

Corporate Governance Statement 2015

SRV Group Plc's (hereinafter SRV or the Company) corporate governance is based on Finnish legislation, SRV's Articles of Association and the 2015 Finnish Corporate Governance Code for listed companies, with the exceptions specified below. SRV's shares are listed on NASDAQ OMX Helsinki and the Company observes the rules and regulations concerning listed companies as well as the regulations of the Financial Supervisory Authority.

SRV follows the 2015 Finnish Corporate Governance Code for listed companies, with the exception noted below:

1. The Company does not comply with Recommendation 15 of the Corporate Governance Code, "Appointment of members to the committees", according to which a committee shall have no less than three members. According to the standing orders of the committees, they shall have 2–3 members who are elected by the Board of Directors from among its members. According to the standing orders, two members can be appointed to a committee if the Board of Directors considers this appropriate in view of the structure and the number of members of the Board. The Company's Board of Directors has ratified said standing orders. In 2015 the Audit Committee and the Nomination and Remuneration Committee consisted of three members.

The 2015 Finnish Corporate Governance Code for listed companies is available on the website of the Securities Market Association at www.cgfinland.fi

This statement is published separately from the Report of the Board of Directors.

Administrative bodies

The administration, management and supervision of SRV are divided between the General Meeting of Shareholders, the Board of Directors and the President and CEO. An internal auditing unit reporting to the Board of Directors is responsible for internal auditing, and external auditing is carried out by auditors. The President and CEO attends to line operations with the assistance of the Corporate Executive Team.

General Meeting of Shareholders

The General Meeting of Shareholders is SRV's highest decision-making body. Each of the Company's shares entitles its holder to one vote at a General Meeting. The Company's Annual General Meeting was held on 25 March 2015. The meeting was attended by a total of 53 shareholders, who represented nearly 62 % of the Company's shares and votes. The minutes of the Annual General Meeting are available on the Company's website at <https://www.srv.fi/en/srv-company/investors/general-meeting/agm-2015>

In addition, an Extraordinary General Meeting was held on 22 June 2015 where the Company's Board of Directors was authorised to decide on a rights issue in which a maximum total of 27,000,000 new shares in the Company can be issued. A total of 42 shareholders participated in the meeting, representing 56% of the Company's shares and votes. The minutes of the meeting are available (in Finnish) on SRV's Internet site at https://www.srv.fi/sites/default/files/files/investors/annual_general_meeting/yhtiokokouksen_poytakirja_22062015.pdf

Annual General Meetings take decisions on matters such as the election of members of the Board, the Chairman of the Board, the auditor and deputy auditor, their remuneration, the adoption of the financial

statements and consolidated financial statements, release of the members of the Board and the President and CEO from liability, and the distribution of profits shown in the balance sheet. Meetings may also deal with other matters specified in the Companies Act as being the business of General Meetings, such as increases or decreases of the share capital, issuance of new shares, repurchase of own shares, and amendments to the Articles of Association. In addition, General Meetings will deal with matters included on the agenda on the demand of shareholders as set out in the Companies Act. An Extraordinary General Meeting of Shareholders shall be held when the Board of Directors deems it necessary or when required by law.

The President and CEO, the Chairman of the Board and the members of the Board shall attend General Meetings in order to ensure that the shareholders and the administrative bodies of the Company can interact and shareholders can exercise their right to ask questions. A person who is proposed as a member of the Board shall participate in the General Meeting deciding on his or her membership.

Board of Directors

SRV's Board of Directors comprises five to eight members, who are elected by a General Meeting of Shareholders. A General Meeting elects one of the members of the Board as its Chairman. The Board of Directors elects a Vice Chairman from amongst its members. The term of office of a member of the Board begins at the General Meeting at which he or she was elected and ends at the close of the next Annual General Meeting. The Board of Directors evaluates the independence of its members and announces which of its members have been deemed to be independent of the Company and of its major shareholders.

On 25 March 2015, the Annual General Meeting elected six members of the Board. The following were re-elected as members of the Board:

- Ilpo Kokkila, Chairman of the Board, M.Sc. (Eng.)
b. 1947
Pontos Group, Chairman of the Board
- Minna Alitalo, M.Sc. (Econ.)
b. 1962
Alko Oy, Executive Vice President, Purchases
- Arto Hiltunen, M.Sc. (Econ.)
b. 1958
Board professional
- Olli-Pekka Kallasvuo, Vice Chairman of the Board, LL.M.
b. 1953
Board professional
- Timo Kokkila, M.Sc. (Eng.)
b. 1979
- Risto Kyhälä, M.Sc. (Eng.)
b. 1963
Regatta Resorts Oy, CEO

The Annual General Meeting elected Ilpo Kokkila to be Chairman of the Board. The Board of Directors elected Olli-Pekka Kallasvuo to be Vice Chairman of the Board.

