

2016

FINAVIA
AIRPORT

Corporate Governance
statement

FINAVIA

Introduction

Finavia is committed to good governance in all its operations. In addition to compliance with laws and regulations, our operations are guided by Finavia's values, our common principles of operation and our ethical code of conduct.

Finavia Corporation (hereafter also "the Company") is a fully state-owned public company. Finavia has the special task of developing the airport network and maintaining the airports with regular scheduled commercial traffic. In addition, Finavia manages an air navigation system and provides air navigation services.

The decision-making and administration of Finavia Corporation is governed by the Limited Liability Companies Act, the company's Articles of Association, as well as the applicable Guide of Governance produced by the party responsible for ownership steering, and by Finavia Group's own Guide of Governance.

Finavia also complies, as applicable, with the Corporate Governance Code of Finnish listed companies approved by the Finnish Securities Market Association in 2015 ("the Governance Code"). The most significant deviations from the Governance Code are due to the fact that Finavia only has one shareholder, namely the State of Finland. In addition, the Government has defined part of the Company's recommended specifications regarding its functions, such as those concerning the grounds for electing Board members, in the Government's policy decisions regarding its ownership policy. Therefore, adherence to the Governance Code in all respects would not be appropriate.

The exceptions from the Governance Code are the recommendations concerning the contents and publication of notices of the General Meetings of shareholders and their subparagraphs (1 and 2), the recommendation concerning the retrospective publication of GM documents (4), the recommendation concerning the publication of the method or preparing the proposal for the composition of the Board of Directors (7), the recommendation concerning the definition of principles regarding the diversity of the Board of Directors (9) and the recommendation concerning the Shareholder's Nomination Committee (18b). Furthermore, the recommendation concerning share incentives (23) is not relevant due to its State ownership.

The entire Governance Code can be viewed on the Securities Market Association's website at www.cgifinland.fi.

Finavia's governance principles were last confirmed in a meeting of Finavia's Board of Directors in August 2016. In addition, the Board of Finavia has confirmed the principles of risk management and internal control to be followed by the Group. The company also has a separate

safety management system associated with its line of business. It constitutes an essential part of the company's risk management.

Finavia has been given the position of a company attending to special tasks in its Articles of Association and in the Government's decision-in-principle dated 3 November 2011. The particular purpose of the company's operations is to "maintain and develop, for the purpose of promoting aviation, a uniform and integrated state network of airports; and the Finnish air navigation system for the needs of commercial air traffic and other civil aviation, military aviation and governmental aviation and to provide air navigation services in the airspace under Finland's responsibility in the manner to be separately regulated or provided."

According to the Government's decision-in-principle dated 13 May 2016, the State pursues an optimal financial and social overall result in the management of its corporate assets.

The responsibility for Finavia's ownership steering during 2016 was vested with the Ministry of Transport and Communications, which has, in keeping with the State Shareholdings and Ownership Steering Act, made the ownership strategy-related policy decisions regarding Finavia Corporation. On 1 April 2017, the responsibility for Finavia's ownership steering will be transferred from the Ministry of Transport and Communications to the Ownership Steering Department of the Prime Minister's Office.

In December 2016, the Cabinet Committee on Economic Policy was in favour of the proposal by the Ministry of Transport and Communications according to which the air navigation operations of Finavia Corporation are to be separated into a company attending to special tasks during spring 2017.

The Parliament has not granted the Government any authorisations to assign the shares of Finavia Corporation.

Corporate structure

In 2016, the Company's business areas were Helsinki Airport, Airport Network and Air Navigation Services. Other companies part of the Finavia Group are Airpro Oy, a company providing support services for air traffic, and its subsidiary RTG Ground Handling Oy, as well as Lentoasemakinteistö Oy, LAK Real Estate Oyj and Kiinteistö Oy Lentäjantie 1, companies engaged in the real estate business.

Administrative and operative bodies

The parent company of Finavia Group is Finavia Corporation, the administrative and executive bodies of which are its General Meeting of shareholders, Board of Directors, the Board's Audit Committee and the Board's Nomination and Compensation Committee, the CEO, and the Executive Group. Finavia Corporation has its registered office in Vantaa, Finland.

General Meeting of shareholders

The Ordinary GM is Finavia's supreme decision-making body. The Ordinary Meeting of shareholders is held annually on a day called by the Board of Directors, before the end of June.

The Board of Directors convenes an extraordinary GM when required or when prescribed by the Limited Liability Companies Act. The Ordinary General Meeting of Shareholders decides on issues within its powers under the Limited Liability Companies Act.

