

Vaisala's Corporate Governance Statement 2014

Vaisala's General Governance Principles

Vaisala's Corporate Governance Statement has been drawn up in accordance with the recommendation 54 of the Finnish Corporate Governance Code and Chapter 2, section 6, of the Finnish Securities Market Act.

Vaisala Group's corporate governance system is based on the Finnish Limited Liability Companies Act and Vaisala's Articles of Association. The Company complies with the rules and regulations

for listed companies issued by NASDAQ OMX Helsinki Ltd and the Finnish Financial Supervisory Authority. Vaisala's A shares are listed on NASDAQ OMX Helsinki Ltd.

Vaisala complies with the Finnish Corporate Governance Code by the Securities Market Association that came into effect on October 1, 2010. However, the Company's policy deviates from the recommendation concerning the term of Board members in accordance with the latter part of the Code's Comply or Explain principle. The code is available on the Securities Market Association website www.cgfinland.fi/en.

The Vaisala Board of Directors has approved this Corporate Governance statement at its meeting on February 12, 2015. The auditing firm Deloitte & Touche Oy, the Company's auditor, has verified that the statement has been issued and that the general description of internal audit and risk management systems associated with the financial reporting process conforms to the financial statements.

More Information

This Corporate Governance Statement has been drawn up as a document independent of the Board of Director's report and it is available also on the Company's website at www.vaisala.com/investors.

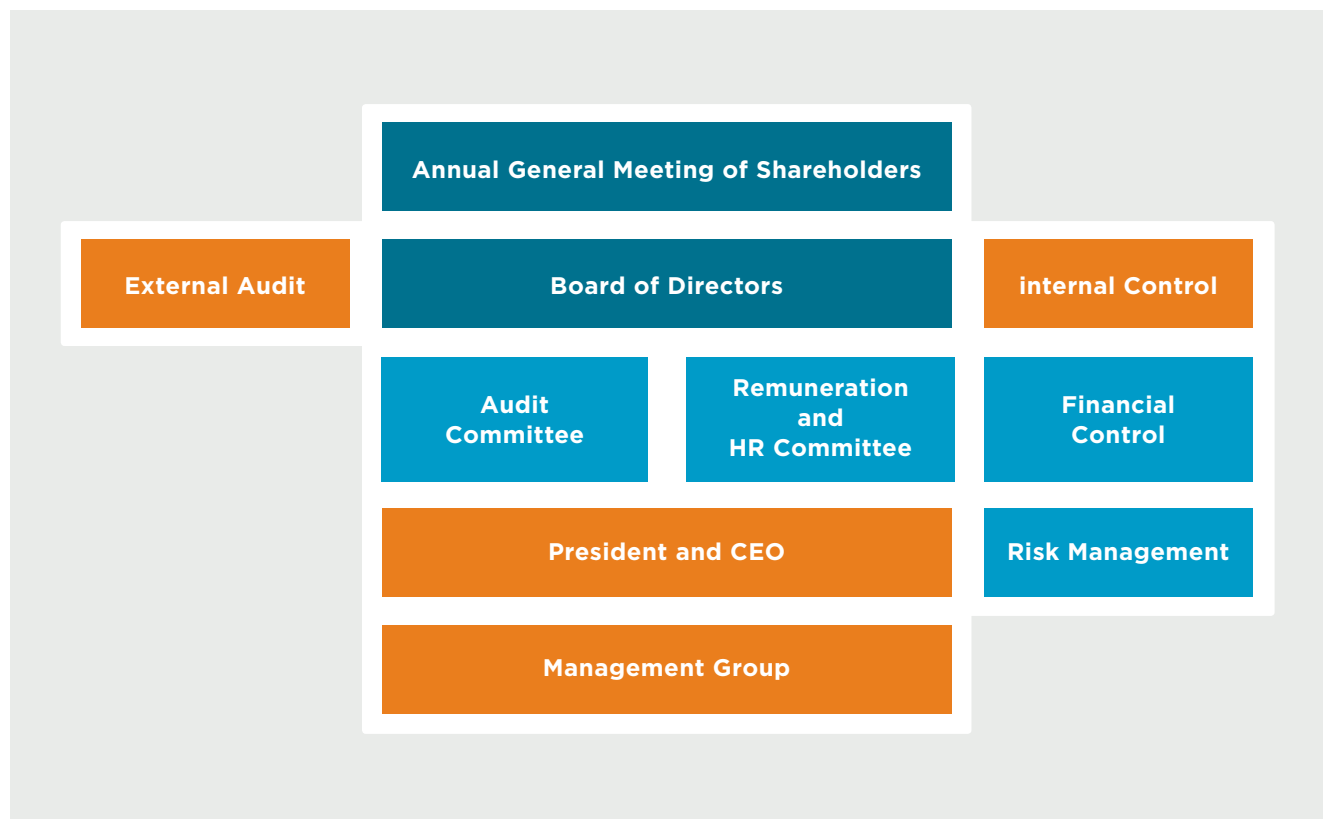
Deviations from the Recommendations of the Corporate Governance Code and the Explanations for These Deviations