Of the members of the Board, Minna Alitalo, Arto Hiltunen, Olli-Pekka Kallasvuo and Risto Kyhälä are independent of both the Company and its major shareholders. Ilpo Kokkila and Timo Kokkila are major shareholders and are not independent of the Company.

The Board of Directors convened 23 times in 2015. On average, 97.1% of members of the Board were present. Members of the Board were present at meetings of the Board as follows:

Ilpo Kokkila 23/23
Minna Alitalo 21/23
Arto Hiltunen 23/23
Olli-Pekka Kallasvuo 23/23
Timo Kokkila 23/23
Risto Kyhälä 22/23.

The Board of Directors has prepared written standing orders for itself, specifying the key tasks and operating principles of the Board and its Chairman. The Chairman of the Board ensures and supervises that the Board efficiently and appropriately discharges the tasks set for it in legislation, the Articles of Association and standing orders.

It is the task of the Board of Directors to manage and oversee the Company's operations in accordance with the Companies Act, Articles of Association and other applicable legislation and regulations. The Board of Directors decides on matters that are of far-reaching significance to the Group and which are significant in principle, including:

- approving and overseeing the Group's strategy;
- approving and overseeing the annual budget and operating plan;
- approving and overseeing the principles for risk management and internal control;
- the most important business matters (such as acquisitions and significant contract agreements, investments and divestments);
- appointing the President and CEO and other members of the Corporate Executive Team and approving the terms and conditions of their service contracts and remuneration schemes
- approving remuneration schemes for other personnel.

The standing orders of the Board of Directors are available in their entirety on the Company's website at https://www.srv.fi/sites/default/files/files/investors/corporate_governance/charter_of_the_board_11052012.pdf

The Board of Directors meets regularly according to a meeting schedule confirmed in advance, and also when necessary. The Board of Directors has a quorum when more than half of the members are present and one of them is the Chairman or the Vice Chairman. The President and CEO and the General Counsel, who serves as the Secretary of the Board, participate in meetings of the Board of Directors. Other members of SRV's Corporate Executive Team participate in Board meetings on the invitation of the Board.

The Board of Directors conducts an annual assessment of its activities and working procedures and develops its activities based on the results.

Diversity of the Board of Directors

Purpose of the diversity of the Board of Directors

The diversity of the Board of Directors supports the Company's business operations and their development. Diversity bolsters the work of the Board of Directors thanks to the views on the Company's development and steering of business operations brought to the table by people of different ages and with different educational backgrounds and experiences. Diversity fosters open discussions and strengthens the decision-making of the Board members.

Accounting for diversity in the election of Board members

The Nomination and Remuneration Committee of the Board of Directors prepares a proposal to the General Meeting on the number of Board members to be elected, the candidates and the remuneration of members.

The committee shall take the diversity requirement into consideration when preparing this proposal. In its preparatory work, the committee must evaluate the requirements set for the qualifications of Board members in the light of the Company's situation and assess how sufficiently diverse the Board is in terms of factors such as the experience of the Board members, their knowledge of the Company's business functions and their education as well as the age and gender distribution. Board members must have sufficient competence and the ability to devote enough time to Board work, considering the current and planned needs of the Company. The number of members of the Board shall be adequate.

The Board members must have a range of different areas of expertise that support the achievement of the Company's current strategic objectives. In addition to knowledge of the fields of business, these areas of expertise include:

- finance and treasury
- business management
- strategy development and management as well as
- business in Russia.

Board members must have sufficient education that supports the Company's operations and achievement of objectives.

The majority of Board members must be independent of the Company. At least two members who are independent of the Company must also be independent of the Company's major shareholders.

Realisation of diversity

The Company has upheld the requirements set for diversity in the composition of the Board of Directors. All members of SRV's Board of Directors have a university degree: three have a masters in engineering, two have a masters in economics and one has a masters in law. Five of the members have served in managerial positions in major Finnish companies in different fields of business. Most of these companies engage in international operations. The Board also holds good expertise in construction and property investments. Both genders are represented on the Board and the age of the members ranges from 36 to 68. The longest term of office held by a Board member is 29 years (Chairman of the Board Ilpo Kokkila, who is one of the founders of the Company) and the shortest is three, with a median term of five years.

