

CORPORATE GOVERNANCE STATEMENT 2010

OVERVIEW

This presentation is the corporate governance statement referred to in recommendation 54 of the Finnish Corporate Governance Code. It is issued separately and is thus not a part of the report of the Board of Directors for the 2010 financial period. The Board of Directors has reviewed the statement at its meeting on 20 January 2011. Raisio's audit firm, PricewaterhouseCoopers Oy, has checked that the statement has been issued and that the description of internal control and risk management systems related to the financial reporting process is consistent with the financial statements.

Finnish legislation and the Articles of Association form the framework for Raisio's corporate governance. Raisio complies with the Finnish Corporate Governance Code (2010) approved by the Securities Market Association. The Code is available on Securities Market Association's website at www.cgfinland.fi

The Board of Directors of Raisio has not set up an audit committee as defined in the Corporate Governance Code (recommendation 24) because the entire Board is well able to discuss financial reporting and control, taking into consideration the size of the Group's business and the fact that the auditors report on their activities and observations to the Board at least twice a year. The Board of Directors has not set up a nomination committee (recommendation 28) because the nomination group that the Supervisory Board appoints among its members prepares the appointment of members to the Board of Directors.

In view of the size of the Board of Directors, two members are considered to be sufficient for the remuneration committee (recommendations 22 and 31).

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ANNUAL GENERAL MEETING

The Annual General Meeting is the company's highest decision-making body. It is held annually by the end of April to take care of matters pertaining to it, such as approving the financial statements and consolidated financial statements, deciding on the distribution of dividend, discharging those accountable from liability, electing the auditors and the members of the Supervisory Board and Board of Directors, as well as determining the fees paid to them. Extraordinary shareholders' meetings may be held if necessary.

The notice of the General Meeting shall be published, at the earliest, three (3) months and at the latest, three (3) weeks before the General Meeting on the company's website and possibly in another manner determined by the Board of Directors. However, the notice of the General Meeting must be published no later than nine (9) days before the record date of the General Meeting.

2010

In 2010, Raisio's Annual General Meeting was held on 25 March in Turku. The meeting was attended by 2,807 shareholders or their representatives. This corresponded to 32.9 million shares, or 19.9 per cent of the overall share capital. The CEO, Chairman of the Board and three Board members also attended the meeting.

BOARD OF DIRECTORS

The Board of Directors consists of a minimum of five and a maximum of eight members elected by the Annual General Meeting. Their term begins at the end of the Annual General Meeting at which the election takes place and lasts until the end of the following Annual General Meeting. A person who has turned 68 years before the beginning of the term cannot be elected as a member of the Board of Directors. The Board elects a Chairman and Deputy Chairman among its members for one term at a time.

The Board of Directors is in charge of corporate governance and the proper management of the company's operations. It controls and supervises the company's operative management, approves strategic objectives and risk management principles and ensures that the management systems are fully functional.

The Board of Directors works and makes its decisions at its meetings, which are quorate when

more than half of the Board members are present. If necessary, a meeting can also be held as a teleconference. The Chairman calls a Board meeting when necessary, or if requested by a Board member or the Managing Director. The Chairman decides on the agenda of each meeting based on the proposals made by the Managing Director or Board members. The agenda and any possible advance material related to the matters to be dealt with shall be delivered to the Board members, at the latest, four business days prior to the meeting, unless otherwise required by the nature of the issue. The issues that the Board of Directors are to decide on are presented by the Managing Director, a member of the Group Management Team or an expert.

The secretary of the Board prepares minutes on the matters that the meeting has dealt with and made decisions on, which are approved and signed at the following meeting by all the members who were present.

In accordance with the main points of the charter adopted by the Board of Directors of Raisio plc, the main duties of the Board are to:

- approve corporate strategy and revise it regularly,
- approve the annual budgets and supervise their implementation,
- decide on major investments and divestments,
- process and approve financial statements and interim reports,
- appoint and discharge the Managing Director and, following the Managing Director's proposal, appoint and discharge the Managing Director's immediate subordinates, as well as approve the Managing Director's employment contract and other benefits,
- decide on incentive and reward systems for the management and personnel and submit proposals concerning them to the shareholders' meeting if necessary,
- review key operational risks and their management on an annual basis,
- ensure that the company's planning, information and monitoring systems are fully functional
- approve the company's key principles, ethical values and operating models.

2010

In 2010, the Board had five members, all of whom were independent of the company and its major shareholders.

The Board met 13 times in 2010 and held five telephone conferences as well as an organisation meeting immediately after the Annual General Meeting. Attendance at the meetings was 96.8 per cent.

