

Corporate Governance statement 2010

The parent company of Componenta Group is Componenta Corporation, a public company whose share is listed on the stock exchange of Helsinki, NASDAQ OMX Helsinki. Administration and management of Componenta Corporation (Componenta or the Company) are based on Finnish legislation, the Company's Articles of Association and the guidelines and rules of the Helsinki stock exchange and the Finnish Financial Supervisory Authority. Componenta complies with the Corporate Governance Code for Finnish listed companies of the Finnish Securities Association, which is available on the Securities Market Association's website at the address www.cgfinland.fi.

Deviating from the Code given by the Finnish Securities Association, Componenta has no committees of the Board of Directors. Taking into account the composition of the Board and the nature and size of Componenta's operations, the Board of Directors has considered it unnecessary to establish specific committees to prepare matters that are the responsibility of the Board.

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. Other management assists and supports the President and CEO in carrying out his duties..

Governing bodies



¹⁾ 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. 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, including among other approval of the financial statements, decision concerning use of the profit shown in the balance sheet and election of the Board members and the auditor.

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

A shareholder is entitled to have a matter that according to the Companies Act falls within the competence of the General Meeting included in the agenda of the meeting, if he/she requests the Board in writing in sufficient time for the matter to be included in the notice convening a General Meeting.

2010

The Annual General Meeting of Componenta was held on 10 March 2010 in Helsinki. At the Annual General Meeting 46.8% of the Company's shares were represented. All members except one of Componenta's Board of Directors and the President and CEO were present.

Board of Directors

The Annual General Meeting elects each year Componenta's Board of Directors, 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 Chairman and Vice Chairman.

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 15 of the Corporate Governance Code for Finnish listed companies.

The Annual General Meeting decides on the remuneration 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:

- The Board oversees the management and business operations of Componenta and makes major decisions relating to the strategy, capital expenditure, organization, corporate restructuring and financing.
- The Board appoints the President and CEO and the members of the Group's Corporate Executive Team, and approves the organizational structure and the principles for incentive schemes.
- The Board ensures that the Company's accounting, supervision of financial management and risk management have been arranged appropriately.
- The Board approves the key operating principles and values, and confirms the annual business plans and budgets.
- The Board makes proposals to the General Meetings and convenes the meetings.

The Board meets when it is convened by the Chairman or, in his absence, by the Vice Chairman. The Board forms a quorum when more than half of the members are present, and one of them must be the Chairman or Vice Chairman. Componenta's CFO 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 corporate governance annually and amends it when required.

2010

The Annual General Meeting held on 10 March 2010 six members to Componenta's Board of Directors: Heikki Bergholm, Pii Kotilainen, Heikki Lehtonen, Juhani Mäkinen, Marjo Miettinen and Matti Tikkakoski. The Board elected Heikki Bergholm as its Chairman and Juhani Mäkinen as Vice Chairman.

Heikki Bergholm, Pii Kotilainen, Juhani Mäkinen, Marjo Miettinen and Matti Tikkakoski are independent of the Company and of the shareholders. Heikki Lehtonen is President and CEO of Componenta Corporation. He is also the Company's significant shareholder through companies which he controls.

Information related to the Board members and their holdings is given on Componenta's Internet site under "Board of Directors Presentation".

The 2010 Annual General Meeting decided that the fees for the Chairman of the Board of Directors would be EUR 50,000 and for the other Board members EUR 25,000 a year. Travel expenses are paid in accordance with the Company's travel instructions.

The Board of Directors met 14 times during the year, and the average attendance rate at Board meetings was 99%. The Board of Directors evaluated its own performance under the leadership of the Chairman in December 2010.

Board members were paid salaries and fees in total of EUR 175,000 in 2010. Board members received other benefits in total of EUR 480 in 2010.

Board members do not participate in Componenta's share-based incentive scheme or pension schemes.

Board committees

Taking into account the composition of the Board and the nature and size of Componenta's operations, the Board of Directors has not considered it necessary to establish specific committees to prepare matters that are the responsibility of the Board.

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 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. He reports to the Board of Directors on matters including the Company's financial situation, its business environment and other major matters.

The President and CEO is the Chairman of Componenta's Corporate Executive Team and Extended Corporate Executive Team.

2010

Componenta's President and CEO was Heikki Lehtonen.

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 six 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 additional pension in accordance with the principles of the paid up pension policy.

