

# CORPORATE GOVERNANCE

Lassila & Tikanoja plc (L&T) complies with the Finnish Corporate Governance Code issued by the Securities Market Association on 15 June 2010. L&T has not deviated from the recommendations of the Code. The code is available on the website of the Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi).

This statement was prepared in accordance with recommendation 54 of the Finnish Corporate Governance Code. The report is issued separately from the Report of the Board of Directors. L&T's Audit Committee has reviewed this report.

In addition to the Code, L&T's corporate governance complies with the laws and regulations of Finland, its Articles of Association, and the Guidelines for Insiders issued by NASDAQ OMX Helsinki. The consolidated financial statements and interim reports have been prepared in accordance with the IFRS reporting standards approved for use in the EU, the Securities Market Act, the standards imposed by the Financial Supervisory Authority, and the rules of the NASDAQ OMX Helsinki. The Report of the Board of Directors and the parent company's financial statements were prepared in accordance with the Accounting Act and the instructions and statements issued by the Accounting Board.

The Annual General Meeting, the Board of Directors and its two Committees, and the President and CEO, assisted by the Group Executive Board, are responsible for company administration and operations.

## Business organisation

The business is divided into four divisions. Until 31 December 2012 the divisions were Environmental Services, Cleaning and Office Support Services, Property Maintenance and Renewable Energy Sources. From 1 January 2013, L&T's reporting segments are: Environmental Services, Industrial Services, Facility Services and Renewable Energy Sources. Vice Presidents are in charge of the divisions and report to the President and CEO.

In Finland each division is organised into business areas. Country Managing Directors are responsible for operations in each country outside Finland. Administration and the management of group-level processes are centralised.

## General Meetings

The Annual General Meeting is the supreme decision-making body of Lassila & Tikanoja plc. The Annual General Meeting decides on the matters stipulated in the Companies Act, such as the acceptance of the financial statements and proposed dividend, the release from liability of members of the Board of Directors and the President and CEO, the election of the members of the Board of Directors and the Auditors, and the compensation paid to them. The Annual General Meeting is held by the end of April. When considered necessary, an Extraordinary General Meeting is convened to handle a specific proposal made to a General Meeting. General Meetings are convened by the Board of Directors.

Each share of Lassila & Tikanoja plc entitles to one vote. According to the Articles of Association, at a General Meeting of shareholders no shareholder may cast more than one fifth of the total number of votes represented at the meeting.

## Advance information

Shareholders are convened to a General Meeting by a notice published in one newspaper in the company's domicile. The Board of Directors' proposals and the notice to the meeting are also disclosed in a stock exchange release. The prospective director candidates as well as the proposal for Auditors are disclosed in the notice or in a separate stock exchange release before the General Meeting.

The notice of the General Meeting and the related documents will be available on the Group website at least 21 days before the General Meeting.

## Attendance of the Board members, President and CEO, Auditor and prospective Board members at a General Meeting

The members of the Board of Directors, President and CEO, principal auditor and prospective directors attend a General Meeting, unless there are well founded reasons for the absence.

## Minutes of General Meeting

The minutes of the General Meeting including the appendices will be available on the Group website within two weeks of the General Meeting.

## General Meeting in 2012

The Annual General Meeting was held in Helsinki on 15 March 2012. The meeting was attended by shareholders representing 51.4 per cent of the votes. The members of the Board of Directors, President and CEO and principal auditor attended the meeting.

## Board of Directors

### Composition and term

In accordance with the Articles of Association, the Board of Directors comprises a minimum of three members and a maximum of seven. The members of the Board of Directors are elected by the Annual General Meeting. The term of the members of the Board of Directors expires at the end of the next Annual General Meeting of Shareholders following his/her election. A person who has attained the age of 70 cannot be elected to the Board of Directors. The Board elects a Chairman and a Vice Chairman from among its members.

The biographical details of the member candidates will be available on the company website before the General Meeting.

The President and CEO is present at Board meetings presenting issues to the Board, and the General Counsel serves as secretary to the Board.

### Duties

The Board of Directors is responsible for the management of the company and for the proper arrangement of the company's operations as well as for the proper arrangement and supervision of the company's accounting and financial management. The Board of Directors decides upon matters, which, considering the scope and size of the operations of the company, are of major importance. The Board of Directors is also responsible for the duties specified in the Companies Act and the Articles of Association, and in other regulations.