The Annual General Meeting decides on the fees of the Chairman and members of the Board as well as on their reimbursement for expenses incurred by the attendance of the meetings. Nomination committee of the Supervisory Board prepares a presentation on the matter on which the Supervisory Board makes a proposal to the Annual General Meeting.

The Chairman of the Board is paid a monthly fee of EUR 5,000 and the four members are paid that of EUR 2,000 during the term commencing from the Annual General Meeting held in spring 2010. Approximately 20 per cent of the fee is paid with the company's own shares and approximately 80 per cent in cash. The fees are paid in two equal instalments during the term so that the first payment is made on 15 June and the second on the 15 December. Moreover, they receive a daily allowance for the meeting days and they are reimbursed for travel expenses according to the company's travelling rules. In June 2010, a total of 5,910 Raisio plc's free shares were assigned as a fee for the Board work and similarly, a total of 5,712 free shares in December 2010.

In the term beginning at the spring 2009 Annual General Meeting, the Chairman received a fee of EUR 17,500 and other Board members EUR 2,000 a month. Of these fees, 20 per cent was paid in the form of company shares and around 80 per cent in cash on a monthly basis. During the term 2009-2010, a total of 26,434 free shares were assigned as fees for the Board work. Moreover, daily allowance was paid for meetings, and travel expenses were reimbursed in compliance with the Group's travel compensation policy.

There are no stipulations or instructions related to the shares assigned as fees to the Chairman of the Board and Board members, regarding for example the holding period.

The Chairman of the Board and Board members are not covered by the company's share-based incentive system.

The Board of Directors conducted an assessment of its operations and working methods in autumn 2010.

The members of the Board of Directors are presented at the end of this document.

BOARD COMMITTEES AND WORKGROUPS

The Board of Directors has established a remuneration committee to enhance the preparation of remuneration and nomination matters pertaining to the Board.

The duties of the remuneration committee include (1) the preparation of matters pertaining to the remuneration and other financial benefits of the managing director and deputy managing director (if any), (2) the preparation of matters pertaining to the appointment of the managing director, deputy managing director (if any) and other company executives, as well as the assessment of possible successors, (3) the preparation of matters pertaining to the incentive and remuneration schemes of management, key employees and staff, as well as (4) the preparation of significant organisational changes.

The committee has two members, elected by the Board of Directors among its members. The members elected in April 2010 are Simo Palokangas and Michael Ramm-Schmidt.

The remuneration committee is convened by the Chairman as often as required to deal with matters. It may use both the company's own experts and outside experts to the extent it considers necessary. The committee's secretary is the secretary of the Board or the Group's Vice President, Human Resources. In 2010, the remuneration committee convened five times, with all of the members present at the meetings.

The purpose of the grain workgroup appointed by the Board of Directors is to promote the conditions for those Raisio's businesses which use grain and oil plants. In addition, the target is to ensure domestic raw material supplies by producing and distributing information about the production and use of these plants to administrative bodies and stakeholders. The workgroup consists of one member of the Board of Directors, the Chairman of the Supervisory Board, the Managing Director of Raisio plc, the Vice President of the Business

to Business Division and the Vice President of the Grain Trade operations. The Board of Directors has appointed Erkki Haavisto as its representative to the workgroup.

SUPERVISORY BOARD

The Supervisory Board consists of a minimum of 15 and a maximum of 25 members, whose term begins at the shareholders' meeting at which the election took place and ends at the end of the third Annual General Meeting following the election. One-third of the members are replaced every year. The Annual General Meeting held in spring 2010 set the number of Supervisory Board members at 25. In addition to the members appointed by the Annual General Meeting, the Supervisory Board includes three members whom the personnel groups, formed by Raisio's employees in Finland, have elected as their representatives. A person who has turned 65 years before the beginning of the term cannot be elected as member of the Supervisory Board.

[Members of the Supervisory Board](#)

The Supervisory Board elects a Chairman and Deputy Chairman among its members for one term that begins at the first Supervisory Board meeting following the Annual General Meeting and ends at the first Supervisory Board meeting held after the following Annual General Meeting.

The Supervisory Board supervises the corporate administration run by the Board of Directors and the Managing Director and gives the Annual General Meeting a report on the financial statements and auditor's report. The Supervisory Board convened three times in 2010, with an attendance of 84.0%.

The Supervisory Board has been chaired by Michael Hornborg, MA (Agriculture & Forestry) and farmer since May 2009. He was born in 1966, and lives in Lohja, Finland. Deputy Chairman of the Supervisory Board is Holger Falck, agronomist and farmer, who has held the position since 2006. He was born in 1957 and lives in Sipoo, Finland.

The Annual General Meeting decides on the fees of the Chairman and members of the Supervisory Board as well as on their reimbursement for expenses incurred by the attendance of the meetings.