Additionally, the GM decides, on the basis of the Articles of Association, on the legal actions that have a far-reaching or important meaning to the company's operations in carrying out its special tasks, as well as on transfers or real estate assets related to airport areas or areas important to national defence.

The Chairman and members of the Board as well as the CEO must attend the GM. The auditor must attend the Ordinary GM. A person who is a candidate for Board membership must attend the GM deciding on the election.

According to the Articles of Association, the notice of a General Meeting of shareholders shall be delivered no earlier than four weeks and no later than one week prior to the meeting. The GM is held at the company's registered office in Vantaa, or in some other location decided by the Board of Directors. The Ordinary GM for 2016 was held on 31 May 2016.

Composition and work of the Board of Directors

The Board of Directors shall manage the company and its subsidiaries professionally and in keeping with sound

and cautious business principles. The Board of Directors shall promote the interests of the company.

According to the Articles of Association, the Board of Directors has a minimum of three and a maximum of seven members, and the GM decides on the number of Board members and their election for one year at a time. The GM also elects the Chairman of the Board. The Board may elect a Deputy Chairman from among its members. The CEO cannot be elected as a member or the Chairman of the Board of Directors.

The Board of Directors convenes on the date determined by the Board, on average once a month. The Board meeting has quorum when more than half of its members, including the Chairman or the Deputy Chairman, are present. The decisions of the Board require a simple majority. In the event of a tie, the Chairman casts the deciding vote.

The CEO is entitled to attend Board meetings and be heard at them, unless otherwise decided by the Board in a certain case. The Board meetings may also be attended by other persons whose presence is necessary, taking into account the matter to be discussed. The General Counsel of Finavia Group acts as the secretary of the Board.

The Board of Directors is responsible for the company's governance and the appropriate organisation of its operations as well as for ensuring that the Company's accounting and financial management are appropriately supervised. The Board of Directors deals with matters that are far-reaching and important for the operations of the company and its subsidiaries.

The preparation of the issues to be discussed by the Board is primarily the CEO's responsibility. The CEO is also responsible for ensuring that the Board receives sufficient information to assess the operation and financial position of the company and its subsidiaries as well as any other issues to be discussed. The matters to be discussed by the Board are presented by the CEO. In individual cases, the CEO may delegate this task to a member of the Executive Group, the CEO of a subsidiary, or another person familiar with the matter.

In its decision-making, the Board of Directors adheres to the current legislation of Finland as well as regulations and orders issued pursuant to it and the Articles of Association. The Board of Directors has confirmed a working order for itself, containing a more detailed account of the duties and procedures of the Board. The

Board of Directors carries out annual assessments of its own work and efficiency.

When required, the Board of Directors decides on establishing new committees for the purpose of preparing the matters for which the Board is responsible and elects their members annually after the Ordinary General Meeting. The Board has an Audit Committee and a Nomination and Compensation Committee. The Board has confirmed these committees' working orders.

The Board members have sufficient general knowledge of financial matters and the field of business of the company and its subsidiaries as well as other competencies required by their post, and the possibility of allocating sufficient time for attending to their duties as Board members. An acceptable account of the Board member candidate's interests and a security clearance are required for their appointment.

The majority of Board members must be independent of the Company. Furthermore, at least two of the members must be independent of the Company's major shareholders.

Every year, the Board assesses the independency of the members in relation to the company and its major shareholders. Both sexes should be represented on the Board.

2016

During the period 1 January–2 March 2016, the Board of Directors of Finavia included Harri Sailas as the Chairman, Juha Häkkinen as the Deputy Chairman and Mika Mäkilä and Carita Pylkäs as ordinary members. Operations Supervisor Pylkäs is a representative of the personnel.

The General Meeting of shareholders of Finavia Corporation supplemented the Board of Directors for the period 3 March–31 May 2016. The earlier elected Harri Sailas M.Sc. (Econ.) continued as

Chairman and personnel representative Carita Pylkäs continued as a Board member. New members of the Board were elected in Katja Keitaanniemi, Executive Vice President at Finnvera, Jarmo Kilpelä, Financial Counsellor, Nina Kiviranta, Legal Counsel at Outotec, Erkkä Valkila, the long-serving CEO of SATO until 2015 and Stefan Wentjärvi, the CEO of Doctagon.

The Ordinary General Meeting of shareholders of Finavia Corporation was held on 31 May 2016 in Helsinki, and the above seven persons were elected for the Board for 2016.

All members of the Board are independent of Finavia with the exception of personnel representative Carita Pylkäs, who has a contract of employment with Finavia. The members of the Board of Directors are independent of Finavia's sole shareholder the State of Finland, with the exception of Jarmo Kilpelä, who during his Board membership worked as a civil servant.