The term of the members of Vaisala's Board of Directors deviates from the Recommendation 10 of Corporate Governance Code, which recommends a term of one year. The term of the Company's Board of Directors is determined in accordance with its Articles of Association. Under the Articles of Association, a member's term is three years, beginning at the close of the General Meeting in which the member is elected and

ending at the close of the third subsequent Annual General Meeting. The General Meeting decides on changes to the Articles of Association.

A longer term effectively promotes the commitment of Vaisala's principal shareholders to the Company's long-term development. The longer term practice has worked well and benefited the Company.

Governing Bodies of Vaisala



The General Meeting of Shareholders, the Board of Directors and the President and CEO, assisted by the Management Group, are responsible for the operations of the Vaisala Corporation.

Board of Directors

Vaisala's Board of Directors is responsible for the administration and the proper organization of the operations of the Company. In accordance with Vaisala Corporation's Articles of Association, the Company's Board of Directors comprises at least four and at most eight members. All Board members are appointed by an Annual General Meeting. The Board of Directors elects a Chairman and a Vice Chairman from among its members.

The majority of the Board members must be independent of the Company and at least two members in this majority must be independent of the Company's major shareholders.

The term of the members of Vaisala's Board of Directors deviates from the Recommendation 10 of Corporate Governance Code, which recommends a term of one year. Under the Articles of

Association, the term of the Board members is three years. The term begins at the close of the General Meeting of Shareholders at which the member is elected, and ends at the close of the third subsequent Annual General Meeting following the member's election.

Vaisala's Board of Directors convenes at least six times each year and if otherwise needed. The Group President and CEO and the Chief Financial Officer also attend Board meetings. The other members of the Management Group attend Board meetings as required on the invitation of the Board of Directors.

The Board of Directors may, on the basis of the Chairman's decision, establish working groups from among its members in individual cases in order to prepare the matters allocated for it in order to ensure the effective organization of the Board of Directors' work.

The Vaisala Board of Directors operates in accordance with an approved charter. The principal matters dealt with by the Board of Directors are:

- to assume responsibility for the duties stipulated for the Board of Directors in the Finnish Limited Liability Companies Act, the Articles of Association and elsewhere;
- to decide on Group strategy;
- to decide on Group long-term and annual targets;
- to review the Group's business plan, budget and investment plan;
- to review the interim reports,
- to review and approve consolidated financial statements, the Board of Director's report and Corporate Governance Statement;
- to decide on individual investments, acquisitions, divestments or corporate restructuring and contingent liabilities that are strategically or financially significant;
- to confirm the Group's risk management and reporting procedures;
- to confirm the Group's insurance policy;
- to approve the Group's financing policy;
- to make proposals concerning the distribution of dividends to the Annual General Meeting;
- to decide on the compensation and incentive schemes for Group management;
- to appoint the Company's President and CEO and decide on his compensation;
- to approve the recruitment and compensation of the CEO's immediate subordinates; and
- to conduct a self-assessment of its performance.

Members of the Board of Directors

In January 1–March 26 2014, the Vaisala Board of Directors comprised six members. The Chairman of the Board of Directors was Raimo Voipio, the Vice Chairman is Yrjö Neuvo and the members were, Timo Lappalainen, Mikko Niinivaara, Maija Torkko ja Mikko Voipio. The Board of Directors' secretary was AA Matti Kari.

The Annual General Meeting held on March 26, 2014 decided that the number of Board members is seven.

End of term

1. Petra Lundström	Member	2015
2. Mikko Niinivaara	Member	2017
3. Yrjö Neuvo	Vice Chairman	2016
4. Maija Torkko	Member	2016
5. Pertti Torstila	Member	2017
6. Mikko Voipio	Member	2015
7. Raimo Voipio	Chairman	2017

Raimo Voipio is the Chairman of the Board of Directors and Yrjö Neuvo is the Vice Chairman.

