

The duties of the governing bodies of Componenta Corporation (Componenta or the Company) are defined in accordance with Finnish legislation and the Corporate Governance Code approved by Componenta’s Board of Directors. The Company’s corporate governance is based on the Finnish Limited Liability Companies Act (Companies Act) and the Securities Market Act, the Company’s Articles of Association and the Insider Guidelines of the Helsinki stock exchange. Componenta’s corporate governance code complies with the Corporate Governance Code for Finnish listed companies of the Finnish Securities Association, which came into force on 1 January 2009 and is available on the Securities Market Association’s website at the address www.cgfinland.fi.

Deviating from the Code, 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.

General corporate governance information

Componenta’s shares have been quoted on the Helsinki stock exchange since 2001.

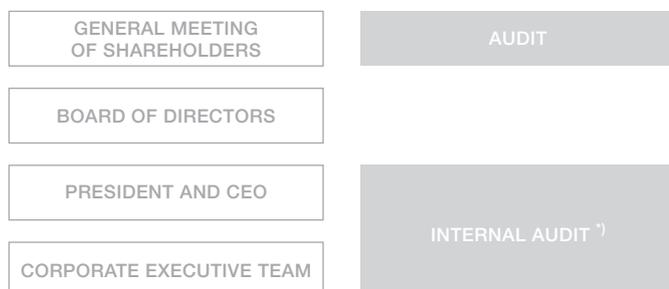
Supreme authority at Componenta is exercised by the shareholders at the General Meeting of Shareholders.

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.

Componenta prepares financial statements and interim reports in accordance with international financial reporting standards (IFRS). The financial statements, annual report and the interim reports are published in Finnish and English.

Componenta’s head office is located in Helsinki.

Governing bodies



¹⁾ Componenta Group’s financial administration conducts an internal audit of Group companies together with the auditors in accordance with the annual audit plan.

This statement is presented as a separate report and disclosed together with the Financial statements and the Report by the Board of Directors.

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:

- approval of the financial statements
- use of the profit shown in the balance sheet
- discharging from liability the members of the Board of Directors and the President and CEO
- the remuneration of Board members and the basis for their travel expenses
- the number of Board members and the election of them
- the number of auditors and the election of them
- proposals made by the Board of Directors or shareholders to the General Meeting

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.

2009

The Annual General Meeting of Componenta was held on 23 February 2009 in Helsinki. At the Annual General Meeting 44.4% of the Company’s shares were represented. All the members of Componenta’s Board of Directors and the President and CEO were present. The Extraordinary General Meeting was held on 8 September 2009.

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 policy annually and amends it when required.

2009

The Annual General Meeting held on 23 February 2009 elected six members to Componenta's Board of Directors: Heikki Bergholm, Yrjö Julin, 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, Yrjö Julin, 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 2009 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 16 times during the year, and the average attendance rate at Board meetings was 98%. The Board of Directors evaluated its own performance under the leadership of the Chairman in December 2009.

Board members and the President and CEO were paid salaries and fees in total of EUR 409,753 in 2009. Board members and the President and CEO received other benefits in total of EUR 2,756 in 2009.

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.

2009

Componenta's President and CEO was Heikki Lehtonen.

The President and CEO received a salary of EUR 16,925 a month and benefits in kind of altogether EUR 230 a month.

The President is entitled to the Group's share-based incentive scheme, which is formed by three earnings periods, the years 2007 - 2009. The allocation to the President and CEO for the earnings period 2007 - 2009 was 3,300 shares.

The retirement age of the President and CEO is in accordance with the Finnish legislation. The President and CEO's contract of employment may be terminated by the Company by giving a twelve months notice and by the President and CEO by a six months notice. The President and CEO is not entitled to any separate compensation after giving or being given notice other than the salary and benefits agreed in the terms of notice.

The Company has no specific pension commitments for Board members or President and CEO.

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 divisions 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 business models and principles and the Componenta way of operating

2009

Componenta’s Corporate Executive Team had 10 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 initiating and implementing the adaptation actions due to the significant changes in the business environment and on improving operative cash flow and maintaining liquidity.

Componenta’s Corporate Executive Team comprised the following: President and CEO Heikki Lehtonen; Yaylalý Günay, Senior Vice President, Investments; Hakan Göral, Senior Vice President, Turkey division, CFO Mika Hassinen; Olli Karhunen, Senior Vice President, Foundries division; Jari Leino, Sales Director, Heavy Trucks; Anu Mankki, Senior Vice President, Human Resources; Tapio Rantala, Director, Business Development; Michael Sjöberg, Senior Vice President, Machine shops division, and Communications Director Pirjo Aarniovuori.

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”.

Remuneration

The Board of Directors decides on the salaries and other terms of employment of Componenta’s President and CEO and other senior management.

Componenta has performance-based long- and short-term incentive schemes for personnel in key positions. Componenta’s Board of Directors approves each year the schemes and the positions participating in the schemes.

Bonuses

Short-term bonuses are linked to achieving measurable personal and business targets annually.

The personnel at Componenta’s production units are entitled to a bonus that is linked to the development of productivity. In the Netherlands, the personnel at Componenta B.V. have a bonus scheme that is based on the return on investment targets.

A person is only entitled to one short-term bonus at a time.

Share-based incentive scheme

The share-based incentive scheme was taken into use in 2007. The scheme comprised three one-year earnings periods, which were the calendar years 2007, 2008 and 2009. The bonuses will be paid in 2008, 2009 and 2010 partly in company shares and partly in cash. The part to be paid in cash covers the tax and similar charges arising from the bonus. There is a ban on selling the shares for two years after the end of the earnings period.