The Board convened 14 times in 2016. The attendance rate of Board members in Board meetings was 100 per cent during the period 1 January–2 March 2016 (two meetings) and 98 per cent during the period 3 March–31 December 2016 (12 meetings). Harri Sailas, Katja Keitaanniemi, Nina Kiviranta, Carita Pylkäs and Erkkä Valkila attended all Board meetings during the period 3 March–31 December 2016. Jarmo Kilpelä and Stefan Wentjärvi attended 11 of the 12 meetings.

The focal points of the Board of Directors' work in 2016 included investment decisions related to the development programme of Helsinki Airport and monitoring of the programme, as well as investment decisions regarding the airport network. In addition, the Board discussed the changes planned for the Group structure, such as incorporation of the air navigation services. The Board also completed discussions on issues of responsibility and actions regarding the losses caused by the derivative contracts entered into during 2009–2011.



Members of the Board of Directors from left to right: Carita Pylkäs, Nina Kiviranta, Jarmo Kilpelä, Harri Sailas, Stefan Wentjärvi, Erkkä Valkila and Katja Keitaanniemi.

Members of the Board of Directors on 31 December 2016

Harri Sailas

Chairman of the Board of Directors, member since 21 December 2015

Born 1951, M.Sc. (Econ. and Bus. Adm.)

Main work history

Ilmarinen Mutual Pension Insurance Company, CEO 2007–2015, before that several managerial positions in Nordea and its predecessor banks, last director of the regional bank of Metropolitan Area and Vice President of Nordea Bank Finland.

Positions of trust

Board member of Finnvera Oyj 2015–, Chairman of the Board of Alko Oy 2015–, member of the Administrative Board of Helsinki Deaconess Institute 2015–.

Katja Keitaanniemi

Member of the Board of Directors of Finavia since 3 March 2016

Born 1973, Lic.Sc. (Tech.)

Main work history

Executive Vice President (SMS companies) at Finnvera Oyj, member of the management team 2014–, Swedbank, Director of the investment bank in Finland, member of Swedbank's investment bank's management team 2011–2013, Main Analyst, Vice Director of Global Research Activities, member of the management team 2010–2011, Research Director, member of the management team, eQ Pankki/Conventum, 2002–2009, Senior Analyst, forest industry, Nordea Securities, 2001–2002.

Positions of trust

Montreal Group, Board member 2015–, Kasvu Open, Board member 2015–.

Jarmo Kilpelä

Member of the Board of Directors of Finavia since 3 March 2016

Born 1957, M.Sc. (Econ. and Bus. Adm.)

Main work history

Senior Financial Counsellor, Prime Minister's Office 2007–, Senior Financial Counsellor, Ministry of Finance 1996–2007, Administrative and Financial Officer, Deposit Guarantee Fund 1993–1996, Researcher, the Bank of Finland 1992–1993, Department

Manager, Deputy Department Manager, Corporate Researcher, Säästöpankkien Keskus-Osake-Pankki 1981–1992.

Positions of trust

Altia Oyj, Board member 2011–, Gasonia Oy, Chairman of the Board 2015–, Governia Oy, Chairman of the Board 2013–, VR-Yhtymä Oy, Board member 2013–.

Nina Kiviranta

Member of the Board of Directors of Finavia since 3 March 2016

Born 1964, LL.M. with court training

Main work history

Legal Counsel, Outotec Oyj 2013–, Director responsible for the Group's legal affairs, Nokia Siemens Networks 2006–2013, Legal Counsel, Metsä-Serla Oyj / Metsä Group 1996–2006, Attorney-at-Law, Attorneys at Law Ahola, Pentzin, Rantasila & Sokka Oy 1994–1996, Finnish Advisor, Attorneys at Law Smith, Gambrell & Russell Ltd, Atlanta, USA 1992–1994.

Positions of trust

Finnish International Arbitration Board, member 2016–.

Carita Pylkäs

Member of the Board of Directors since 24 March 2014

Born 1968

Main work history

Operations Supervisor, Finavia Corporation 2013–, Passenger Guidance Supervisor, Finnish Civil Aviation Administration Finavia 2008–2013, Press Officer, Finnish Civil Aviation Administration 1989–2007.

Positions of trust

Board member of Finavia 2014–, Board member of the Federation of Salaried Employees Pardia 2010–, Member of the Congress of the Finnish Confederation of Professionals STTK 2010–2013, President of the Personnel union 2010–, Member of the Board of the Personnel union 2005–2009, Chairperson of the Personnel association of aviation administration 2005–, Shop steward 2003–2008.

Erkka Valkila

Member of the Board of Directors of Finavia since 3 March 2016

Born 1953, B.Sc. (Tech.)