The duties of the Board are defined in a written charter adopted by the Board in 2012, which the Board complies in addition to the Articles

of Association and the Finnish laws and regulations. According to the charter, the matters handled by the Board of Directors include:

- confirming the company's goals
- deciding on the corporate strategy and confirming divisional strategies
- establishing a dividend policy and being responsible for the development of the shareholder value
- deciding on group structure and organisation
- ensuring the operation of the management system
- handling and adopting interim report, consolidated financial statements and annual report
- confirming the company's operating plan, budget and investment plan
- deciding on strategically or financially significant investments, corporate acquisitions, disposals or other arrangements as well as financing arrangements and contingent liabilities
- confirming treasury, disclosure and risk management and insurance policies as well as internal control policy
- nominating and dismissing the President and CEO and monitoring and evaluating his work
- deciding on nomination, remuneration and other financial benefits of the President and CEO's immediate subordinates.

## Meeting practice

The Board of Directors convenes as often as its tasks require. It confirms its annual, regular meetings. Meetings held annually prior to the publication of the financial statements and each interim report, strategy meeting, budget meeting and other meetings confirmed in the annual programme of the Board, are considered regular meetings. In addition to regular meetings, the Board can hold extraordinary meetings, which can be arranged as telephone conferences.

Minutes are prepared of Board meetings, subject to the signature of members of the Board of Directors participating in the meeting as well as the President and CEO of the company and secretary to the meeting. These minutes are kept at the company's headquarters.

At the meetings, matters are presented by the President and CEO, who is responsible for ensuring that the Board is provided with sufficient information to assess the operation and financial situation of the company. He also supervises and reports to the Board on the implementation of the Board's decisions.

## Performance evaluation

The evaluation of the performance and working methods of the Board is conducted annually as an internal self-evaluation.

## Evaluation of independence

The Board has evaluated the independence of its members in accordance with item 15 of the Corporate Governance Code. The evaluation showed that all the members of the Board are independent of the company and of a significant shareholder.

## The Board of Directors in 2012

The Board of Directors comprises the following persons: Mr Heikki Bergholm, Chairman, Mr Eero Hautaniemi, Vice Chairman, Mrs Hille

Korhonen, Mr Sakari Lassila and Mr Miikka Majjala. Biographical details of the Directors are given on pages 8-9, and information on their holdings in the company and changes in the holdings during the year are set out on page 7.

The Board of Directors met 12 times during 2012. The average attendance per cent of the members at the meetings was 96.7.

Key themes in Board work included directing the preparation of the new strategy, approving the strategy, supporting the work to set up an organisation in line with the strategy, guiding the divestment of non-core business functions, and improving both profitability and cash flow.

## Committees

The Board has an audit committee and a remuneration committee.

### Audit committee

The audit committee consists of at least three members, who all are elected annually by the Board of Directors from among its members. The members of the audit committee shall be independent of the company and at least one member shall be independent of a significant shareholder. The members of the audit committee shall have the qualifications necessary to perform the responsibilities of the audit committee, in particular, sufficient knowledge of bookkeeping, accounting and financial statements practices.

The duties and operating principles of the audit committee are defined in a charter approved by the Board of Directors. The audit committee will convene at least four times a year.

The duties of the audit committee include:

- monitoring the financial position and financing
- monitoring the reporting process of financial statements
- supervising the financial reporting process
- monitoring the efficiency of the company's internal control, internal audit and risk management systems
- reviewing the plans and reports of the company's internal audit
- reviewing the description of the main features of internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate governance statement
- monitoring the statutory audit of financial statements and consolidated financial statements
- evaluating the independence of the auditing company
- evaluating the provision of non-audit services to the company to be audited by the auditing company
- preparing the proposal for the Auditor of the company
- maintaining contact with the company's auditor and reviewing the reports prepared to the committee by the Auditor
- assessment of compliance with laws and provisions.

### Remuneration Committee

The remuneration committee has at least two members. The Board shall elect members of the committee from among its members on an annual basis, for the duration of the Board's term. In compliance with the Corporate Governance Code for Listed Companies in Finland, the members must be independent of the company. On an annual basis, the Board of Directors shall likewise select one member as Chairman

## Board member meeting participation in 2012

	Board of Directors	Audit Committee	Remuneration Committee
Heikki Bergholm	12/12		6/6
Eero Hautaniemi	12/12	4/4	
Hille Korhonen	10/12		6/6
Sakari Lassila	12/12	4/4	
Miikka Majjala	12/12	4/4	

The Board of Directors met 12 times during 2012. Audit Committee met 4 times and Remuneration Committee met 6 times.

of the committee, for the term of the Board. The committee will convene at least two times a year.