Committees of the Board of Directors

The Board of Directors has established two committees: an Audit Committee and a Nomination and Remuneration Committee. The committees function in accordance with standing orders confirmed by the Board of Directors and they report to the Board of Directors. The committees have no independent

decision-making power. Their task is to enhance the effectiveness of the Board of Directors' work by preparing matters for decision by the Board of Directors and General Meetings of Shareholders.

Audit committee

The Audit Committee supervises the Company's financial reporting and prepares matters for the Board of Directors relating to monitoring the financial situation, auditing and risk management. In order to fulfil its task, the Audit Committee follows the trend in SRV's financial situation, listens to the auditors, reviews drafts of the financial statements and interim reports, and monitors the effectiveness of internal control, internal auditing and risk management systems. In addition, the Audit Committee prepares the selection of the auditor for presentation to the Annual General Meeting.

The Audit Committee consists of 2-3 members, whom the members of the Board of Directors elect from among their number. Two members can be appointed to the committee if the Board of Directors considers this appropriate in view of the structure and number of members of the Board. The standing orders of the Audit Committee are available on the Company's website at <https://www.srv.fi/en/srv-company/investors/corporate-governance/board-directors/board-committees>

In 2015, Minna Alitalo chaired the Audit Committee. In 2015, the Audit Committee also consisted of Olli-Pekka Kallasvuo and Timo Kokkila. Of the members, Minna Alitalo and Olli-Pekka Kallasvuo are independent of the Company and its major shareholders. Timo Kokkila is a major shareholder and is not independent of the Company.

The Audit Committee met four times in 2015. The attendance of committee members at the meetings was as follows:

Minna Alitalo 4/4
Olli-Pekka Kallasvuo 4/4
Timo Kokkila 4/4.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee prepares for presentation to the Annual General Meeting matters concerning the election and remuneration of the members and Chairman of the Board of Directors. In addition, the committee considers matters relating to the nomination and remuneration of the President and CEO and other management as well as the remuneration and incentive schemes of personnel. The committee assesses the activities of senior management and oversees successor planning.

The Nomination and Remuneration Committee consists of 2–3 members, whom the members of the Board of Directors elect from among their number. Two members can be appointed to the committee if the Board of Directors considers this appropriate in view of the structure and number of members of the Board. The standing orders of the Nomination and Remuneration Committee are available on the Company's website at <https://www.srv.fi/en/srv-company/investors/corporate-governance/board-directors/board-committees>

In 2015, the chairman of the Nomination and Remuneration Committee was Ilpo Kokkila. In 2015, the other members of the Nomination and Remuneration Committee were Arto Hiltunen and Risto Kyhälä. Of the members, Arto Hiltunen and Risto Kyhälä are independent of the Company and its major shareholders. Ilpo Kokkila is a major shareholder and is not independent of the Company.

The Nomination and Remuneration Committee met four times in 2015. The attendance of committee members at the meetings was as follows:

Ilpo Kokkila 4/4

Arto Hiltunen 4/4
Risto Kyhälä 4/4.

President and CEO

It is the task of the President and CEO to attend to the practical management of SRV's business operations and organising administration. He is responsible for preparing matters to be dealt with and decided by the Board of Directors, carrying out the decisions of the Board and ensuring the achievement of the goals set by the Board of Directors. The President and CEO ensures that the Company's bookkeeping complies with the applicable law and that management of funds is handled in a reliable manner. The President and CEO also serves as the chairman of the Corporate Executive Team. The Board of Directors appoints the President and CEO and his deputy and relieves them of their duties.

As from 1 January 2015, Juha Pekka Ojala, B.Sc. (Eng.) (b. 1963) has served as SRV Group Plc's President and CEO. SRV Group Plc's Deputy CEO is Timo Nieminen M.Sc. (Tech.) (b. 1958).

Corporate Executive Team

The Corporate Executive Team and its working committee assist the President and CEO in planning operations and in line management and decision making. They also prepare matters to be dealt with by the Company's Board of Directors. The Corporate Executive Team and its working committee deal with matters concerning business operations as well as the supervision and development of operations. The major matters dealt with by the Corporate Executive Team in 2015 were preparing revisions to the strategy, measures to bolster the capital structure and tasks related to stepping up housing production.