2010

The Annual General Meeting held in spring 2010 decided to pay the annual remuneration of EUR 12,000 to the Chairman of the Supervisory Board

and that of EUR 300 to the members for each meeting, in addition to which their travel expenses are compensated and they receive a daily allowance for the meeting days according to the company's travelling rules. The Meeting also decided to pay the Chairman of the Supervisory Board a fee of EUR 300 for each attended Board Meeting.

Members of the Supervisory Board received a fee of EUR 260 per meeting in 2009. They were also reimbursed for travel expenses and received a daily allowance for travel to meetings in accordance with Raisio's travel compensation policy. The annual fee of the Chairman of the Supervisory Board was EUR 10,000 in 2009.

Fees to the Chairman and members of the Supervisory Board have been paid and will only be paid in cash.

The Chairman and members of the Supervisory Board are not covered by the company's share-based incentive schemes.

WORKGROUPS OF THE SUPERVISORY BOARD

The Supervisory Board has set up a nomination group to prepare matters concerning the appointment of members to the Board of Directors. The group makes its proposal to the Supervisory Board, which, in turn, can present the Annual General Meeting with a proposal on members to be elected to the Board of Directors. The workgroup consists of Chairman Michael Hornborg and Deputy Chairman Holger Falck, based on their posts, as well as three Supervisory Board members elected by the Supervisory Board itself: Hans Langh, Paavo Myllymäki and Hannu Tarkkonen. The group met twice in during the reporting year.

The Supervisory Board elects four of its members to inspect the corporate administration run by the Board of Directors and Managing Director. In May 2010, it appointed Pentti Kalliala, Heikki Pohjala, Raine Rekikoski and Hannu Tarkkonen for this duty. The inspectors report on their observations to the Supervisory Board. In 2010, the inspectors carried out two inspections in the company.

MANAGING DIRECTOR

Raisio plc's Managing Director runs the company's day-to-day administration in accordance with the Board of Director's guidelines and regulations and in line with the targets set by the Board (general authority), as well as ensures

that the company's accounting complies with legislation and that its asset management arrangements are reliable.

Matti Rihko has been the Managing Director of Raisio plc since November 2006. He was born in 1962, and he has Master's degree in both Economics and Psychology. He lives in Kaarina, Finland. His principal employment history is as follows: Raisio plc 2006–: Vice President, Ingredients Division; Altadis SA, Paris 2004–2006: Regional Director Europe; Altadis Finland Oy 1999–2004: Managing Director. Rihko holds 242,530 Raisio plc's V-shares (31 December 2010).

2010

In 2010, Rihko received a total of EUR 532,110.89 in salaries and fringe benefits for his services as the Managing Director as well as a merit pay EUR 227,166.00 (bonus from 2009).

The Managing Director is covered by the Group's share-based incentive scheme and based on the 2009 share-based incentive scheme (the second earnings period), the Managing Director received 66,667 Raisio plc free shares in May 2010. The value of the shares was EUR 183,625.98. He also received a cash payment of EUR 181,713.22. As recognition of and reward for the successfully completed divestment of the margarine business, in May 2010 the Managing Director was assigned 20,000 Raisio plc free shares, the value of which was EUR 55,087.52. He also received a cash payment of EUR 66,974.15. The cash payments are made to cover the taxes and fiscal fees arising from the share-based reward.

Based on the share-based incentive scheme of 2010 (the third earnings period), the Managing Director may be assigned not more than 66,667 Raisio plc free shares in December 2012. This reward will also be paid as a combination of the company's shares and cash, and the cash payment is made to cover the taxes and fiscal fees arising from the share-based reward.

Furthermore, the Managing Director is within the management's incentive scheme 2010 – 2013, in which the company named Reso Management Oy, owned by him and seven members of the Group's Management Team, owns a total of 4,482,740 Raisio plc free shares. - A detailed description of the scheme can be found below in this document.

There are no stipulations or instructions related to the shares assigned as a fee to the Managing Director regarding the holding period. Shares received or possibly received in future on the basis of share remuneration schemes are subject to disposal restrictions and/or return obligations. The disposal restrictions on the shares received from the share remuneration schemes of 2008 and 2009 were, however, dissolved when forming the management's incentive scheme 2010-2013 so that the persons mentioned above, incl. the Managing Director, were able to invest the shares in question in Reso Management Oy.

The Remuneration Committee of the Board prepares, e.g., matters concerning the salaries and other financial benefits of the Managing Director, and the Board decides on these matters. Share-based incentive and reward schemes may require an express decision from the General Meeting unless the Board has been authorised by the General Meeting to decide on them.