Main work history

Managing Director, SATO Oyj 2003–2015, Managing Director, PolarKiinteistöt Oyj 1997–2003, Director of Real Estate Operations, Polar-Yhtymä Oyj 1991–1997, Managing Director, Ferenda Oyj 1988–1991.

Positions of trust

Chairman of the Board in Renor Oy, Ovenia Oy, Duuri Oy, Grand Residence Development Oy, Board member in Antilooppi Oy, Pohjola Rakennus Oy, HYY-yhtymä, Suomen Talokeskus Oy.

Stefan Wentjärvi

Member of the Board of Directors since 3 March 2016

Born 1967, M.Sc. (Political Science)

Main work history

Managing Director of Doctagon (2014–present), Managing Director of Blue1 2005–2012, as well as several previous posts in the air traffic sector.

Positions of trust

Member of Finavia's Board of Directors from 2016, Chairman of the Board at Livia Finland Oy since 2015.

Committees of the Board of Directors

The Board has set an Audit Committee as well as a Nomination and Compensation Committee for the preparation of its duties. The committees do not have any independent powers of decision; instead, the Board will make the decisions on the basis of the proposals presented by the committees. The committees report their work to the Board of Directors.

Audit Committee

The role of the committee is to assist the Board in ensuring that the Company's accounting and financial management are appropriately supervised and that the Company has an appropriate system of internal control that covers its entire operations.

The Audit Committee convenes at the invitation of its chairperson at least four times a year. At least three members are elected to the committee. The Board elects the chairperson and members of the committee from among its members for a term of one year at a time. All committee members must be independent of the Company, and at least two members must be independent of the major shareholders. The Secretary of the Board acts as the secretary of the committee.

The committee supports the organisation and monitoring of the Company's internal audit activities, and sees to it that the company's operations and internal control are organised in the manner required by law, regulations and good corporate governance.

The Audit Committee has a working order confirmed by the Board. In order to meet its obligations, the Audit Committee prepares, guides and assists the Board in assessing issues relating to risk management, internal monitoring systems, financial reporting processes, audits, and internal auditing.

2016

During the period 1 January–2 March 2016, the Audit Committee of Finavia comprised Harri Sailas as the Chairman and Juha Häkkinen and Mika Mäkilä as the members. The Audit Committee did not convene during that period.

During the period 14 March–31 December 2016, the Audit Committee comprised of Stefan Wentjärvi as the Chairman and Nina Kiviranta and Katja Keitaanniemi as the members. The Audit Committee convened four times in 2016. The attendance rate of its members was 100 per cent.

During the year, the Audit Committee analysed the company's financial reports, consolidated financial statements, and interim reports as well as the reports by the auditor, internal audit, and risk management and assessed the auditor's independence. In addition, the committee discussed a report regarding the Company's financing and financial arrangements, introduction of biannual reporting for the Company and completed the annual assessment and update of the Company's financial policy.

Nomination and Compensation Committee

The Nomination and Compensation Committee assists the Board in attending to matters pertaining to the terms and conditions of employment and remuneration of senior management and to the compensation and incentive schemes of senior management and personnel. In addition, the committee prepares the appointments of employees reporting to the CEO.

The Nomination and Compensation Committee convenes at the invitation of its chairperson at least twice a year. It is chaired by the Chairman of the Board, and it has at least two annually appointed Board members as its members. The majority of the committee members must be independent of the company. The CEO or other members of the Company's management may not be members of the Nomination and Compensation Committee. The secretary of the Board acts as the secretary of the committee.

The Nomination and Compensation Committee has a working order confirmed by the Board.

2016

During the period 1 January–2 March 2016, the Nomination and Compensation Committee comprised Harri Sailas as the Chairman and Juha Häkkinen and Mika Mäkilä as the members. The Nomination and Compensation Committee did not convene during that period.

During the period 14 January–2 March 2016, the Nomination and Compensation Committee comprised Harri Sailas as the Chairman and Jarmo Kilpelä and Erkkä Valkila as the members. During the period 3 March–31 December 2016, the Nomination and Compensation Committee convened five times. During this period, the average attendance rate of its members was 93 per cent. Harri Sailas and Jarmo Kilpelä attended all meetings, and Erkkä Valkila attended four of the five meetings.

During 2016, the Nomination and Compensation Committee handled the issues set out in its working order. During the year, the committee also discussed the principles of pay raises in the Company as well as a performance-based incentive model for the personnel.

CEO

The CEO's primary duties include the planning, management and monitoring of the Company's business activities, recruitment of the company's personnel and conclusion of ordinary procurement and customer agreements, as well as preparation of matters for the Board and implementation of the Board's decisions.