Corporate Executive Team 2015:

Juha Pekka Ojala	President and CEO, Chairman of the Corporate Executive Team b. 1963, B.Sc. (Eng.)
Timo Nieminen	Executive Vice President, Project Development in Finland, Deputy to the CEO, Vice Chairman of the Corporate Executive Team b. 1958, M.Sc. (Tech.)
Pirjo Ahanen	Senior Vice President, Human Resources b. 1958, M.Sc. (Econ.)
Taneli Hassinen	Vice President, Communications and Brand (until 3 May 2015) b. 1960
Katri Innanen	Senior Vice President, General Counsel s. 1960, LL.M.
Päivi Kauhanen	Senior Vice President, Communications (as from 4 May 2015) b. 1975
Veli-Matti Kullas	Senior Vice President, Project Development in Russia b. 1956, M.Sc. (Tech.)
Jussi Kuutsa	Senior Vice President, Business Operations in Russia b. 1964, M.Sc. (Econ.)
Antero Nuutinen	Senior Vice President, Housing and Regional Offices b. 1963, B.Sc. (Eng.)
Valtteri Palin	Senior Vice President, Financial Administration b. 1973, M.Sc. (Econ.)
Ilkka Pitkänen	CFO b. 1966, M.Sc. (Econ.)
Juha Toimela	Senior Vice President, Business Operations in Finland

b. 1963, M.Sc. (Tech.), MBA

In 2015, the working committee of the Corporate Executive Team consisted of Juha Pekka Ojala, Timo Nieminen, Taneli Hassinen (until 3 May 2015), Päivi Kauhanen (as from 4 May 2015), Veli-Matti Kullas, Antero Nuutinen, Ilkka Pitkänen, and Juha Toimela. The Group's Director, Business Development, serves as the secretary to the Corporate Executive Team and the working committee. In 2015, the Corporate Executive Team convened 14 times and the working committee 30 times.

Remuneration

The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors and the committees. The Company's Board of Directors decides on the terms of employment of the President and CEO, Deputy CEO and members of the Corporate Executive Team as well as their other compensation. For more detailed information on remuneration, see the salary and remuneration report published on SRV's Internet site at <https://www.srv.fi/en/srv-company/investors/corporate-governance/remuneration>

Auditing

The auditor is elected at the Annual General Meeting for a term of office that ends at the close of the next Annual General Meeting following the auditor's election. In a public limited company, at least one auditor elected by the Annual General Meeting must be an authorised public accountant or an authorised public accounting firm.

On 25 March 2016, the Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the regular auditor, with Samuli Perälä, Authorised Public Accountant, as the chief auditor.

In 2015, the auditors were paid auditing fees of EUR 294,000. In addition, the auditors were paid EUR 152,000 for other services (including all the companies belonging to the same group or chain).

Insiders and insider administration

The Company complies with insider guidelines approved by the Board of Directors.

The Company's public insiders include the members of the Board of Directors, the CEO and the deputy CEO, the chief auditor of the auditing firm, and the current members of the Corporate Executive Team. As required by law, the insider register contains information on the public insiders, their close relations and organisations in which they exercise control or influence. The public information contained in the public insider register is available on SRV's Internet site.

The Company also has permanent company-specific insiders, who include other executives, the internal auditor, the assistants to senior management and specifically named lawyers and persons attending to communications and financial administration. In addition, the Company has project-specific insiders.

SRV has set an insider administration organisation, which includes the person responsible for insiders and the custodian of the insider register. The insider administration function maintains the insider register, examines the information on insiders twice a year, and announces closed and open windows for trading in the Company's shares. Insiders may not acquire or convey SRV securities during the 14-day period before the publication of a financial statement bulletin or interim report or on the day of publication of a financial

statement bulletin or interim report (closed window). It is recommended that insiders should trade in SRV securities during the two-week period following the day of publication of a financial statement bulletin or interim report. Those included in a project-specific insider register may not trade in the Company's securities while the project is pending. It is recommended that permanent insiders should make long-term investments in SRV securities.

SRV's internal control and risk management systems for financial reporting

SRV continuously monitors its functions to ensure that the result of its operations is reliable. The objective of internal control is to ensure that the Company's operations are efficient and productive, reporting is reliable and that laws and regulations are complied with. However, the internal control system cannot provide full certainty that realisation of risks can be prevented.

SRV's business operations are guided by consistent Group-wide business principles, decision-making authorisations and values. Internal control is founded on a sound corporate and management culture as well as specified reporting and its justifications. In particular, internal control is based on financial reports, management reports, risk reports and internal audit reports. The Company's main operations are directed by means of written internal operating policies and procedures.

SRV's business operations are based on the implementation of construction projects. SRV's revenue is generated by construction projects, and the Company's result depends on the profitability and progress schedule of individual projects.

Financial control

The internal control system applied to business operations is the responsibility of the executive teams of business areas as well as the controller function in accordance with SRV's Group principles and instructions. In ensuring the effectiveness and appropriateness of operations, a key control process is the monthly financial reporting process with analyses of deviations between actual results, budgets and continuously updated forecasts of business performance and construction projects.