The contract stipulates that the Managing Director has the right and obligation to retire at the age of 62. The Managing Director's pension is determined according to the Finnish employment pension scheme TyEI (a contribution-based system), and the Managing Director is covered by the group pension insurance scheme of the Raisio Group's management. The amount corresponding to 10% of the Managing Director's basic annual salary (salary in money and taxation value of unlimited company car benefit) is paid annually as a group pension insurance payment.

The Managing Director's contract may be terminated by either the company or the Managing Director with six months' notice. If the contract is terminated by the company, the Managing Director is entitled to compensation corresponding to 12 months' pay, in addition to the pay for the period of notice.

The company has not appointed a deputy to the Managing Director.

MANAGEMENT TEAM

The Group's Management Team is chaired by the Raisio plc's Managing Director. In addition, it consists of the Vice President, Food Division, Northern Europe; Vice President, Food Division, Western Europe; Vice President, Food Division, Eastern Europe; Vice President, Business Development and Benecol Division, Vice President, Business to Business Division; Vice President, Grain Trade Operations; Chief

Financial Officer; and Vice President, Human Resources. The Group's Vice President, Legal Affairs acts as the Secretary of the Management Team.

The Management Team coordinates the Group's operations and defines Group-level operating policies and processes. It formulates the corporate strategy, supervises its implementation and assists the Managing Director in preparing proposals subjected to the Board of Directors that concern the entire Group. The Group's Management Team holds a regular meeting every month and shorter meetings once a week. The main topics of the monthly meetings are usually the previous month's result and the monthly reviews of business areas and service functions.

The members of Raisio's Management Team are covered by a group pension insurance. A sum equivalent to 10% of the manager's basic annual salary is paid into the group pension insurance annually. Retirement age of managers is 62 years.

INCENTIVE AND REWARD SCHEMES

Raisio's policy is to provide its personnel compensation that is competitive in each individual country and business area. The company regularly reviews market salaries and the development of incentive schemes in order to maintain its competitiveness.

In 2010, Raisio had separate incentive schemes to management, middle management and other personnel. The incentive scheme of the Managing Director and other executives is based on the achievement of the EBIT target; criterion can be either the Group's EBIT only or the Group's EBIT together with the business unit's EBIT. In addition to this, the Managing Director has been assigned some personal targets. At an annual level, the maximum bonus payable to the Managing Director is a sum equivalent to the salary of six months and, correspondingly, the maximum amount payable to other executives is equivalent to the salary of four or five months.

The Remuneration Committee prepares matters concerning Raisio's incentive schemes and the salaries of the Managing Director and Group's management, and the Board of Directors decides on these matters.

SHARE-BASED INCENTIVE SCHEMES

Management incentive scheme 2008-2010

In May 2008, Raisio plc's Board of the Directors decided on the three-year share-based incentive scheme to be a part of the key personnel's incentive and commitment scheme at Raisio Group. The purpose of the scheme is to combine the objectives of owners and key employees in order to increase the capitalisation value of the company and to commit the key employees to the company by offering them a competitive reward system based on shareholding.

The scheme allows, during three years, to assign a maximum of 1,600,000 Raisio plc's free shares already held by the company due to the share repurchases carried out. The reward is paid as a combination of shares and cash. The cash payment is made to cover the taxes and fiscal fees arising from share-based rewards.

The first earnings period of the incentive scheme was the financial year 2008. The earnings criteria applied were net sales growth and earnings before one-off items and taxes. The number of free shares to be assigned was 400,000 at the most. As a reward from the first earnings period, a total of 334,500 free shares were assigned in August 2009 to 13 persons within the scheme. The value of the shares assigned was EUR 2.083 per share totalling EUR 696,763.50. The shares assigned as a reward are subject to a disposal restriction and return obligation that are valid until 31 September 2011 in case the employment or service contract of the person ends prior to the expiration of the disposal restriction.

In December 2008, the Board of Directors decided on the share-based incentive scheme for the second earnings period, which was the financial period 2009. The earnings criteria applied were return on restricted capital, result before one-off items and taxes as well as the sales process of the margarine business. The maximum number of free shares to be assigned is 600,000. In May 2010, a total of 553,056 free shares held by the company were assigned to 51 persons covered by the scheme as a reward for the second earnings period. The value of the shares assigned was EUR 2.711 per share totalling EUR 1,499,334.82. The shares assigned as a reward are subject to a disposal restriction and return obligation valid until 31 December 2011 in case the employment or

service contract of the person in question ends prior to the expiration of the disposal restriction.

In June 2010, the Board of Directors decided to cancel the disposal restrictions, for the part of the Managing Director and members of the Group's Management Team, concerning the shares received from the share-based incentive schemes of 2008 and 2009 when forming the management's incentive scheme of 2010-2013 so that the persons mentioned above were able to invest the shares in question in Reso Management Oy.