The CEO has the general competence to attend to and control the Company's day-to-day administration in compliance with the instructions and orders issued by the Board of Directors. In addition, the CEO is responsible for ensuring that the company's accounting is in accordance with the law and financial administration has been organised in a reliable manner. The CEO chairs the Executive Group and the Boards of Directors of Finavia's major subsidiaries.

The CEO is appointed and dismissed by the Board of Directors. The terms and conditions for the position of the CEO are defined in a written contract confirmed by the Board. The remuneration of the CEO is discussed under Salaries and benefits of the CEO and other members of the management in the Salary and Compensation Report.

The Board may appoint a Deputy CEO if required. The Deputy CEO attends to the CEO's duties when the CEO is temporarily unavailable.

Executive Group

The Executive Group is chaired by the CEO or by the Deputy CEO if the CEO is not available. The chairperson of the Executive Group appoints the secretary for the Group. The Executive Group convenes once a week at the CEO's invitation in keeping with a schedule agreed in advance.

The role of the Executive Group is to support the CEO in preparing strategic issues for the Company and the Group, in coordinating the Company's operations, in preparing and implementing operative matters that are significant in nature, as well as in ensuring internal cooperation and the flow of information.

The Executive Group prepares the issues to be considered and decided on by the Board. The Executive Group has a working order approved by the CEO.

The remuneration of the Executive Group is discussed under Salaries and benefits of the CEO and other members of the management in the Salary and Compensation Report.

2016

At the end of 2016, Finavia's Executive Group had 10 members. The Executive Group consists of Finavia's CEO and the members who are proposed by the CEO and confirmed by the Board. The Executive Group convened 38 times during the year.

The key topics of the work of Finavia's Executive Group in 2016 included preparation and monitoring of the Company's strategy and major projects, particularly monitoring of the Helsinki Airport development programme and investment-related decision processes. In addition, the Executive Group concentrated on securing the company's financial result and decided on measures for HR development. Other key issues included monitoring of the benchmarks related to the safety of air traffic and development of the safety culture.



Members of the Executive Group from left to right: Juha-Pekka Pystynen, Petteri Nissilä, Kaarina Soikkanen, Kai Laitinen, Kari Savolainen, Ville Haapasaari, Raine Luojus, Joni Sundelin, Mikko Saariaho and Henri Hansson.

Members of the Executive Group as at 31 December 2016

Kari Savolainen

CEO

Born 1954, M.A.

Employed by Finavia since 2012

Main work history

CEO of Finavia 16 January 2012–, Managing Director, Steveco Oy 2005–2011, Senior Vice President, logistics business, Posti Oyj (Itella Oyj) 2001–2005, Senior Vice President, Business development and IT, Finnlines Oyj 1995–2001, Expert and managerial positions in IT and business management, Kymmene Oy 1986–1995.

Positions of trust

General Assembly of the Confederation of Finnish Industries (EK) 2014–, Supervisory Board Member of the Support Foundation of the Air Force (Ilmavoimien Tukisäätiö) 2012–, Board member of the General Assembly of the Confederation of Finnish Industries 2011–2014, member of the Board of PALTA ry 2012–2014, member of the Advisory Board of the Finnish Meteorological Institute 2012–, member of the Supervisory Board of Ilmarinen 2013–2014, Deputy Board member 2015–, Airpro/RTG

Oy, Chairman of the Board 2012–, Lentoasemakiinteistöt LAK Oyj, Chairman of the Board 2012–, Satamaoperaattorit ry, Chairman of the Board 2009–2011, Board member of Kymenlaakso Chamber of Commerce 2009–2011, Board member, Pension Insurance Company Etera 2007–2012, Committee member, the Finnish Lifeboat Institution 2005–2011, Oy Saimaa Terminals Ab, Chairman of the Board 2005–2011.

Ville Haapasaari

Director of Helsinki Airport

Born 1971, M.Sc. (Agr. and For.), B.A.

Employed by Finavia since 2012

Main work history

Finavia, Airport Director of Helsinki Airport 1 July 2012–, Finnlines Plc., HansaLink, Line Manager 2010–2012. Finnlines Plc., Baltic Sea Liner Services, Vice President 2008–2010. Finnlines Plc., Sales Vice President 2005–2010. Finnlines Plc., Key Account Manager 2001–2005.

Positions of trust

Lentoasemakiinteistöt Oyj, Board member 2014–.

Henri Hansson

Technical Director

Born 1972, Construction Engineer, M.Sc. (Tech.)

