 May 2018 to decide on a share issue as well as issue of option rights and other special rights entitling to shares in one or several instalments in accordance with Chapter 10, section 1 of the Limited Liability Companies Act.

Key content of the authorization valid until 24 May 2022:

- the number of shares to be issued or transferred pursuant to the authorization may not exceed 9,320,000 shares (including shares issued based on the special rights), which corresponds to approximately 4.99 per cent of all shares in the company;
- the Board of Directors decides on all the conditions of the issue of shares, stock options and other special rights entitling to shares;
- the Board of Directors may both issue new shares and transfer treasury shares held by the company. New shares and shares in the company's possession may be transferred against consideration or free of charge; and
- the Board of Directors is authorized to decide on the issue of new shares without consideration to the company itself.

Under the authorization, the Board of Directors of Componenta Corporation decided on 12 November 2018 to adopt two new share-based incentive schemes for the Group's key personnel, a Stock Option Plan and a Restricted Share Plan.

Stock options 2018

The stock options are used to encourage key employees to commit to long-term employment at the Company to increase shareholder value. The stock options also aim at committing key employees to the Company.

A maximum of 7,320,500 stock options rights will be issued in total. The rights entitle their holders to subscribe for a maximum total of 7,320,500 new shares in the company or existing shares held by the company. Of the stock options, 2,430,000 are marked with the symbol 2018A; 2,445,250 are marked with the symbol 2018B; and 2,445,250 are marked with the symbol 2018C.

The number of shares subscribed by exercising stock options issued corresponds to a maximum total of 4.00 per cent of all shares and votes of the shares in the company after the potential share subscription, if new shares are issued in the share subscription.

The Board of Directors of Componenta decided on 12 November 2018 to issue a total of 2,430,000 stock options (stock options 2018A) to a maximum of 20 key employees, including the members of the Corporate Executive Team. The stock options are issued gratuitously.

Stock options 2018A

Quantity	Subscription period	Subscription price
2,430,000	1 December 2021–30 November 2023	EUR 0.17 per share (trade-weighted average share price on Nasdaq Helsinki Ltd 12 October–8 November 2018)

Stock options 2018B

Quantity	Subscription period	Subscription price
2,445,250	1 December 2022–30 November 2024	trade-weighted average share price on Nasdaq Helsinki Ltd 14 October–8 November 2019

Stock options 2018C

Quantity	Subscription period	Subscription price
2,445,250	1 December 2023–30 November 2025	trade-weighted average share price on Nasdaq Helsinki Ltd 12 October–6 November 2020

The share subscription price will be deducted by the amount of dividends and distribution of assets resolved before share subscription. The share subscription price will be credited to the reserve for invested unrestricted equity of the company.

Restricted Share Plan 2018

The reward from the Restricted Share Plan 2018 will be based on the key employee's valid employment or service and the continuation of work during the vesting period. The reward will be paid partly in the company's shares and partly in cash after the expiry of a 36 month vesting period by the end of December 2021, at the latest. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the key employee.

The Restricted Share Plan is intended for approximately fifteen key employees resolved by the Board of Directors, including the members of the Corporate Executive Team. The rewards to be paid on the basis of the Restricted Share Plan 2018 correspond to the value of a maximum total of 1,999,500 Componenta Corporation shares including also the proportion to be paid in cash.

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