In March 2010, the Board of Directors decided on the share-based incentive scheme for the third earnings period, which is the financial year 2010. The earnings criterion applied is EBIT in proportion to net sales, in addition to which a prerequisite for receipt of the reward is that a certain amount of net sales during the financial year 2010 will be reached. The maximum number of free shares to be assigned is 600,000. The amount of earned rewards will be determined on the grounds of reaching of set targets after the completion of financial statements in the spring 2011, and the potential reward will be paid to the persons within the scheme in December 2012. The shares assigned as a reward are subject to a disposal restriction and return obligation that are valid until 1 January 2014 in case the employment or job contract of the person in question will end prior to the expiration of the disposal restriction. When the third earnings periods started, there were 61 persons covered by the scheme.

Management incentive scheme 2010-2013

In June 2010, the Board of Directors of Raisio plc decided on a new incentive scheme for the members of Raisio Group's Management Team. The purpose of the scheme is to commit the members of the Management Team to the company by encouraging them to acquire and hold company shares, and this way to increase the company's shareholder value in the long run, as well as to support the achievement of the company's strategic objectives.

For the share ownership purposes, Raisio plc's Managing Director and seven members of the Group's Management Team acquired a company named Reso Management Oy (former Raisio Management Oy). At the beginning of July 2010, Reso Management Oy acquired for its part a total of 362,740 Raisio plc's free shares from the market or from the members of the Management

Team at market price, as well as a total of 4,120,000 free shares from Raisio plc in a directed share issue. The acquisitions were financed by the capital investments in Reso Management Oy by the members of the Management Team, in the total amount of EUR 1,161,000, as well as by a loan of EUR 10,449,000 granted by Raisio plc. The members of the Management Team financed their investments in Reso Management Oy mainly by transferring Raisio plc's free shares they held to Reso Management Oy. After the implementation of the scheme, the members of the Raisio's Management Team now hold, through Reso Management Oy, a total of 4,482,740 free shares, which covers some 2.7% of all of the Raisio plc's shares and some 0.5% of all of the votes of the shares.

The scheme will be valid until the turn of the year 2013 – 2014, after which it is intended to be dissolved in a manner to be decided later. The scheme will be dissolved, primarily, by merging Reso Management Oy with Raisio plc and by paying the merger consideration as Raisio plc's shares, and secondarily, so that Reso Management Oy will sell free shares it holds to cover the repayment of the credit received from Raisio plc. After these measures, shareholders will dissolve the company and receive the free shares still held by Reso Management Oy as a consideration in the distribution. The scheme will be continued by one year at a time if the Raisio plc's share price in October – November 2013, 2014, 2015 or 2016 is below the average price that Reso Management Oy paid for the shares it holds.

The transfer of Raisio plc's free shares held by Reso Management Oy has been restricted for the period of the validity of the scheme. The ownership by the members of the Management Team in Reso Management Oy will mainly be valid until the dissolution of the scheme. In case the employment or service of a member of the Management Team ends before the dissolution of the scheme, due to reasons related to this member, his or her share in Reso Management Oy may be redeemed before the dissolution of the scheme without him or her gaining any financial benefit from the scheme.

As part of the scheme, Raisio plc granted to Reso Management Oy an interest-bearing loan for a total amount of EUR 10,449,000 to finance the acquisition of the company's free shares. The loan will be repaid 31 March 2014, at the latest. If the

scheme is continued one year at a time in 2013, 2014, 2015 or 2016, the loan period will be extended respectively. Reso Management Oy is entitled to repay the loan prematurely at any time. Reso Management Oy is obligated to repay the loan prematurely by selling the Raisio plc's free shares it holds in case the market price of the free share exceeds, otherwise than temporarily, a certain level defined in the scheme.

Subgroup Glisten's share-based incentive schemes 2010-2012

In August 2010, the Board of Directors of Raisio plc decided on two synthetic share-based incentive and commitment schemes for the management of Raisio's British subgroup Glisten and key employees. The purpose of the schemes is to combine the objectives of owners, management and key employees in order to increase the company's capitalisation value, to commit the management and key employees to the company and to offer them a competitive reward system based on the value of a share.

On the basis of the first scheme, a cash reward will be paid by the end of May 2012. Total amount of the reward equals the value of 966,117 Raisio plc free shares. Value of a free share will be determined by its trade volume weighted average quotation on the NASDAQ OMX Helsinki Ltd in March 2012 subtracted by a dividend per share payable decided by the Annual General Meeting of 2012.

A prerequisite for receipt of the reward is that each person now appointed to the scheme will still be employed by Raisio Group on 8 April 2012. There are 36 persons within the scheme.