2009

Potential earnings from the incentive scheme was based on the positive development of the Group’s cash flow in 2009. At the end of the review period the target group contained 45 people. If the targets set for the scheme had been met in full, the scheme would have paid a bonus of a maximum of 132,000 Componenta Corporation shares. For the 2009 earnings period, the Board of Directors resolved not to allocate any shares in the scheme.

Internal monitoring, risk management and internal audit

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.

Audit

The Annual General Meeting appoints the auditor and decides on the remuneration of the auditor. The Company has at least one and a maximum of two auditors and one deputy auditor. 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.

2009

During the accounting period 1 January - 31 December 2009 Componenta’s auditor was Oy Audicon Ab, Authorized Public Accountants.

The Annual General Meeting held on 23 February 2009 decided that the remuneration for the auditor would be based on invoicing. Remuneration in 2008 based on invoicing for Componenta Group’s auditors totalled EUR 509,000, comprising EUR 435,000 in audit fees and EUR 74,000 for other services.

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 regulations

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 all information related to the Company's business operations that is 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 insiders

Company 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, key personnel in Group's finance, treasury and IT departments, the directors and managing directors of business units, and the secretaries of members of the Corporate Executive Team.

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.

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 supporting the divisions and Group functions in managing the risks and developing the risk management.

Managing directors and directors of the business units are 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.

BOARD OF DIRECTORS 2009



HEIKKI BERGHOLM



YRJÖ JULIN



HEIKKI LEHTONEN



MARJO MIETTINEN



JUHANI MÄKINEN



MATTI TIKKAKOSKI

“ 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. ”

HEIKKI BERGHOLM

b. 1956, M.Sc. (Eng.)
Board Member since 2002, Chairman 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 Ltd 1980 - 1985

Other key positions of trust:

Chairman of the Board of Lakan Betoni Oy
Member of the Board of Directors of Forchem Oy, Lassila & Tikanoja Oyj, MB Funds Oy and Suominen Corporation

230,000 Componenta shares

HEIKKI LEHTONEN

b. 1959, M.Sc. (Eng.)
Board Member since 1987

Primary working 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 at 1980 - 1987

Other key positions of trust:

Vice Chairman of the Board of Directors of 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

5,311,340 Componenta shares

JUHANI MÄKINEN

b. 1956, Counsellor of Law
Board Member since 2000

Primary working experience:

Partner, Hannes Snellman Attorneys at Law Ltd 1985 -

Other key 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 Polttime Companies Ltd

56,666 Componenta shares

YRJÖ JULIN

b. 1957, Lic. Sc. (Tech.)
Board member since 2009

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 EVP, COO

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

Other key positions of trust:

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

10 convertible capital notes (2005)
25 convertible capital notes (2006)

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

Other key positions of trust:

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

11,500 Componenta shares

CORPORATE EXECUTIVE TEAM 2009



HEIKKI LEHTONEN



PIRJO AARNIOVUORI



YAYLALÝ GŪNAY



HAKAN GŐRAL



MIKA HASSINEN



OLLI KARHUNEN



JARI LEINO



ANU MANKKI



TAPIO RANTALA



MICHAEL SJÖBERG

HEIKKI LEHTONEN

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

Primary work experience:

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

5,311,340 Componenta shares

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 - 2002

2,850 Componenta shares

ANU MANKKI

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

Primary work 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

400 Componenta shares

PIRJO AARNIOVUORI

b. 1955, M.Sc. (Econ.)
Communications Director 2001 -

Primary work experience:

Expert positions at Componenta
Corporation 1994 - 2001
Assistant and expert positions at
Santasalo-Gears Ltd 1987 - 1994

2,205 Componenta shares

OLLI KARHUNEN

b. 1959, M.Sc. (Eng.)
Senior Vice President, Foundries Division 2006 -

Primary work experience:

Managerial positions at Componenta Corporation and
its divisions and business units 1990 - 2006
Expert and other positions at Kuusakoski Oy and
Technical Research Center 1984 - 1990

14,415 Componenta shares

TAPIO RANTALA

b. 1953, Lic. Sc. (Tech.)
Director, Business Development 2008 -

Primary work experience:

Vice President, Development, at Metso Paper 2007 - 2008
Managerial positions at Metso Foundries Jyväskylä Oy,
Oy Tampella AB and Technical Research Center
1980 - 2007

3,180 Componenta shares

YAYLALÝ GŪNAY

b. 1945, M.Sc. (Eng.)
Senior Vice President, Investments 2007 -

Primary work experience:

President and CEO at Döktas Dökümcülük Tic. ve San.
A.S. 1975 - 2007

JARI LEINO

b. 1961, Engineer
Sales Director, Heavy trucks 2005 -

Primary work experience:

Sales Director, the Netherlands at
Componenta Corporation 2005
Managerial positions in sales at
Componenta Corporation 1989 - 2005

240 Componenta shares

MICHAEL SJÖBERG

b. 1964, M.Sc. (Eng.), eMBA
Senior Vice President, Machine Shops Division 2004 -

Primary work experience:

Plant Manager and Operations Director at
Tour&Andersson AB 2001 - 2004
Managerial positions at Wirsbo Bruks AB
(Uponor Wirsbo AB) 1990 - 2001

5,050 Componenta shares

HAKAN GŐRAL

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

Primary work experience:

Sales and Product Development Director at Döktas
Dökümcülük Tic. ve San. A.S., 2006 - 2007
Managerial and expert positions at Döktas A.S., Mako
Elektrik A.S. and Koc Group 1990 - 2006