All Board members are independent of the Company in accordance with recommendation 15. Yrjö Neuvo, Mikko Niinivaara, Maija Torkko, Petra Lundström and Pertti Torstila are independent of the Company and independent of significant shareholders of the Company. Raimo Voipio, the Chairman, and Mikko Voipio, Board member, are dependent of significant shareholders of the Company. The Board of Directors complies with recommendation 14 concerning the number of independent directors.

The secretary of the Board of Directors is AA Matti Kari.

Members of the Board of Directors on December 31, 2014



**Raimo
Voipio**

Chairman of the Board of Directors

b. 1955, Finnish citizen

M.Sc. (Eng.).

- Chairman of the Remuneration and HR Committee
- Independent of the Company, dependent of significant shareholders of the Company since 1989 and Chairman since 1994

Employment History

- Nokia Corporation, various product marketing positions 1988-1998
- Marketing and development positions in private telecommunication companies 1983-1988

Positions of Trust

- Helkama Bica Oy, Member of the Board
- Novameter Oy, Member of the Board
- Munkkiniemen yhteiskoulun kannatusyhdistys ry, Vice Chairman



**Yrjö
Neuvo**

Vice Chairman of the Board of Directors

b. 1943, Finnish citizen

Ph.D. Cornell University

- Professor, Research Director, Aalto University
- Member of the Remuneration and HR Committee
- Independent member of the Vaisala Board of Directors since 1989 and Vice Chairman since 1994

Employment History

- Nokia Corporation, Technology Advisor 2006
- Nokia Corporation, member of the Executive Board, product development of mobile phones 1993-2005
- Academy of Finland, National Research Professor 1984-1992
- Tampere University of Technology, Professor of Signal Processing 1976-1992
- University of California, Santa Barbara, Visiting Professor, 1981-1982

Positions of Trust

- Fimecc Oy, Member of the Board
- Canatu Oy, Entertrainer Oy and Spinverse Oy, Member of the Board
- Metropolia Polytechnic, Member of the Board
- Technology Academy of Finland Foundation, Member of the Board
- Cap-XX Ltd, Member of Scientific Advisory Board
- The Foundation of Technology (TES), Member of the Board
- Finnish Science Centre Foundation (Heureka), Member of the delegation
- Tampere University of Technology, Member of Advisory Board



**Mikko
Voipio**

Member of the Board of Directors

**b. 1960, Finnish citizen,
Lic.Sc. (Technology)**

- Independent of the Company, dependent of significant shareholders of the Company since 1994

Employment History

- Managerial and R&D positions in software and telecommunications businesses

Positions of Trust

- ComIQ Oy, Chairman of the Board
- Fontus Oy, Member of the Board
- Novamator Oy, Member of the Board



**Petra
Lundström**

Member of the Board of Directors

**b. 1966, Finnish citizen, M Sc (Technical
Physics, Helsinki University of Technology)**

- Vice President, Nuclear Development, Fortum Power and Heat Oy
- Member of the Audit Committee
- Independent member of the Vaisala Board of Directors since 2014

Employment History

- Fortum Oyj, Vice President, Solar Business Development, 2012–2014
- Fortum Oyj, Vice President, Chief Technology Officer 2008–2011
- Fortum Oyj, Technology Manager 2005–2007
- Fortum Nuclear Services, Manager of the Thermalhydraulics team 2002–2005
- IVO / Fortum, Design Engineer and Chief Design Engineer 1990–2001

Positions of Trust

- VTT Technical Research Centre of Finland, Member of Board



**Pertti
Torstila**

Member of the Board of Directors

b. 1946, Finnish citizen, Master of Political Sciences

- Independent member of the Vaisala Board of Directors since 2014

Employment History

- Foreign Ministry, Helsinki, Secretary of State 2006–2014
- Ambassador to Sweden 2002–2006
- Foreign Ministry, Helsinki, Under-Secretary of State 2000–2002
- Foreign Ministry, Helsinki, Director General for Political Affairs 1996–2000
- Ambassador to Austria/ETYK, Hungary and Croatia 1989–1996

Positions of Trust

- Red Cross Finland, Chairman of the Board
- John Nurminen Foundation, Member of the Board

**Mikko
Niinivaara**



**Maija
Torkko**



Member of the Board of Directors

**b. 1950, Finnish citizen,
M.Sc. (Eng.), Dr. Tech. (h.c.)**

- Member of the Audit Committee
- Independent member of the Vaisala Board of Directors since 2002