The duties of the remuneration committee include:

- handling, evaluating and making statements on the salary structure of the Group management and personnel and remuneration and incentive schemes
- monitoring the functionality of the remuneration systems, to ensure that the management's incentive schemes promote the achievement of the company's targets and are based on personal performance
- handling and preparing other questions related to management and personnel remuneration and drafting statements to the Board regarding them
- handling and preparing executive appointment issues for consideration by the Board of Directors.

### Committees in 2012

Eero Hautaniemi is Chairman of the audit committee and the members are Sakari Lassila and Miikka Majjala. The audit committee met four times during 2012. The attendance per cent of the members at the meetings was 100.

Heikki Bergholm is Chairman of the remuneration committee and the member is Hille Korhonen. The committee met six times during 2012. The attendance per cent of the members at the meetings was 100.

### Managing Director

Lassila & Tikanoja plc's Managing Director, known as the President and CEO, is appointed by the Board of Directors. The President and CEO is responsible for day-to-day operations in keeping with the instructions of the Board of Directors. He is also responsible for the strategy process. The President and CEO is Pekka Ojanpää.

### Other Management

The Group Executive Board assists the President and CEO in the management of the company. The members of the Group Executive Board and their areas of responsibility are presented on pages 10-11, and their holdings in the company shares and options and changes in the holdings during the year are set out on page 7.

The HR management board is one of L&T's management forums. Its goal is to establish systematic co-operation with personnel representatives.

### Risk management

#### Objective

L&T's risk management aims to identify significant risk factors, prepare for them and manage them in an optimal way so that com-

pany's objectives are achieved. Comprehensive risk management endeavours to manage the Group's risk as a whole and not just individual risk factors.

#### Responsibilities

The principles of L&T's risk management are approved by the company's Board of Directors. The Board monitors the implementation of risk management and assesses the efficiency of the methods employed. The President and CEO is responsible for the organisation and implementation of risk management.

Principles for financial risk management are defined in the Financial Policy. Principles for insurance risk management are defined in the Risk Management and Insurance Policy.

#### Identification, assessment and reporting of risks

Risk management forms an integrated part of L&T's management, monitoring and reporting system. Regular monitoring and reporting of risks take place at the group, division and area levels, in units outside Finland as well as within centralised functions defined as being critical, as part of the annual strategy process.

The management of each of the divisions and centralised functions identifies and assesses the most significant risks for its own area of responsibility, prepares contingency plans and determines responsibilities for risk management measures within its organisation. Risk identification and planning primarily take place within divisions, areas and units responsible for business operations. Any risks identified and preparations for them are regularly reported to the President and CEO.

The risk management process is determined in L&T's Integrated Management System.

A risk assessment in all divisions, areas, foreign units as well as centralised functions defined as being critical, is carried out annually to assess strategic, financial, damage-related and operational risk factors. The significance of risks is assessed using a risk matrix, and contingency plans for significant risks are prepared on this basis.

#### Insider guidelines

The Board of Directors has taken a decision that the Group observes the guidelines for insiders issued by NASDAQ OMX Helsinki. Additionally, it has given a complementary guideline which is in some respects more stringent.

The insider register is maintained in the SIRE service of Euroclear Finland Ltd. Insiders with a duty to declare include members of the Board of Directors, President and CEO, the principal auditor and the Group Executive Board. Persons included in the company-specific permanent insider register based on their position include General Counsel, Chief Information Officer, Director of Corporate Relations and Responsibility, Head of Treasury and Investor Relations, Communications Manager and persons designated by them, divisional manage-

ment teams, executive assistants and persons participating in group accounting, as well as persons preparing stock exchange releases. Separate project-specific sub-registers are kept for extensive or otherwise significant projects. The General Counsel is the person responsible for insider issues.

Lassila & Tikanoja's insiders are not permitted to engage in trading with company shares during the period between the end of the financial period and the disclosure of the result.

The shareholdings and option holdings of the public insiders are listed on the Group website.