On the basis of the second scheme, a cash reward corresponding to a maximum total of 420,000 Raisio plc free shares will be paid. In case the subgroup Glisten's EBIT for the term ending 30 June 2011 exceeds the level defined in the scheme, a reward equivalent to the value of 210,000 Raisio plc free shares will be paid by the end of September 2011. Value of a free share will be determined by its trade volume weighted average quotation on the NASDAQ OMX Helsinki Ltd in August 2011. Furthermore, in case the subgroup Glisten's EBIT for the term ending on 30 June 2012 exceeds the level defined in the scheme, a reward equivalent to the value of 210,000 Raisio plc free shares will be paid by the end of September 2012. Value of a free share will be determined by its trade volume weighted

average quotation on the NASDAQ OMX Helsinki Ltd in August 2012.

Glisten Ltd's CEO and Finance Director are within the second scheme.

DESCRIPTION OF THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

THE INTERNAL CONTROL AND RISK MANAGEMENT

Objectives of internal control

To ensure profitable operations, Raisio monitors its operations continuously. The purpose of the internal control system is to ensure that the Group operates ethically and in compliance with laws and regulations, that its operations are efficient and profitable and that its financial reporting is reliable. However, internal control cannot guarantee full avoidance of risks.

At Raisio, internal control is understood as a process that involves the Board of Directors, management and other personnel. Raisio has defined principles, adopted Group-wide, for the areas it considers to be the most important. These principles form the foundation for internal control. Internal control is not a separate organisation, but a part of the Group's overall operations.

Raisio's internal control is based on the Group's values, which contribute to the achievement of targets laid out in the company's vision and strategy. Raisio's basic targets are profitability, customer satisfaction and well-being. Values supporting these targets include competence, responsibility and open co-operation. The values and basic targets influence the company's day-to-day interaction with customers, suppliers and investors. They also affect various internal policies, manuals and guidelines, as well as established practices.

Financial supervision and control

The internal business control system is the responsibility of the management of Divisions and the business controller in compliance with the Group's principles and guidelines.

The Group is managed according to a system that emphasises Group and Division scorecards and related action plans, as well as an "annual clock". In order to achieve efficient and profitable operations, planning and goal-setting have been

given a key role in the management system. Planning and follow-up are scheduled according to the calendar defined in the annual clock. Monthly management reporting and the operations analysis of actual business results in relation to the budgeted and monthly updated forecasts, which is carried out in connection with reporting, form a key supervision process aimed at securing efficient and purposeful operations.

The Group's financial administration and business controller support and coordinate the Group's financial management. Financial administration is in charge of maintaining and developing the financial reporting process and related supervisory systems. This provides business management at different organisational levels with reliable information about the achievement of the organisation's goals.

Reliability of financial reporting

Raisio does not have a separate audit committee or an internal audit organisation. The Board of Directors assesses the level and effectiveness of internal auditing and risk management. The Board of Directors is also responsible for ensuring that the internal audit of accounting and financial administration is properly arranged.

The Group has opted to include internal auditing tasks in the duties of the Group's financial administration and the business controller function, which report to the Group's CFO on matters related to risk management, internal control and audit. The observations of internal control, as well as business risks are reported to the Board of Directors as a part of monthly financial reporting.

Raisio's financial reporting is based on harmonised principles in all Group companies. International financial reporting standards (IFRS) are used in both internal and external reporting. For financial reporting to be reliable, accounting processes must be properly supervised.

The supervision of financial reporting is based on reporting principles and guidelines determined by the Group. The interpretation and application of financial reporting standards is centrally handled by the Group's financial administration, which also oversees compliance with standards and guidelines. Financial administration is also in charge of determining and centrally maintaining the reporting process and the budgeting and forecasting process. Raisio has adopted

a consistent reporting system, and the same principles are applied throughout the Group.

Raisio has defined the processes of its main business operations, as well as the related control measures supported by the ERP system and other control measures related to the processes. Information systems play an important role in internal control, since many control measures are based on IT. Data transfers related to the financial process have been automated as much as possible, and automation is ongoing. External audits have been used to evaluate the Group's systems and data transfer processes.

Other management systems

HR management

Raisio's internal control systems also involve HR management processes and procedures, which are the responsibility of HR management and a part of Raisio's management system. They are developed to support internal control at the level of individual employees. The most important processes, in terms of internal control, are competence development, including recruiting, work induction, training and on-the-job learning, as well as rewarding, performance appraisals and personnel surveys.

Quality

Most of Raisio's operations come under the scope of ISO 9001 and ISO 14001 certification. To ensure the continual development of product safety and improve customer satisfaction, the company's food production facilities also follow food safety standards. Raisio values efficient quality management very highly. Compliance with quality systems is required in all operations and it is monitored effectively.