Employed by Finavia since 2000

Main work history

Finavia's Technical Director 2012–, Director of Airport Operations 2011–2012, Director of Airport Services 2009–2011, Head of Airport Technical Services 2006–2009, Project Manager 2004–2006, Project Engineer 2000–2004, Pohjolan Voima Oy, Project Engineer 1997–2000.

Positions of trust

Board member of Lentoasemakiinteistöt Oyj 2012–, Avia College, Chairman of the Board 2011–2012, Member of the ACI Europe's Regional Airports' Forum Working Group 2009–, Member of the construction and procurement committee of the Finnish Association of Building Owners and Construction 2009–2013, Member of the Advisory Board of the Finnish Association of Building Owners and Construction Clients 2013–.

Kai Laitinen

Chief Financial Officer

Born 1970, M.Sc. (Econ. and Bus. Adm.)

Employed by Finavia since 2014

Main work history

Senior Vice President, Corporate Controller, Outokumpu Oyj 2011–2014, Vice President, Business Controller, Outokumpu Tornio Works 2009–2011, Senior Vice President, Change Management and Projects, Outokumpu Oyj 2007–2009, Vice President, Strategic and Financial Risk Management, Outokumpu Oyj 2005–2007, Risk Controller, Outokumpu Oyj 2003–2005, Manager, PricewaterhouseCoopers Helsinki 2001–2003, Manager, Metal Exchange Trading, Outokumpu Oyj 1999–2001, Dealer, Outokumpu Oyj 1996–1999, Metal dealer, Outokumpu Base Metals 1994–1996.

Positions of trust

Member of the business policy committee of PALTA ry 2016–.

Raine Luojus

Director of the Air Navigation business area

Born 1966, Air Traffic Controller

Employed by Finavia since 1991

Main work history

Director of Air Navigation at Finavia 2011–, Director of Air Navigation Operations 2008–2011, Deputy Manager and Manager of Operations, Air Traffic Control at Helsinki Airport 2002–2008, Managerial positions at the Air Traffic Control of Helsinki Airport 1999–2002, Air Traffic Controller at different airports including Helsinki, Kuopio and Oulu 1991–1999.

Positions of trust

Borealis Alliance's Chairman of the Board 2013–, Deputy member of ANSB 2013–, Member of NEFAB CEO Group 2011–, Member of the Governing Board of NORACON Consortium 2011–, Member of CANSON EC3 2011–.

Petteri Nissilä

Legal Counsel

Born 1965, LL.M. with court training

Employed by Finavia since 1998

Main work history

Finavia's Legal Counsel 2008–, Lawyer 1998–2008, Lawyer, Leonia Pankki Oyj

1996–1998, Credit Manager, Postipankki Oyj 1994–1996.

Positions of trust

Chairman of delegate body of Finnish Aviation Museum Foundation 2008–, Chairman of the Board of Airport Coordination Finland 2004–2014.

Juha-Pekka Pystynen

Risk Management Director

Born 1960, Flight Officer, General Staff Colonel

Employed by Finavia since 2007

Main work history

Finavia, Director of Risk Management 12 March 2012–, President and CEO of Finavia Corporation 22 August 2011–15 January 2012, Airport Director of Helsinki Airport 2007–2012, Chief of Operations of the Air Force 2006–2007, Chief of Staff of Satakunta Air Command 2003–2006, Finnish military member of the European Union's Single European Sky (SES) concept 2000–2003, Finnish military member of Eurocontrol and the NATO Air Traffic Management Committee (NATMC) 1998–2003, Air Force Planning Chief 2000–2003, Director of Sector Operation Centre no. 3 1997–2000 (responsible for area surveillance and air space control), Chief of Flight and Squadron Officer for Fighter Squadron 21 1987–1997.

Positions of trust

Member of the regional committee of the Capital Region Electricity Area 2010–, member of the Board of Directors, Avia College, 2009–, Chairman of the Air Transport Pool 2007–, National Emergency Supply Agency, Transport and Logistics Sector 2007–, Military Flight Accident Investigation Board 2006–.

Mikko Saariaho

Communications Director

Born 1977, M.A.

Employed by Finavia since 2011

Main work history

Communications Director at Finavia 2011–, Communications Manager, Lassila & Tikanoja Oyj 2007–2011, Deputy Head of Financial Editorial Staff, Finnish Broadcasting Company 2005–2007 and Financial Editor, Finnish Broadcasting Company 2000–2005.

Kaarina Soikkanen

Personnel Director

Born 1960, LL.M.

Employed by Finavia since 1990

Main work history

Finavia's Personnel Director 2008–, Deputy Director 2007–2008, Civil Aviation Administration Finavia, Senior Legal Adviser 1990–2007, National Board of Aviation, counsel 1988–1990, National Board of Health, Legal Counsel 1986–1989.