#### Auditing

The statutory audit of the financial statements is carried out by KPMG Oy Ab, Authorised Public Accountants, elected by the Annual General Meeting.

The auditors and the Board agree on the audit plan annually and discuss the audit's findings. The principal auditor and the auditor manager attend at least one meeting of the Board of Directors annually.

In 2012, the fees paid for statutory auditing to KPMG group totalled EUR 82,000. The fees paid to the auditing company and companies belonging to the same chain for non-audit services such as tax, IFRS and due diligence services, totalled EUR 63,000.

#### Description of the main features of internal control and risk management systems pertaining to Lassila & Tikanoja plc's financial reporting process in 2012

The financial reporting principles represent an essential element of L&T's Integrated Management System. The Group's financial reporting process includes both financial accounting and management accounting. The internal control and risk management systems and procedures pertaining to the financial reporting process are explained in more detail below. Their purpose is to ensure the financial reports published by the company contain essentially correct financial information.

#### Audit committee

The audit committee supervises and monitors the efficiency of L&T's financial reporting process and internal control systems. The duties and operating principles of the audit committee are defined in a charter approved by the Board of Directors. The audit committee has reviewed L&T's internal control policy and the Board of Directors has approved it.

The audit committee meets at least four times a year before the publication of interim reports and the financial statements release. In its meetings, the audit committee reviews the financial information presented by the Chief Financial Officer, as well as interim reports and financial statements releases. The auditor is also invited to attend the meetings. The audit committee is presented in more detail on page 3 and members of the audit committee are introduced on page 4.

#### L&T's financial reporting process

L&T conducts a significant proportion of its business in Finland. Functions having to do with accounting, sales invoicing, accounts payable and receivable, payments and financing in the financial reporting process in Finland are centralised. Organisation of these functions into different teams allows the separation of various finance-related tasks. To support the consistent process in Finland, L&T also runs a centralised accounting system and common account framework.

L&T's foreign subsidiaries each have independent financial management departments operating in compliance with the accounting principles and reporting instructions issued by the Group's financial management. Foreign subsidiaries submit a monthly reporting package to the Group according to the Group's instructions. Financial controllers supervise operations related to foreign subsidiaries' financial management, their financial reports and financial statements. They visit companies assigned to them on a regular basis and conduct inspections and prepare written inspection reports.

L&T's Group financial management is responsible for preparing and updating the Group accounting policies and instructions, and for preparing reporting schedules. The financial management department consolidates subsidiaries' financial statements into consolidated financial statements which include notes to the financial statements, and prepares interim reports and financial statement releases, official financial statements and the annual report.

#### Internal control

L&T's operations and financial reports are monitored and compared against budgets and forecasts on different organisational levels. Group management, divisional management and product line management as well as business unit management analyse the results and any nonconformities. Divisional business controllers and financial controllers responsible for foreign operations analyse the financial reports and prepare reports for management use.

L&T's Group financial management has defined and documented the control objectives and control points associated with external financial reporting in 2009. Control points have been specified both for individual companies and for Group accounting, and they represent a minimum requirement imposed by the Group on internal control of financial reporting. Foreign subsidiaries have been informed of the control points, and the financial controllers assess foreign subsidiaries' operations against the specified control points as part of their regular visits.

The company has financing, disclosure and risk management and insurance policies as well as internal control policy confirmed by the Board of Directors.

#### Risk management

The risks associated with financial management processes are assessed in the annual risk management process, which is part of L&T's Integrated Management System. Risks identified through risk assessment are prioritised, action plans and schedules are prepared, and persons responsible for implementing the action are named. Implementation of actions is monitored annually. Risk management process is presented on page 4 and in the Report by the Board of Directors on page 18.

#### Internal control

L&T has no internal audit organisation of its own. Executive management may invite external experts to conduct internal audit assignments when necessary.

Regular auditing of the financial statements of international units is the duty of the financial controllers of international business who work in the finance department. External auditor participates in some of the audits. Auditing activity is also included in the duties of business controllers as needed.

## REMUNERATION STATEMENT

Lassila & Tikanoja plc complies with the Finnish Corporate Governance Code. This Remuneration Statement is prepared in accordance with recommendation 47.

### Remuneration of the Board of Directors

#### Decision-making process and main principles of remuneration

The General Meeting of Shareholders determines the emoluments payable to the members of the Board of Directors in advance, for one year at a time.