CORPORATE GOVERNANCE

The salary of the President and CEO of Componenta in 2010 totalled EUR 265,327 and other benefits were EUR 7,361.

The President was entitled to the Group's share-based long-term incentive scheme. For the first earning period (2010) in the confirmed scheme for 2010 – 2012, the confirmed maximum number of shares for the President and CEO is 50,000 shares.

The President does not participate in the short-term incentive schemes.

The President and CEO as well as COO, acting as deputy for the President and CEO, have additional pension agreements of EUR 60,000 a year. The agreement includes old age pension after reaching the age of retirement, paid up pension policy rights if the employment of the insured is terminated before reaching the age entitling to old age pension as stated in the insurance policy, disability insurance, and life insurance for the duration of employment, of the paid up pension policy and of pension. The retirement age of the President and CEO is 63 years. If the company terminates the employment of the deputy to the President and CEO, the company is committed to paying the additional annual pension until the end of 2014.

The life insurance during the period of employment and the paid up pension policy defined in the additional pension agreement equals the amount of the insurance savings.

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 Chairman of the Board of Directors approves these decisions.

The members of Componenta's Corporate Executive Team are those in charge of the Group's business operations or major Group functions who:

- with their work promote the achievement of the Group's long-term business goals, the creation of added value, and the development of business operations
- participate in preparing the Group's strategy
- ensure the efficiency of operations throughout the Group
- develop management standards
- promote common business models and principles

2010

Componenta's Corporate Executive Team had six members and met up monthly. The President and CEO acted as the Chairman and the Communications Director acted as Secretary. During the year the Corporate Executive Team focused on key issues relevant to competitiveness, as balancing production, and execution of actions related to development of sales and engineering operations.

In 2010 the Group's Executive Team comprised the following: President and CEO Heikki Lehtonen; COO Yrjö Julin, Hakan Göral, Senior Vice President, Turkey operations, CFO Mika Hassinen; Anu Mankki, Senior Vice President, Human Resources and Pauliina Rannikko (from 22 June 2010), Senior Vice President, Legal and Risk Management. Communications Director Pirjo Aarnio-

Fees, salaries and other benefits of the Board of Directors, President and CEO and other members of the Corporate Executive Team

In year 2010 paid	Salaries, fees and fringe benefits	Bonuses	Share bonuses	Total
Board of Directors	175,480	0	0	175,480
President and CEO	272,688	0	0	272,688
Other members of the Corporate Executive Team ¹⁾	861,939	0	0	861,939

¹⁾ Including also foreign Corporate Executive Team members

Shares owned by the Corporate Executive Team on 31 December 2010

	Shares	Max	Share bonus scheme 2007 – 2009		Share bonus scheme 2010 – 2012	
			Granted	Max ¹⁾	Granted	
Göral Hakan	-	7,500	510	10,000	3,000	
Hassinen Mika	2,850	9,300	600	10,000	3,000	
Julin Yrjö ²⁾	50,000	-	-	15,000	4,500	
Lehtonen Heikki	5,311,340 ³⁾	56,000	3,300	50,000	7,500	
Mankki Anu	400	5,400	400	6,000	1,800	
Rannikko Pauliina ⁴⁾	-	-	-	-	-	

¹⁾ Only includes maximum for 2010

²⁾ Employment at Componenta began in January 2010

³⁾ Shares not owned directly

⁴⁾ Employment at Componenta began in June 2010

vuori acted as secretary to the CET.

Information about the members of the Corporate Executive Team and their holdings in the Company is given on Componenta's Internet site www.componenta.com under "Corporate Executive Team Presentation".

The Board of Directors decides on the terms of employment of the members of the Corporate Executive Team, based on the proposal of the President and CEO.

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 bonus, linked to financial and personal targets that is paid under short-term incentive schemes may be a maximum of 50% of a person's annual earnings.

One element of the short-term bonus scheme for the Corporate Executive Team is that a maximum of 10% of the basic annual salary is paid into a pension fund, depending on the extent to which the company's financial targets have been achieved.

The potential bonus from the long-term share-based incentive scheme for one earning period corresponds to some 40 - 50% of a person's annual earnings when the share price is EUR 4.11.

Members of the Corporate Executive Team and other key Group personnel are entitled to additional health care insurance in addition to the statutory occupational health care.

Members of the Corporate Executive Team are also entitled to a company car as part of their total remuneration.