Employment History

- ABB Oy, President 2001–2011
- ABB Industry Oy, President 1999–2001
- ABB Ltd, Zurich, Division Director 1993–1998
- Various managerial positions in ABB Group 1984–1993

Positions of Trust

- Helen Oy, Member of the Board

Member of the Board of Directors

**b. 1946, Finnish citizen,
B.Sc (Econ.), LL.M.**

- Chairman of the Audit Committee and Member of the Remuneration and HR Committee
- Independent member of the Vaisala Board of Directors since 2007

Employment History

- Nokia Corporation, Senior Vice President, Corporate Controller 1997–2006
- Nokia Corporation, various positions 1968–1996

Board Committees

The Board of Directors has two permanent committees: an Audit Committee and a Remuneration and HR Committee. The members of the Committees are appointed annually from among the members of the Board of Directors in accordance with the charter of the respective Committee. The Board of Directors may establish Committees for duties assigned by the Board. The Board of Directors also determines the charter for the Committees and defines the rules of conduct for working groups. The Committees have no autonomous decision-making or execution power.

The Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities for matters pertaining to financial reporting and control, risk management as well as to statutory and internal audits. The Audit Committee carries out its tasks in accordance with the charter approved by the Board of Directors, the Finnish Corporate Governance Code and applicable laws and regulations.

The Audit Committee comprises three members, appointed annually by the Board of

Directors. The members of the Committee shall be independent of the Company and at least one member shall also be independent of significant shareholders of the Company. The Committee convenes at least five times a year. The Group President and CEO and the Chief Financial Officer also attend the Committee meetings. The other responsible Vaisala employees attend the Committee meetings as required on the invitation of the Committee.

The Audit Committee deals with the following key issues:

- to monitor the reporting process of financial statements and forecast process;
- to approve changes in Vaisala's accounting and reporting principles;
- to review internal reports and financial statements;
- to assess compliance with laws and regulations;
- to verify Corporate Governance Statement
- to monitor the efficiency of the Company's internal control and risk management systems;
- to approve statutory audit plan and related cost budget;

- to monitor the statutory audit of the financial statements and consolidated financial statements;
- to evaluate the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company; and
- to prepare the proposal for resolution on the election of the auditor.

Members of the Audit Committee

In January 1–March 26, 2014, the Audit Committee comprised Maija Torkko (Chairman), Timo Lappalainen and Mikko Niinivaara. The Audit Committee secretary was AA Matti Kari. All the members of the Committee were independent of the Company and also independent of significant shareholders of the Company.

In March 26–December 31, 2014, the Audit Committee comprised Maija Torkko (Chairman), Petra Lundström and Mikko Niinivaara. The Chairman and all members of the Audit Committee were independent both of the Company and of significant shareholders.

The Remuneration and HR Committee

The Remuneration and HR Committee is responsible for preparing human resources matters pertaining to the compensation of the President and CEO, and the members of the Management Group, evaluation of the performance of the President and CEO and the members of the Management

Group, Group compensation policies and practices. In addition, the Committee discusses the composition of the Board of Directors and Board nominations.

The Remuneration and HR Committee comprises three members, appointed annually by the Board of Directors. The majority of the members of the Committee shall be independent of the Company. The Committee convenes at least two times a year. The Group President and CEO, Senior Vice President, Human Resources and the Chief Financial Officer also attend the Committee meetings, except when the agenda includes items relating to them. The other responsible Vaisala employees attend the Committee meetings as required on the invitation of the Committee.

Members of the Remuneration and HR Committee

In January 1–March 26, 2014, the Remuneration and HR Committee comprised Raimo Voipio (Chairman), Yrjö Neuvo and Maija Torkko. The Remuneration and HR Committee secretary was AA Matti Kari. All the members of the Committee were independent of the Company.

In March 26–December 31, 2014, the Remuneration and HR Committee comprised the same Chairman and members as described above. The Remuneration and HR Committee secretary was AA Matti Kari. All the members of the Committee were independent of the Company.

Meeting Attendance of the Board of Directors and its Committee Members

	Position	Board of Directors meetings	Audit Committee	Remuneration and HR Committee
Raimo Voipio	Chairman of the Board	11/11		5/5
Yrjö Neuvo	Vice Chairman of the Board	11/11		5/5
Mikko Niinivaara	Member	11/11	5/5	
Maija Torkko	Member	11/11	5/5	5/5
Mikko Voipio	Member	11/11		
Petra Lundström (26.3.–31.12.2014)	Member	9/9	4/4	
Pertti Torstila (26.3.–31.12.2014)	Member	8/9		
Timo Lappalainen (1.1.–26.3.2014)	Member	2/2	1/1	

Vaisala Board of Directors convened eleven times during 2014, and the attendance rate of the members was 99%.