In 2012, the following annual fees were decided to be paid: Chairman EUR 46,250, Vice Chairman EUR 30,500 and each member EUR 25,750. The fees are paid so that 40% of the annual fee is in Lassila & Tikanoja's shares held by the company or, if this is not feasible, shares acquired from the markets, and 60% in cash. Shares are to be issued to Board members and, where necessary, acquired directly from the markets on behalf of Board members within the next fourteen trading days, free from restrictions on trading, from the Annual General Meeting. In addition, the Annual General Meeting decided on the following meeting fees to be paid to the participants of the board and committee meetings: Chairman of the board EUR 1,000, Vice Chairman of the board EUR 700, board member EUR 500, Chairman of the committee EUR 700 and committee member EUR 500 per meeting.

The members of the Board are not included in the share option schemes and they do not have any pension contracts with the company.

#### Remuneration of the Board of Directors in 2012

In 2012, Board of Directors met 12 times, audit committee met four times and remuneration committee met six times.

Heikki Bergholm is Chairman of the Board. Eero Hautaniemi is Vice Chairman of the Board. Eero Hautaniemi is Chairman of the audit committee and the members are Sakari Lassila and Miikka Majjala. Heikki Bergholm is Chairman of the remuneration committee and the member is Hille Korhonen.

In 2012, the fees decided by the Annual General Meeting were paid to the Board of Directors.

#### Remuneration of President and CEO and other management

#### Decision-making process and main principles of remuneration

The Board of Directors determines the salary, bonuses and other benefits of the President and CEO and the direct subordinates of the President and CEO. The Board has established a remuneration committee. The duties of the committee include among others handling and preparing questions related to management and personnel remuneration and drafting statements to the Board regarding them. The duties of the remuneration committee are presented in detail on page 3.

The remuneration of President and CEO and the members of the Group Executive Board consists of a fixed monthly salary and benefits, of a compensation scheme and of a share-based incentive programme.

The President and CEO and the members of the Group Executive Board are included in the share option scheme and in the share-based incentive programmes directed to the key personnel of the company. The basis for the determination of the reward is decided annually by the Board of Directors. Rewards to be paid for the year 2013 will be based on the EVA result of Lassila & Tikanoja Group.

The maximum share-based payment may equal 5–11 months' salary depending on the responsibilities of the member of the Group Executive Board. The decision on the remuneration is done by the Board of Directors based on the statement drafted by the remuneration committee.

The company has also provided a compensation scheme, the criteria of which are determined annually in advance by the Board of Directors. The bonus is based on operating profit excluding non-recurring items and it may equal 3–6 months' salary, at maximum, depending on the responsibilities of the member of the Group Executive Board. The decision on the remuneration is done by the Board of Directors based on the statement drafted by the remuneration committee.

Separate emoluments are not paid to the members of the Group Executive Board for the memberships of Boards of Directors of the subsidiaries.

President and CEO and members of the Group Executive Board are not covered by any supplementary pension scheme.

#### Service contract of President and CEO

A written service contract has been drawn up for the President and CEO. According to the contract, the period of notice is 6 months should the company terminate the contract, and 6 months should the President and CEO terminate the contract. In case the company terminates the contract the President and CEO's salary will be paid for 12 months. If the company terminates the President and CEO's employment contract, the severance pay will equal a monthly salary for twelve (12) months. The company has taken out statutory pension and accident insurance for the President and CEO.

#### Short-term and long-term incentive schemes

Lassila & Tikanoja operates an incentive programme for one year which started in 2012. The option scheme started in 2008 and a one-year share-based incentive programme which started in 2011 ended in 2012. The company has also provided a compensation scheme, which is described in more detail above.

#### Share-based incentive programme 2013

Lassila & Tikanoja plc's Board of Directors decided at a meeting held on 17 December 2012 on a new share-based incentive programme to form a part of the incentive and commitment scheme for the company's key personnel.

The programme's earnings period began on 1 January 2013 and ends on 31 December 2013. Potential rewards will be paid during the year following the earnings period partly as shares and partly in cash. Potential rewards to be paid for the year 2013 will be based on the EVA result of Lassila & Tikanoja group.

No reward will be paid if a key person's employment ends before the reward payment. Any shares earned through the incentive programme shall be held for a minimum period of two years following the payment. After that, the Group Executives are still required to hold company shares with a value equal to their gross salary for six months and the other programme participants with a value equal to their gross salary for three months as long as they are employed by the company.