Sustainable development

Raisio observes all local, national and international laws and regulations applicable to its operations. Moreover, the Group has adopted the principles of sustainable development laid out by the International Chamber of Commerce (ICC). By working safely and emphasising the promotion of safety, the company can support the quality and economic efficiency of operations.

Risk management

Risk identification and assessment are important to the success of internal control. In order to control the efficiency and profitability of operations, the Group must be able to manage its risks. Raisio's internal control is expected to give

the management assurance that the defined risk management policy is followed.

Raisio's risk management policy defines the targets, principles and responsibilities of risk management. According to its definition, risk management aims to identify and assess significant external and internal uncertainty factors that may threaten the implementation of strategy and the achievement of targets. Identified risks are eliminated, reduced or transferred to the extent possible. Raisio's risks fall into strategic, operational, damage and financial risks. Special emphasis is put on preventive action and its development. Risk management is a part of the Group's day-to-day operations. Damages caused by products with inadequate safety and the liability risks related to them are key topics in the risk management of food producers.

The Group's Director of Finance and Treasury, who reports to the CFO, coordinates, develops and monitors risk management. External advisors are also used to develop risk management activities. Risk management function is also responsible for Group-wide insurance schemes. Their scope is assessed, for example, in conjunction with risk surveys carried out at individual sites.

Each division is responsible for conducting its own practical risk management in compliance with the risk management policy and Group guidelines. Operational responsibility is held by the management of each division and function. The divisions survey and identify risks, for example, in connection with annual planning. The Group is prepared for operations in crises and for crisis communication.

The divisions and service functions, including financing, report on their main risks to the Management Team.

Business risks are described in the division reviews of this annual report, while other financial and financing risks are discussed in the financial statements.

Information and communications

The guidelines on and principles of the Group's reporting system are available to everyone involved in financial reporting and can be found in connection with the reporting system. In addition, the Group's intranet contains instructions related to financial reporting and control measures, as well as other Group policies and guidelines.

Monitoring

The result and other key figures of the Group and its divisions are monitored through monthly reporting and the Management Team's monthly meetings, which also ensure the functioning of internal control. The Management Team also follows the divisions' sales development on a weekly basis. Moreover, the divisions monitor the development of their sales and results more frequently, usually on a daily basis. Final assessments of results are ultimately made by the Board of Directors at its meetings.

The Group's financial administration follows the accuracy of both external and internal financial reporting. An external auditor inspects the accuracy of external financial reporting and also monitors internal reporting.

INSIDER REGULATIONS

Raisio complies with the Guidelines for Insiders (2009) issued by NASDAQ OMX Helsinki Ltd, the Confederation of Finnish Industries and the Central Chamber of Commerce, with some modifications.

The Group's insiders include insiders with the duty to declare ("public insiders") and permanent company-specific insiders, in addition to which the Group may have project-specific insiders from time to time.

Insiders with a duty to declare include the members of the Supervisory Board and the Board of Directors, the Managing Director, the members of the Management Team and auditors. Permanent insiders include people with key responsibility in Raisio's business areas, some managers and experts in research and development and financial administration, as well as management assistants. Raisio had 30 permanent company-specific insiders on 31 December 2010.

Raisio's insiders are not allowed to trade in company shares or securities entitling to shares during the 14 days preceding the publication of the company's interim reports and financial statements review.

Raisio's insider administration has adopted the SIRE system of Euroclear Finland Ltd, which makes the information about insiders with the duty to declare, their holdings and close associates, as well as any changes therein, public to the extent required by the Securities Market Act. Information that must be published pursuant to the Securities Market Act concerning Raisio's insiders with the

duty to declare, as well as the holdings of insiders and their close associates and changes therein, is available on Raisio's website.

AUDITING

Johan Kronberg and Mika Kaarisalo, authorised public accountants, acted as regular auditors for the financial year 2010. PricewaterhouseCoopers Oy and Kalle Laaksonen, authorised public accountant, acted as deputy auditors.

The Group's auditing services were subjected to competitive bidding in autumn 2007.

The auditors give the Board of Directors and the Managing Director a summary of the corporate audit. In addition, the auditors for the Group

companies submit separate reports to the management of each company. The auditors attended two of the Board of Directors' meetings in 2010. The auditors give the shareholders an annual auditors' report on the financial statements as required by law.

2010

Fees for statutory auditing in 2010 amounted to EUR 139,400. Raisio also purchased other services from PricewaterhouseCoopers Oy and its associates for a total of EUR 835,949.

A total of EUR 42,400 was paid to PKF (UK) LLP for the audit of Glisten subgroup and EUR 132,500 as fees for various services.