Extended Corporate Executive Team

Extended Corporate Executive Team is responsible for development and deployment of corporate strategy.

2010

Extended Corporate Executive Team prepared the Componenta strategy for the years 2011 - 2015.

The Componenta Extended Corporate Executive Team consisted of 19 persons at the end of 2010: in addition to the Corporate Executive Team members and secretary mentioned before the following persons: Olli Karhunen, SVP of Finland Operations, Patrick Steensels, SVP of Holland operations, Michael Sjöberg, SVP of Sweden operations, Tapio Rantala, VP of Foundry technology, Ömer Lütfti Erten, VP of Interna sourcing, Juha Alhonoja, VP of Machining technology, Bert Duit, VP of Quality & Environment, Ville Taipale, VP of Sourcing, VP's of Sales and Product Development Antti Lehto, Lauri Eklin, Jari Leino, and Hein Strijbos, VP of Engineering.

Remuneration

Componenta's Board of Directors decides on the President's remuneration and other benefits. The Board of Directors decides on the terms of employment of the members of the Corporate Executive Team, based on the proposal of the President and CEO. The Annual General Meeting decides on the remuneration of the Board of Directors.

Incentive schemes

Short-term incentive scheme

The Board of Directors confirms each year the short term incentive scheme as part of total remuneration.

Short-term remuneration (one calendar year) is based on meeting measurable personal and business targets set for the year. The earning criteria for the 2010 earning period were Componenta Group's operating profit. No short-term bonuses were paid from year 2010.

Long-term share-based incentive scheme

The Board of Directors decides on long-term share-based incentive schemes as part of total remuneration and manages the implementation of the schemes.

A long-term share-based bonus and incentive scheme has been approved and implemented for the years 2010 - 2012. The aim of the plan is to unite the objectives of shareholders and key personnel, in order to increase the value of the company, commit key personnel to the company, and offer them a competitive reward scheme based on ownership of company shares.

The Board of Directors decides on the earning criteria and on the targets to be set for them for each earning period. The size of the bonus earned in the earning period is determined at the end of the earning period by the extent to which the targets set for the earning criteria have been achieved.

Any bonuses will be paid in 2011, 2012 and 2013, partly in company shares and partly in cash. The portion paid in cash covers taxes and tax-related costs arising from the bonus. If a bonus of shares is paid under the incentive scheme after the end of an earning period, in proportion to the extent to which the set targets have been achieved, the recipients may not convey, pledge or otherwise use the shares during the two-year restriction period.

2010

At the end of 2010 the target group contained 45 people. The earning criteria for the 2010 earning period were the Group's result after financial items and net cash flow from operations. For the 2010 earnings period, the Board of Directors resolved to allocate 40,950 shares of which to the President and CEO 7,500 shares and to the rest of the key personnel 33,450 shares altogether.

RISK MANAGEMENT AND MONITORING

In its business operations Componenta complies with all current legislation and regulations and with generally accepted business practices. In addition, business activities are governed by Componenta's values and the Company's own operating principles, the Componenta Way to Operate.

Risk management

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

The Board of Directors confirms the principles for risk management and the President and CEO supervises the implementation of the risk management programme such that the principles and programme focus on matters that are essential for local and operational activities.

The Corporate Executive Team participates in identifying and evaluating risks, in allocating responsibilities and in monitoring the risks.

The CFO is responsible for financial risks and the General Counsel for all other risks related to operative business and the Group.

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

Each employee is responsible for identifying and evaluating the risks that are related to his/her own work or which are otherwise under his/her control and for reporting on them to their supervisors.

The Group's treasury department manages financial risks and ensures on 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 most significant risks related to Componenta's business environment and business operations and financial risks are presented on the company's website.

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 management conducts the internal audit of Group companies together with the auditors in accordance with the annual plan.

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 insider regulations of NASDAQ OMX Helsinki and with its own insider regulations, which can be accessed by all personnel.

Persons who have insider information, irrespective of how or where the information has been obtained, may also be insiders. Componenta requires that all information related to the Company's business operations, being not public information, to be treated as confidential.

Componenta has made the Group's CFO responsible for the Company's insider matters and the Group's Communications Director responsible for maintaining the insider register.

Public insiders

According to the Finnish Securities Market Act, the Company's public insiders are the Board of Directors of the parent company, the President and CEO, and the auditors. The register of public insiders is maintained by Euroclear Finland Ltd and can be seen on the Company's website.