A maximum total of 53,300 Lassila & Tikanoja plc shares may be paid out on the basis of the programme.

The shares to be paid out as potential rewards will be transferred from the shares held by the company, and therefore the incentive programme will have no diluting effect on the share value. The programme covers 10 persons.

### Remuneration paid to the members of the Board of Directors in 2012

	Annual fee*, EUR	Meeting fee, EUR	2012 total, EUR	2011 total, EUR
Heikki Bergholm	46,250	20,400**	66,650	69,750**
Eero Hautaniemi	30,500	14,700**	45,200	40,450**
Hille Korhonen	25,750	8,000	33,750	35,750
Sakari Lassila	25,750	8,500	34,250	33,750
Miikka Majjala	25,750	8,500	34,250	35,250
Matti Kavetvuo				45,300
Juhani Lassila				2,100

\* 40% of the annual fee is paid in Lassila & Tikanoja's shares held by the company or, if this is not feasible, shares acquired from the markets.

\*\* Includes a meeting fee from Board meeting of L&T Recoil until 25 June 2012 when L&T sold its share in JV to EcoStream Oy.

### Shares held by the members of the Board of Directors

	At 31 December 2012	Percentage of shares and of voting power	At 1 January 2012
Heikki Bergholm	780,758	2.01%	778,807
Eero Hautaniemi	8,286	0.02%	7,000
Hille Korhonen	3,485	0.01%	2,399
Sakari Lassila	8,454	0.02%	7,368
Miikka Majjala	70,358	0.18%	69,272
Yhteensä	871,341	2.25%	864,846

#### Share-based incentive programme 2012

Lassila & Tikanoja plc's Board of Directors decided on 14 December 2011 on a share-based incentive programme. Rewards were based on the EVA result of Lassila & Tikanoja group without L&T Recoil.

Potential rewards were paid during the year following each earnings period partly as shares and partly in cash. The proportion paid in cash covered taxes arising from the reward. No reward was paid if a key person's employment ended before the reward payment. Any shares earned through the incentive programme shall be held for a minimum period of two years following the payment of each reward. After that, the members of the Group Executive Board are still required to hold company shares with a value equal to their gross salary for six months and the other programme participants with a value equal to their gross salary for three months as long as they are employed by the company.

Based on the programme a maximum of 65,520 shares of the company could be granted. The shares were obtained in public trading. The programme covered 22 persons.

Under the programme, 6,295 shares will be granted for 2012.

#### Option scheme 2008

Share options were granted to the key personnel belonging to the management determined by the Board of Directors. The subscription period for Lassila & Tikanoja 2008 option rights ended on 31 May 2012.

A total of 230,000 2008 option rights were issued. The outstanding option rights entitled to the subscription of 168,000 shares. No shares were subscribed for pursuant to the option rights and all option rights expired.

#### Remuneration of President and CEO and other management in 2012

In 2012 the salary on President and CEO totalled EUR 396,000 including salaries and benefits.

The salaries paid to the Group Executive Board totalled EUR 913,000 which includes salaries and benefits EUR 886,000 and bonuses EUR 27,000. The figures include salaries for the period during which the persons in question held an executive position.

Share-based payments of 2,545 shares will be paid for the President and CEO and a total of 3,750 shares for other members of the Group Executive Board will be paid for the year 2012. No options were granted in 2012.

In 2012, EUR 56,000 arising from the pension agreement of the President and CEO, Jari Sarjo, was recognised in the income statement.

### Shares held by the Group Executive Board

	Shares	
	31 December 2012	1 January 2012
Pekka Ojanpää	10,230	0
Ville Rantala	12,175	12,175
Kirsi Matero	0	0
Tuomas Mäkipeska *	800	-
Antti Tervo **	500	-

\* Member of the Group Executive Board as of 6 February 2012

\*\*Member of the Group Executive Board as of 14 February 2012

# BOARD OF DIRECTORS

## HEIKKI BERGHOLM

born 1956  
M.Sc. (Eng.)