President and CEO

Vaisala's President and CEO is appointed by the Board of Directors. The President and CEO manages the Company in accordance with the instructions and orders given by the Board of Directors, and informs the Board of the development of the Company's business and financial situation. The President and CEO is also responsible for arranging the Company's management. The President and CEO is the Chairman of Vaisala's Management Group.



**Kjell
Forsén**

Management Group

The President and CEO is the Chairman of Vaisala's Management Group. The Management Group has seven members in 2014 and it convenes once a month to execute Vaisala's strategy and take care of the Company's operative management. It consists of the heads of business areas, finance and control, operations, services and human resources.

Members of the Management Group on December 31, 2014

- Kjell Forsén, President and CEO, chairman of the Management Group
- Marja Happonen, Senior Vice President, Human Resources
- Hannu Katajamäki, Executive Vice President, Services
- Kai Konola, Executive Vice President, Weather Business Area
- Sampsa Lahtinen, Executive Vice President, Controlled Environment Business Area
- Kaarina Muurinen, Chief Financial Officer
- Vesa Pylvänäinen, Executive Vice President, Operations

President and CEO

b. 1958, Finnish citizen, Lic.Sc. (Technology)

- President & CEO, Vaisala Group since 2006
- Chairman of the Management Groups since 2006

Employment History

- President of Ericsson Finland 2003–2006
- Ericsson, several managerial positions within the Company, both in Finland and abroad 1986–2006

Positions of Trust

- JMC Council Center, Members of the Council

More Information

More information about Vaisala's Management Group is available on the Company's website at www.vaisala.com/investors, Corporate Governance.

Remuneration

Vaisala's Board of Directors approves the company's bonus plans and their target groups annually. The Board of Directors also decides on the compensation of the President and CEO and approves the compensation of the direct reports of the President and CEO.

Remuneration of the Board of Directors

The Annual General Meeting held on March 26, 2014 decided that the annual fee payable to the Board members for the term until the close of the

Annual General Meeting in 2015 is: the Chairman of the Board of Directors EUR 45,000 and each Board member EUR 35,000. Approximately 40 percent of the annual remuneration will be paid in Vaisala Corporation's A shares acquired from the market and the rest in cash.

In addition, the Annual General Meeting decided that the compensation per attended meeting for the Chairman of the Audit Committee is EUR 1,500 and EUR 1,000 for each member of the Audit Committee for the term until the close of the Annual General Meeting in 2015. The compensation per attended meeting for the Chairman

EUR 1,000	2014	2013
Timo Lappalainen (January 1–March 26, 2014)	10	40
Petra Lundström (March 26–December 31, 2014)	30	-
Yrjö Neuvo	40	38
Mikko Niinivaara	40	40
Maija Torkko	48	48
Pertti Torstila (March 26–December 31, 2014)	26	-
Mikko Voipio	35	33
Raimo Voipio	50	48
Total	279	245

Total number of shares owned, December 31, 2014	A shares *	K shares
Petra Lundström	600	-
Yrjö Neuvo	34,890	18,664
Mikko Niinivaara	600	-
Maija Torkko	3,100	-
Pertti Torstila	600	-
Mikko Voipio	333,000	301,156
Raimo Voipio	284,680	227,148
Total	657,470	546,968

* The shareholdings include also shares held by the Board of Directors' interest parties and controlled organizations. More information about Board of Directors' remuneration is presented on page 58.

and each member of the Remuneration and HR Committee and any other committee established by the Board of Directors is EUR 1,000 for the term until the close of the Annual General Meeting in 2015.

Remuneration of Vaisala Management

The President and CEO is the Chairman of Vaisala's Management Group. The Management Group has seven members and it convenes once a month to execute Vaisala's strategy and take care of the Company's operative management.

President and CEO

The Board of Directors of Vaisala Corporation decides on the remuneration of Vaisala's President and CEO. The overall compensation consists of a monthly salary, fringe benefits, pension plan, a performance bonus, the Share-Based Incentive Plan 2012, Share-Based Incentive Plan 2013 and Share-Based Incentive Plan 2014. The maximum

annual bonus is limited to 72 percent of the President and CEO's annual salary. The President and CEO belongs to a voluntary pension plan which defines the retirement age as 62 years.