Positions of trust

Deputy chairman of EK's skilled workforce committee 2015–, Member of PALTA ry's working committee 2014–, Member of the education and labour committee of the Helsinki Region Chamber of Commerce 2015–, member of the Board of RTG Ground Handling Oy 2010–, member of the Board of Directors, Avia College 2009–, member of the Board of Airpro Oy 2007–.

Joni Sundelin

Senior Vice President, Director of Airport Networks, Sales and Marketing

Born 1970, M.Sc. (Econ. and Bus. Adm.)

Employed by Finavia since 2012

Main work history

Senior Vice President, Director of Airport Networks, Sales and Marketing, Finavia 7.5.2012–, Director of Logistics Business and the Scandinavian and Baltic Businesses, Itella Logistics 2005–2012, Logistics, Director of Agreement Logistics, Finland Post 2004–2005, Logistics, Director of Business Development, Finland Post 2002–2004, Business Developer, Tamro Jakelut 1998–2000 and Director, Tamro Jakelut 2000–2002, Management trainee, Tamro Suomi 1997–1998.

Positions of trust

Board member of Finavia Group companies Airpro Oy and RTG Oy 2012–, Eurofreight, Japan, Board member 2007–2012, Porlogis, Lda, Board member 2011–2012, Innorail Oy, Board member 2010–, Itella Logistics UAB, OU and SIA, Chairman of the Board 2007–2011, Itella Logistics Ab and AS, Chairman of the Board 2006–2011, Itella Logistics Group A/S, Chairman of the Board 2007–2011, Combifragt Group A/S, Chairman of the Board 2005–2007.

Internal control, risk management and internal audit

Internal control

Internal control at Finavia means that the measures and procedures intended to ensure that Finavia's targets and objectives are achieved, its resources are used appropriately and efficiently, operational risks are appropriately managed, and financial and other information is reliable and correct.

Internal control seeks to ensure the continuity of operations and appropriateness of the company's information systems, and that laws, regulations and Finavia's internal standing orders are complied with. Efficient internal control and risk management promote Finavia's performance and constitute an essential element of the good corporate governance observed by the Group.

As part of the internal control, the company's organisation and structure, duties and responsibilities related to key areas, as well as the procedures observed for producing services are defined in Finavia's set of operational manuals compliant with aviation regulations. In addition to the operational manuals, Finavia has defined the operational policies and procedures for different areas of operation.

The company's Board of Directors has approved all major operational policies and the ethical principles that all persons working at Finavia, and those who participate in the company's administration, are expected to observe. Any activities that are in violation of the ethical principles or principles of good governance are dealt with without undue delay.

2016

Monitoring of the achievement of the objectives and targets set was a focus area and, as in previous years, the CEO provided quarterly reviews of the Group's results, topical issues, and the manner in which the targets and objectives had been met.

A supervisor's annual calendar, intended to support supervisors' work and to help them to meet their targets, was introduced during the year. The calendar provides an overview of the important personnel matters that take place at Finavia at the same time each year.

In order to ensure more effective use of the Group's resources, Finavia's project managers were provided with project management training. The process of introducing a new document management system started

during the year. The purpose is to make the management of operational policies, guidelines and manuals more efficient.

Finavia's Board of Directors decided to introduce a register of close associates during the first half of the year 2017.

Risk management

Risk management at Finavia is proactive, systematic and comprehensive, and it covers all operations and risk areas of the Group on a continuous basis. The safety management system is an essential part of Finavia's operations management system. The system is used to manage functions critical to aviation safety, and the aim is to ensure that a good and reliable level of safety is achieved.

The Board of Directors approves the company's internal control and risk management principles and considers the most significant risks and uncertainty factors relating to the company's operations. The Board of Directors approves the risk management policy and any amendments to it. The risk management policy was last approved on 4 November 2013.

Finavia only takes business risks relating to the implementation of the strategy that can be managed to an acceptable level or the effects of which, were they to materialise, are reasonable. Risk-taking must not cause a material danger to the success of the Group or the continuity of its operations in the short or long run.

Risks threatening the attainment of goals are identified and analysed in connection with the operations planning and strategy process, and measures for managing the risks are determined at the same time. Finavia applies a comprehensive risk management model in which business-related risks and the manner in which they are managed are identified on a regular basis and reported to the company's Executive Group and Board of Directors.

Finavia's businesses, Group functions and subsidiaries are responsible for the operational risk management of their respective areas, as well as for the regular identification and assessment of risks in these areas. Every year, Finavia's Risk Management unit coordinates the implementation of the risk management model and compiles a summary of the major risks related to the Group's

business for presentation to the Board of Directors. The unit also develops the Group's risk management and safety management system, supports the risk management implementation process, and strengthens risk awareness at Finavia through risk management training and guidelines, and by providing information on risk management.