The holdings of Componenta's public insiders are given on the Company's website.

Company-specific insiders

Company-specific insiders include persons who regularly obtain insider information because of their position, responsibilities or duties. Componenta has defined the people working in the following positions as company insiders: the Group's Corporate Executive Team, Extended Corporate Executive team, key personnel in Group's finance, treasury, IT and communications departments, controllers of operative business segments and the secretaries of the Group management.

The holdings in Componenta of company insiders are monitored regularly through the SIRE register of Euroclear Finland Ltd.

Insider registers for individual projects

Componenta maintains a project register within the company insider register for projects that if implemented might have an impact on the price of Componenta's securities or derivatives. A project refers to a reorganization or some other distinct activity that is prepared in confidence and if implemented may have an impact on the value or price of Componenta's securities. The scope or nature of a project clearly distinguishes it from the Company's normal business operations.

Componenta's President and CEO will decide on case by case basis whether reorganization or some other distinct activity is considered a project.

Closed window

Insiders may not trade in Componenta securities for 30 days before the publication of the financial statements bulletin and interim reports. The precise dates are published on the financial calendar on the Company's Internet site.

AUDIT

The Annual General Meeting appoints the auditor and decides on the remuneration of the auditor. The company shall have one auditor which shall be a public accounting firm authorised by the Central Chamber of Commerce of Finland. In addition to the duties prescribed in current accounting regulations, the auditor reports to the Board of Directors of Componenta when necessary.

The responsible auditor may function as an auditor for a maximum of 7 years in succession.

2010

During the accounting period 1 January - 31 December 2010 Componenta's auditor was Oy Audicon Ab, Authorized Public Accountants.

The Annual General Meeting held on 10 March 2010 decided that the remuneration for the auditor would be based on invoicing. Remuneration in 2010 based on invoicing for Componenta Group's auditors totalled EUR 486,000, comprising EUR 427,000 in audit fees and EUR 59,000 for other services.

COMMUNICATIONS

Information about Componenta and its operative business is published on the Groups website. All releases and reports published by Componenta can be found on the Group's website immediately after they have been published.

This Corporate Governance Statement has been presented as a separate report and disclosed together with the Financial statements and the Report by the Board of Directors.

BOARD OF DIRECTORS



Heikki Bergholm

b. 1956, M.Sc. (Eng.)

Board Member since 2002, Chairman since 2003

Primary working experience

President and CEO at Suominen Corporation
2002 - 2006

Managerial positions at Lassila & Tikanoja Oyj 1985 -
2001, President 1998 - 2001

Managerial and expert positions at Industrialisation
Fund of Finland 1980-1985

Positions of trust

Chairman of the Board of Lakan Betoni Oy

Member of the Board of Directors of Forchem Oy,
Lassila & Tikanoja Oyj, MB Rahastot Oy and
Suominen Corporation



Pii Kotilainen

b. 1960, M.Sc. (Econ.)

Board member since 2010

Primary work experience

Executive Vice President, Human Resources at
Outokumpu Oyj 2009 -

Senior Vice President, Human Resources at
Huhtamäki Oyj 2006 - 2008

Managerial and expert positions at Nokia Group
1984 - 2006



Heikki Lehtonen

b. 1959, M.Sc. (Eng.)

Board Member since 1987

Primary work experience

President and CEO at Componenta Corporation
1993 -

President and CEO at Santasalo-Gears Ltd
1987 - 1994

Managerial and expert positions at JOT-Companies
Ltd 1980 - 1987

Positions of trust

Vice Chairman of the Board of Directors at Pöyry Plc

Member of the Board of Directors of Otava Books
and Magazines Group Ltd

Member of the Supervisory Board of Finnish
Business and Policy Forum EVA

Information related to the Board members and their holdings is given on
Componenta's Internet site under "Board of Directors Presentation".



Marjo Miettinen

b. 1957, M.Sc. (Ed.)