MEMBERS OF THE BOARD OF DIRECTORS



Chairman on the Board

Simo Palokangas

Year of birth: 1944

Domicile: Säkylä, Finland

Education: M.Sc. (Agr. & Forestry)

Principal employment history: HK-Ruokatalo Group plc 1994-2006: CEO, Lännen Tehtaat plc 1987-1994: CEO; Munakunta 1979-1987: CEO

Raisio Board membership: member and Chairman since 2006

Other simultaneous positions of trust: Biolan Oy: Member of the Board of Directors; Fund of Jenny and Antti Wihuri: Chairman of the Board of Directors; Wihuri Ltd: Member of the Supervisory Board, National Emergency Supply Agency: Deputy Chairman of the Board of Directors

Fees in 2010: EUR 112,980, of which approximately 80% has been paid in cash and approximately 20% in shares; a total of 8,253 free shares were assigned as fees.

Holdings in Raisio: series V 132,588



Deputy Chairman

Michael Ramm-Schmidt

Year of birth: 1952

Domicile: Espoo, Finland

Education: B.Sc. (Econ. & Bus. Adm.)

Principal employment history: Oy Executive Leasing Ab 2004-: Chairman of the Board of Directors; Hackman Oyj Abp 2004: President & CEO; Hackman Metos Oy Ab 1995-2004: CEO; Hackman Designor Oy Ab 1989-1994: CEO; International Masters Publishers Inc. 1986-1989: CEO; Skandinavisk Press AB 1984-1986: President & CEO

Raisio Board membership: member since 2005, Deputy Chairman since 2006

Other simultaneous positions of trust: Huurre Group Oy: Chairman of the Board of Directors; Levanto Oy: Member of the Board of Directors; Nuukari Oy: Chairman of the Board of Directors; Stala Oy: Member of the Board of Directors; Stalatube Oy: Chairman of the Board of Directors; Stiftelsen Svenska Handelshögskolan: Member of the Supervisory Board

Fees in 2010: EUR 30,000, of which approximately 80% has been paid in cash and approximately 20% in shares; a total of 2,228 free shares were assigned as fees.

Holdings in Raisio: series V 48,578

	<p>Anssi Aapola Year of birth: 1951 Domicile: Kustavi, Finland Education: M.Sc. (Agr. & Forestry) Principal employment history: Farm owner 1987–; Finnsa Oy 2005–2011:CEO; Raisio plc 1983–2002: Managerial duties Raisio Board membership: member since 2006 Other simultaneous positions of trust: Turvata Oy: Member of the Board of Directors; Vakka-Suomen Osuuspankki: Member of the Board of Directors Fees in 2010: EUR 30,000, of which approximately 80% has been paid in cash and approximately 20% in shares; a total of 2,228 free shares were assigned as fees. Holdings in Raisio: series K 4,320 and series V 13,867</p>
	<p>Erkki Haavisto Year of birth: 1968 Domicile: Raisio, Finland Education: M.Sc. (Agr. & Forestry) Principal employment history: Farm owner 1993- Raisio Board membership: member since 2004 Other simultaneous positions of trust: The Central Union of Agricultural Producers and Forest Owners (MTK): Member of the Forest Board; Lounametsä Forestry Association: Chairman of the Board of Directors; Raisio plc Research Foundation: Member of the Board of Directors; Raisio town: Member of the town council; Salaojituksen Tukisäätiö s.r.: Member of the Board of Directors; Turku District Cooperative Bank: Member of the Board of Directors Fees in 2010: EUR 30,000, of which approximately 80% has been paid in cash and approximately 20% in shares; a total of 2,228 free shares were assigned as fees. Holdings in Raisio: series K 364,940 and series V 176,127</p>
	<p>Pirkko Rantanen-Kervinen Year of birth: 1949 Domicile: Vantaa, Finland Education: B.sc. (Econ.) Principal employment history: Finnish Fur Sales 2009-2010: Executive Advisor; 1991-2009: CEO; 1989-1991: Executive Vice President; 1987-1989: Director of Finance Raisio Board membership: member from 25 April 2010 Other simultaneous positions of trust: Tapiola General Mutual Insurance Company: Member of the Supervisory Board Fees in 2010: EUR 24,000, of which approximately 80% has been paid in cash and approximately 20% in shares; a total of 1,788 free shares were assigned as fees. Holdings in Raisio: series V 1,788</p>

Satu Lähtenmäki was a Board member from November 2006 to 25 March 2010. She was paid a fee of EUR 6,000 of which some 80% in cash and some 20% as shares; a total of 440 free shares were assigned to her as a fee.

The secretary of the Board of Directors and the Supervisory Board is Janne Martti, Master of Laws, Director, Finance and Treasury, Raisio Group.

Shareholdings of the Board of Directors on 10 February 2011 (date of signing the financial statements).