Chairman of the Board since 2011 and member since 2008, Chairman of the Remuneration Committee since 2011 and member since 2010

### Work experience:

Suominen Corporation, President and CEO 2002–2006  
The former Lassila & Tikanoja Group, President and CEO 1998–2001, Vice President 1997–1998, President of business units 1986–1997 and CFO 1985–1986  
Industrialisation Fund of Finland Ltd, Researcher and development manager 1980–1985

### Other key positions:

Forchem Oy (2007–), Lakan Betoni Oy (1986–, COB), Maillefer International Oy (2010–), MB Funds Oy (2002–), Componenta Corporation (2002–2012, COB), Kemira Oyj (2004–2007), Pohjola Group plc (2003–2005), Sponda plc (1998–2004) and Suominen Corporation Oyj (2001–2011)

Holds 780,758 Lassila & Tikanoja plc shares.

## EERO HAUTANIEMI

born 1965  
M.Sc. (Econ.), CEO of Oriola-KD Corporation 2006–

Vice Chairman of the Board since 2011 and member since 2007, Chairman of the Audit Committee since 2011 and member since 2009

### Work experience:

GE Healthcare Finland Oy, President 2004–2005  
GE Healthcare IT, General Manager of the Oximetry, Supplies and Accessories business area 2003–2004  
Instrumentarium Corporation, positions in financial and business management 1990–2003

### Other key positions:

Ecostream Oy (2012–), L&T Recoil (2010–2012), Nurminen Logistics (2009–2012)

Holds 8,286 Lassila & Tikanoja plc shares.

## HILLE KORHONEN

born 1961  
Licentiate of Technology, President and CEO of Alko Oy 2013–

Member of the Board since 2009, Member of the Remuneration Committee since 2010

### Work experience:

Vice President, Operations (responsible for manufacturing, sourcing and logistics strategies) at Fiskars Corporation 2008–2012, Group Director, Operations at Iittala Group 2003–2009  
Executive positions within worldwide delivery chain strategies and processes in Nokia Corporation 2000–2003, Nokia Networks 1998–2000 and Nokia Mobile Phones 1996–1997  
Outokumpu Copper, positions in developing logistics and marketing 1993–1996

### Other key positions:

Nokian Tyres plc (2006–), Mint of Finland Group (2008–2010)

Holds 3,485 Lassila & Tikanoja plc shares.

## SAKARI LASSILA

born 1955  
M.Sc. (Econ.), Managing Director and partner of Indcrea Oy and a management board member of Cupori Group Oy 2008–

Member of the Board and audit committee since 2011

### Work experience:

Carnegie Investment Bank AB, Finland Branch: executive positions, 2002–2005  
Alfred Berg Finland Oyj: executive positions within investment banking, 1994–2002  
Citibank Oy: head of corporate bank, 1991–1994  
Union Bank of Finland: supervisory and executive positions, 1983–1991

### Other key positions:

Vice Chairman of Board of Evald and Hilda Nissi Foundation (member 1987–)

Holds 8,454 Lassila & Tikanoja plc shares.

## MIIKKA MAIJALA

born 1967  
M.Sc. (Eng.), CEO of Clinius Ltd 2006–

Member of the Board and Member of the Audit Committee since 2010

### Work experience:

GE Healthcare Finland Oy, Business Segment Manager 2004–2006  
Instrumentarium Corporation (currently GE Healthcare Finland Oy), Director, Business Development 2000–2004  
Instrumentarium Corporation, supervisory and executive positions within sales, marketing and financial management 1992–2000

Holds 70,638 Lassila & Tikanoja plc shares.

### President and CEO

## PEKKA OJANPÄÄ

The biographical details are listed on the next page.

The changes in the holdings of the members of the Board and the President and CEO during 2012 are listed on page 7.

### Auditor

KPMG Oy Ab, Authorised Public Accountants  
Principal auditor Lasse Holopainen, APA

## EXECUTIVE BOARD



### PEKKA OJANPÄÄ

born 1966  
President and CEO since 2011

M.Sc. (Econ.)

Kemira Oyj: President, Municipal & Industrial segment 2008–2011, President of the Kemira Specialty business area 2006–2008, Executive Vice President of Procurement & Logistics 2005–2006  
Nokia Oyj: Vice President, Electromechanics Supply Line Management of Nokia Oyj 2001–2004, Managing Director of Nokia Hungary 1998–2001, sales and logistics managerial positions in Nokia Mobile Phones 1994–1998

#### Other key positions

Ilmarinen Mutual Pension Insurance Company: member of Supervisory Board (2012–), Kiinteistöpalvelut ry: member of Board of Directors



### TIMO LEINONEN

born 1970  
Chief Financial Officer since 23 January 2013

M.Sc. (Admin)