Finavia's primary goal in its operations is good aviation safety. A good safety culture and a comprehensive safety management system are based on seven main principles, which are: compliance with official standards, commitment of Finavia's management, proactive approach to safety, comprehensive reporting on deviations/investigation without apportioning blame, effective self-monitoring, competent staff and dissemination of useful information.

Carrying out risk management and safety is based on proactive safety and follow-up. Especially in structural and operational changes related to flight safety, proactive security reviews are carried out, and as a result, it is possible to control the overall safety of the changes. As for risks, the implementation and deployment of changes are evaluated by monitoring the observations of deviations. An open and reliable reporting culture is an integral part of the follow-up procedure.

Read more about aviation safety in the responsibility report. Occupational safety is discussed in more detail in the section on occupational well-being.

Finavia's risks are classified into strategic, operative, compliance, and financial risks. The major risks are discussed in the Board of Directors' report. The company's financing-related risks are shown in the notes to the financial statements.

2016

In 2016, the focus in risk management was on the occupational safety and health surveys carried out at airports and construction sites and the safety evaluations conducted as part of the EASA certification process, which were completed during the year. Finavia also continued the assessment of hazards and occupational health and safety risks in its business units and Group services. During the year in review, Finavia prepared a number of anticipatory safety reviews as part of the projects of the Helsinki Airport development programme.

Internal Audits

In accordance with the audit plan approved by the Board of Directors each year, the Internal Audit unit assesses the adequacy of the company's internal control and risk management procedures and gives recommendations for developing procedures, processes and controls.

Administratively, the Internal Audit unit works under the CEO, while operationally it works under the Board of Directors and the Audit Committee appointed by the Board. The most recent version of the internal audit guidelines to be observed by the Group was approved by the Board of Finavia on 25 November 2016.

The Internal Audit unit submits regular reports to the Audit Committee appointed by Finavia's Board of Directors on the manner in which the targets laid out in the audit plan have been achieved, important open risks, control issues, issues concerning the organisation's management and administration systems, and other information requested by senior management and the Board. The audit findings and the recommendations concerning them are reviewed with the persons in charge of the audited entities at the conclusion of

the audit. The Internal Audit unit monitors the implementation of the measures in accordance with the agreed timetables.

Finavia's Internal Audit unit is committed to observing international professional standards and ethical principles on internal auditing.

2016

The audits carried out as part of the 2016 audit plan focused on the functioning and processes of the Group's business activities, Group services and subsidiaries.

The luggage handling process and the system supporting it as well as the procedures helping to ensure the continuity of the information systems contributing to the functioning of the passenger route were audited at Helsinki Airport. The monitoring of equipment together with real estate and traffic area maintenance was audited at network airports. In the audits of Group services, the focus was on procurement processes, procedures ensuring information security in the Group, the Group's information management and the new IT operating model. The management of the Helsinki Airport development programme and the instrument review process used in the hedging of commodity risks were also assessed. In the audits of Finavia's subsidiaries, the focus was on internal control in the Airpro Group and the working hours planning process.

Audit

Under Finavia's Articles of Association, the Ordinary GM elects the company's auditor, which must be an auditing company with APA certification. The proposal for the auditor is prepared by the Board of Directors and the proposal must be mentioned in the invitation to the Ordinary GM. The Ordinary GM decides on the auditor's fees.

The Group's financial reports are based on the financial reports of the Group companies. An auditing company with APA certification elected by the parent company's Ordinary GM operates in the Group. Each Group company has an auditor selected by its GM. The parent company's auditor prepares, jointly with the company's management, an annual audit plan for Group companies. The auditor submits to the shareholders an auditor's report on the Group companies' financial statements and the consolidated financial statements.

The auditor reports to the CEO and the Board of Directors at least annually. The auditor participates in the work

of the Board's Audit Committee. The auditor meets the Board, with all its members present, at least once a year.

2016

The Ordinary GM of 2016 re-elected the auditing firm Ernst & Young as the company's auditor, with Mikko Ryttilahti (APA, CPFA) as the auditor in charge. Mikko Ryttilahti has served as the company's auditor in charge since 28 November 2014.

In 2016, the auditor was paid fees amounting to EUR 88,588. In 2016, the auditor was paid EUR 44,372 for services not related to the audit.

The auditor's report for the financial period 1 January–31 December 2016 covers the accounts, consolidated financial statements, Board of Directors' report, audit of the administration and the financial statements of the parent company Finavia Corporation. The auditor's report was presented after the financial statements.