The Group's internal control system is the responsibility of SRV Group Plc's Board of Directors and Audit Committee, the Corporate Executive Team and its working committee, the executive teams of the business areas and the financial administration. In ensuring the accuracy of the Group's financial reporting, a key control process is the monthly management financial reporting process with analyses of deviations between actual results, budgets and continuously updated forecasts. An external auditor audits financial reporting on a regular basis and reports directly to the Audit Committee.

Financial management and the control of operations are supported and coordinated by the Group's financial administration and the controller organisation of SRV's business functions. SRV has prepared Group-level reporting models for standardising the financial reporting of the business functions. The reports of the business functions seek to ensure that control covers all the major aspects of business operations. This ensures that any deviations from financial objectives are identified, communicated and reacted to efficiently, in a harmonised and timely manner.

Financial control measures also include management's ongoing business control procedures. Financial reports define the key control indicators that aim to measure and support business efficiency and consistency and to monitor the achievement of the set objectives.

The Board of Directors has approved the Group's internal decision making authorisations.

Reliability of financial reporting

Monitoring of the reliability of financial reporting is based on the principles and instructions SRV has set for the financial reporting process.

The interpretation and application of financial reporting standards are centralised in the Group's financial administration, which maintains the SRV IFRS Accounting Manual under the supervision of the Company's Audit Committee. The Group's financial administration oversees compliance with these standards and instructions.

The supervision of budgeting and reporting processes is based on SRV's budgeting instructions. The Group's financial administration is responsible for preparing and maintaining these instructions on a centralised basis. The principles are applied consistently throughout the Group.

Internal auditing

The duties of the internal auditing function include assessing the appropriateness and efficiency of the Company's internal control system, risk management and management and administrative processes. The internal auditing function supports the development of the organisation and assists the Board of Directors in attending to its supervision responsibility.

The internal auditing function operates under SRV's Board of Directors and is the responsibility of the Head of Internal Auditing. Internal auditing may use the services of an external service provider, if necessary. The audits are based on an Audit Plan, which is approved annually by the Audit Committee. Reports on the audits conducted are submitted to the Audit Committee and annually to the Company's Board of Directors.

Risk management system

SRV engages in systematic risk management in order to protect itself against factors that might adversely affect its business operations and to promote recognition of new opportunities. The Company improves the profitability and stability of its operations by identifying strategic and operational risks and reacting to them in a timely manner. Risk management is part of SRV's management system. It supports the Company's values, vision, strategy and the achievement of its earnings objectives.

The objective of risk management is to ensure that SRV's controllable risks do not jeopardise operations. To this end, SRV has a systematic and comprehensive approach to identifying and assessing risks as well as to carrying out the necessary risk management measures and reporting on operations.

Overall responsibility for risk management rests with the Company's Board of Directors and the President and CEO. The Board of Directors approves the risk management strategy and policy, and assesses the framework for risk management covering the entire Company. On a quarterly basis, the Audit Committee reviews a report on the operational risks and how to prepare for them. Line management is in charge of carrying out day-to-day risk management as well as for its steering and supervision. The Group's risk management function supports the application of risk management principles and develops Group-wide operating practices.

Share ownership on 31 December 2015

Members of the Board of Directors

Ilpo Kokkila	12,988,844 shares
- Share ownership of a company (Kolpi Investments Oy) under his control	11,505,457 shares
- In addition, SRV Group Plc, which is under Ilpo Kokkila's control, owns	1,174,117 of its own shares
Minna Alitalo	none
- no controlled companies	
Arto Hiltunen	none
- no controlled companies	
Timo Kokkila	7,617,216 shares
- no controlled companies	
Olli-Pekka Kallasvuori	133,332 shares
- no holdings in controlled companies	
Risto Kyhälä	10,000 shares
- no controlled companies	

President and CEO and his deputy

Juha Pekka Ojala	201,182 shares
Timo Nieminen	655,390 shares
- no controlled companies	

Members of the Board of Directors, the President and CEO and his deputy directly own a total of 38.4% of SRV Group Plc's shares and 15.0% of the Company's shares through controlled companies. In addition, SRV Group Plc owns a total of 1,175,307 of its own shares, accounting for 3.2% of the Company's shares.

Other members of the Corporate Executive Team

Pirjo Ahanen	2,832 shares
Katri Innanen	7,832 shares
Päivi Kauhanen	none
Veli-Matti Kullas	199,330 shares
Jussi Kuutsa	26,433 shares
Antero Nuutinen	77,240 shares

Valtteri Palin	35,023 shares
Ilkka Pitkänen	none
Juha Toimela	3,332 shares