Ixonos Plc: CFO, Senior Vice President 2008–2013  
Suomen Terveystalo Plc: Chief Financial Officer 2006–2008  
Tieto-X Plc: Chief Financial Officer 2002–2006,  
Tieto-X Plc: business controller 2000–2002, Interim CFO  
APT Sijointus Ltd: Financial Advisor 1999–2000  
Uusimaa Regional Tax Office: Tax Auditor 1998–1999



### PETRI SALERMO

born 1970  
Vice President, Environmental Services since 1 January 2013

QBA

Lassila & Tikanoja plc: Business Director, Environmental Services 2009–2012, Sales Director, Environmental Services 2003–2009, Sales Manager, Environmental Services 2001–2003  
Europress Oy: Sales Director 1998–2001, sales managerial positions 1995–1998



### VILLE RANTALA

born 1971  
Vice President, Industrial Services since 1 January 2013 and Vice President, Renewable Energy Sources since 2011

M.Sc. (Econ.)

Lassila & Tikanoja plc: CFO 2009–2013, President and CEO (acting) 13 June–31 October 2011, Managing Director of L&T Biowatti 2011–2012  
Suunto Oy: Director, Finance and Business Development 2007–2009  
UPM-Kymmene Corporation: Finance Director of Fine and Speciality Papers Division 2006–2007, Business Controller 2002–2006 and Controller 2000–2002  
Salomon Sport Finland Oy: Finance Manager 1999–2000



### PETRI MYLLYNIEMI

born 1964  
Vice President, Facility Services since 7 January 2013

M.Sc. (Econ.)

ISS Palvelut Oy: Business Director, Uusimaa region customer accounts 2011–2012, Business Director, Technical Service and Building Management 2005–2011  
Are Oy: Executive Vice President and Vice President, Maintenance and Service business 1999–2005, Service Manager 1995–1999, managerial and planning positions in Onninen-Termo Oy 1989–1994



### KIRSI MATERO

born 1968  
HR Director since 2012

M.Sc. (Econ.)

Atria plc: Group Vice President, Human Resources 2010–2011  
Pfizer Oy: HR Director 2007–2010  
Nokia Mobile Phones: Senior Business HR Manager 2004–2007  
Nokia Networks and Mobile Phones: Business HR Manager and Competence Development Manager 1998–2003  
Adulta Oy: Program Manager 1996–1998  
Shell Oy: Customer Service Officer, Transport Planner and Product Manager 1993–1995



### TUOMAS MÄKIPESKA

born 1978  
Business Development Director since 6 February 2012

M.Sc. (Econ.)

Deloitte: Management Consultant, Strategy & Operations 2005–2012  
Fiskars Corporation: Project Manager 2004–2005  
Rieter Automotive Management AG: Market Analyst 2003  
Tapiola Group: Finance Assistant 2000–2002



### ANTTI TERVO

born 1978  
Chief Procurement Officer since 14 February 2012

M.Sc. (Econ.)

Siemens, North West Europe: Head of Commodity Management 2009–2012, Work stream Lead, Procurement & Supply Chain Management 2008–2009  
Siemens Oy: Director, Procurement 2005–2009, Procurement Manager 2003–2005, Supply Chain Consultant 2001–2003

#### Changes in Group Executive Board in 2012:

As of 2 May 2012 Jorma Mikkonen, Vice President, Environmental Services, left the Group Executive Board. His new position in the company is Director, Corporate Relations and Responsibility.

As of 9 November 2012 Juha Simola, Vice President, Property Maintenance and as of 20 November 2012 Henri Turunen, Vice President, Cleaning and Office Support Services left the Group Executive Board and the company.

Petri Salermo was appointed Vice President, Environmental Services as of 1 January 2013. Ville Rantala was appointed Vice President, Industrial Services as of 1 January 2013 and will continue as Vice President, Renewable Energy Sources. Petri Myllyniemi was appointed Vice President, Facility Services as of 7 January 2013 and Timo Leinonen was appointed as CFO as of 23 January 2013.

Säkkiväline was a group company of Lassila & Tikanoja Group between 1989 and 2001. The parent company Lassila & Tikanoja demerged in 2001 into two new companies, Lassila & Tikanoja plc and Suominen Group plc.

The holdings of Group Executives in the company as well as changes in the holdings in 2012 are listed on page 7.