Board Member since 2004

Primary working experience

Chief Executive Officer at EM Group Oy 2006 -
Managerial and expert positions 1989 - 2001 and
Chairman of the Board of Directors at Ensto Oy
2002 - 2006

Positions of trust

Chairman of the Board of Directors of Efla Oy,
Teknari Oy and Teleste Oyj
Member of the Board of Directors of EM Group Oy,
Ensto Oy, Technology Industries of Finland,
Confederation of Finnish Industries and
TUT foundation



Juhani Mäkinen

b. 1956, Counsellor of Law

Board Member since 2000

Primary working experience

Chairman of the Board of Directors at Aval Ltd 2010 -
Chairman of the Board of Directors at Hannes Snellman
Attorneys at Law Ltd 2001 - 2009
Partner at Hannes Snellman Attorneys at Law Ltd
1985 - 2010

Positions of trust

Chairman of the Board of Directors at Oy Forcit Ab
Vice Chairman of the Board of Directors at
Lemminkäinen Oyj and Myllykoski Oyj
Member of the Board of Directors at Oy Karl Fazer Ab
and Viking Malt Oy



Matti Tikkakoski

b. 1953, B. Sc. (Econ.)

Board Member since 2003

Primary working experience

President and CEO at Atria Plc 2006 -
Deputy CEO at Å&R Carton AB 2004 - 2005
Managerial positions at Huhtamäki Plc 1980 - 2003

Positions of trust

Member of the Board of Directors at Atria Plc and
Finnish Food and Drink Industries' Federation

CORPORATE EXECUTIVE TEAM



Heikki Lehtonen

b. 1959, M.Sc. (Eng)
President and CEO 1993 -

Primary working experience

President and CEO at Santasalo-Gears Ltd
1987 - 1994
Managerial and expert positions at JOT-Companies
Ltd 1980 - 1987



Hakan Göral

b. 1967, M.Sc. (Eng.)
Senior Vice President, Operations, Turkey 2007 -

Primary working experience

Sales and Product Development Director at
Döktas A.S. 2006 - 2007
Deputy General Manager at Mako Elektrik A.S.
2002-2006
Managerial and expert positions at Koc Holding
Automotive Companies 1990-2002



Mika Hassinen

b. 1969, M.Sc. (Econ.), M.Sc. (For.)
CFO 2008 -

Primary working experience

Senior Vice President, Finance & IT, Corporate
Market Services at Stora Enso Oyj 2005 - 2007
Managerial and expert positions at Stora Enso Oyj,
Deutsche Bank AG Ltd and McKinsey & Co in Finland
and abroad 1996 - 2005

Information related to the executive team members and their holdings is given on
Componenta's Internet site under "Corporate Executive Team Presentation".



Yrjö Julin

b. 1957, Lic. Sc. (Tech.)
COO 2010 -

Primary work experience

Group President and CEO at Aker Yards ASA
2007 - 2008
Managerial positions at Aker Yards and Aker
Finnyards 2002 - 2008
Managerial positions at Componenta Corporation
1986 - 2002, latest Chief Operating Officer



Anu Mankki

b. 1963, M.Sc. (Phil.)
Senior Vice President, Human Resources 2005 -

Primary working experience

Vice President, Human resources development at
Metso Corporation 2003 - 2005
Managerial and expert positions relating HR in
Finland and abroad at Metso Corporation, Metso
Paper and Valmet Paper Machines 1988 - 2003



Pauliina Rannikko

b. 1970, LL.M., M.Sc. (Econ.)
General Counsel and Senior Vice President,
Legal and Risk management 2010 -

Primary working experience

General Counsel at Onninen Oy 2007 - 2010
Expert positions at Finnair Oyj and Roschier,
Attorneys Ltd 1997 - 2007

THE EXTENDED CORPORATE EXECUTIVE TEAM CONSISTS OF THE CORPORATE EXECUTIVE TEAM AND FOLLOWING PERSONS:

Pirjo Aarniovuori, Communications Director

Juha Alhonoja, Vice President, Machining technology development

Bert Duit, Vice President, Quality and environment

Lauri Eklín, Vice President, Sales and product development, Power and Nordic

Ömer Lütfi Erten, Vice President, Internal sourcing

Olli Karhunen, Senior Vice President, Operations, Finland

Antti Lehto, Vice President, Sales and product development,
Off-road and Central Europe

Jari Leino, Vice President, Sales and product development, Heavy trucks

Tapio Rantala, Vice President, Foundry technology development

Michael Sjöberg, Senior Vice President, Operations, Sweden

Patrick Steensels, Senior Vice President, Operations, Holland

Hein Strijbos, Vice President, Engineering

Ville Taipale, Vice President, Sourcing