The notice period is 6 months for the employee and 12 months for the employer. Severance pay and conditions of other severance compensations are equal to the respective salary.

Management Group

Vaisala's Board of Directors approves the compensation of the direct reports of the President and CEO.

The overall compensation of the Management Group members consists of a monthly salary, fringe benefits, pension plan, a performance bonus, the Share-Based Incentive Plan 2012, Share-Based Incentive Plan 2013 and Share-Based Incentive Plan 2014. The maximum annual bonus is limited to 60 percent of the annual salary.

The Management Group members belong to a voluntary pension plan which defines the optional retirement age as 62 years.

Remuneration of the President and CEO

EUR 1,000	2014	2013
Salary	479	479
Bonuses	83	95
Share-based payment	119	86
Obligatory pension	96	98
Voluntary pension	114	76
Total	891	834

Remuneration of the Management Group, excluding President and CEO

EUR 1,000	2014	2013
Salary	1,313	1,041
Bonuses	185	203
Share-based payment	349	248
Obligatory pension	256	212
Voluntary pension	187	165
Total	2,289	1,869

Remuneration of the President and CEO and the Management Group members in 2014

EUR 1,000	Salary	Bonuses	Share-based	Obligatory pension	Voluntary pension	Total
President and CEO	479	83	119	96	114	891
Other Management Group	1,313	185	349	256	187	2,289
Total	1,792	268	468	352	301	3,180

Share-Based Incentive Plans

On May 3, 2012 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2012 and it will be paid partly in the Company's series A shares and partly in cash in spring 2015. The cash proportion will cover taxes and tax-related costs arising from the reward to a key employee. No reward will be paid, if a key employee's employment or service ends before the reward payment date. Maximum amount of 142,200 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.7 million and in 2013 EUR 0.6 million was expensed for the share-based incentive plan (EUR 0.4 million in 2012).

On February 6, 2013 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year

2013 and it will be paid partly in the Company's series A shares and partly in cash in spring 2016. The cash proportion will cover taxes and tax-related costs arising from the reward to a key employee. No reward will be paid, if a key employee's employment or service ends before the reward payment date. Maximum amount of 150,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2013 no expense was recognized as the criteria was not met.

On February 10, 2014 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2014 and it will be paid partly in the Company's series A shares and partly in cash in spring 2017. The cash proportion will cover taxes and tax-related costs arising from the reward to a key employee. No reward will be paid, if a key employee's

employment or service ends before the reward payment date. Maximum amount of 147,000 shares will be paid depending on the number of

entitled persons in the company at the end of vesting period. In 2014 EUR 0.2 million was expensed for the share-based incentive plan.

More Information

A regularly updated table reporting the holdings of public insiders is available on Company's website at www.vaisala.com/investors, Corporate Governance.

Bonus Plan

All Vaisala employees are included in a bonus plan that promotes growth in sales and profits.

Control Systems

Vaisala Corporation's Board of Directors has approved the principles of internal control and risk management to be followed within the Group. The target of Vaisala's internal control is to ensure that Company operations are profitable, compliant with applicable laws, regulations and Company's operating principles and that the financial information is timely, complete, reliable and compliant with the relevant regulations. Internal control aims also to support the fulfillment of the Board of Directors' supervision obligation.

Internal control is a process carried out by Vaisala's Board of Directors, Audit Committee, management and employees.

Vaisala's internal control system consists of:

- management and corporate governance policies, and principles set by the Board of Directors;
- shared ethical values and the employees' internal control culture;
- the management which oversees the implementation and application of the policies and principles;
- the finance and control function which defines the internal control points, monitors the efficiency of the operations and reliability of financial and management reporting;
- the enterprise risk management process which identifies, assesses and mitigates risks threatening the realization of Vaisala's objectives;

- compliance procedures which ensure that all applicable laws, regulations, internal policies and ethical values, including sustainability, are adhered to;
- an effective control environment including control activities tailored for each process and specified minimum requirements; and
- internal audit assignments to review the effectiveness of the internal control in case needed.

Risk Management

The objective of Vaisala's risk management is to identify and manage material risks related to strategy implementation and business operations. Vaisala has a risk management policy which has been approved by the Board of Directors, and which covers the Company's business, operational, hazard, and financial risks. The policy aims at ensuring the safety of the Company's personnel, operations and products, as well as the continuity and compliance of business operations.

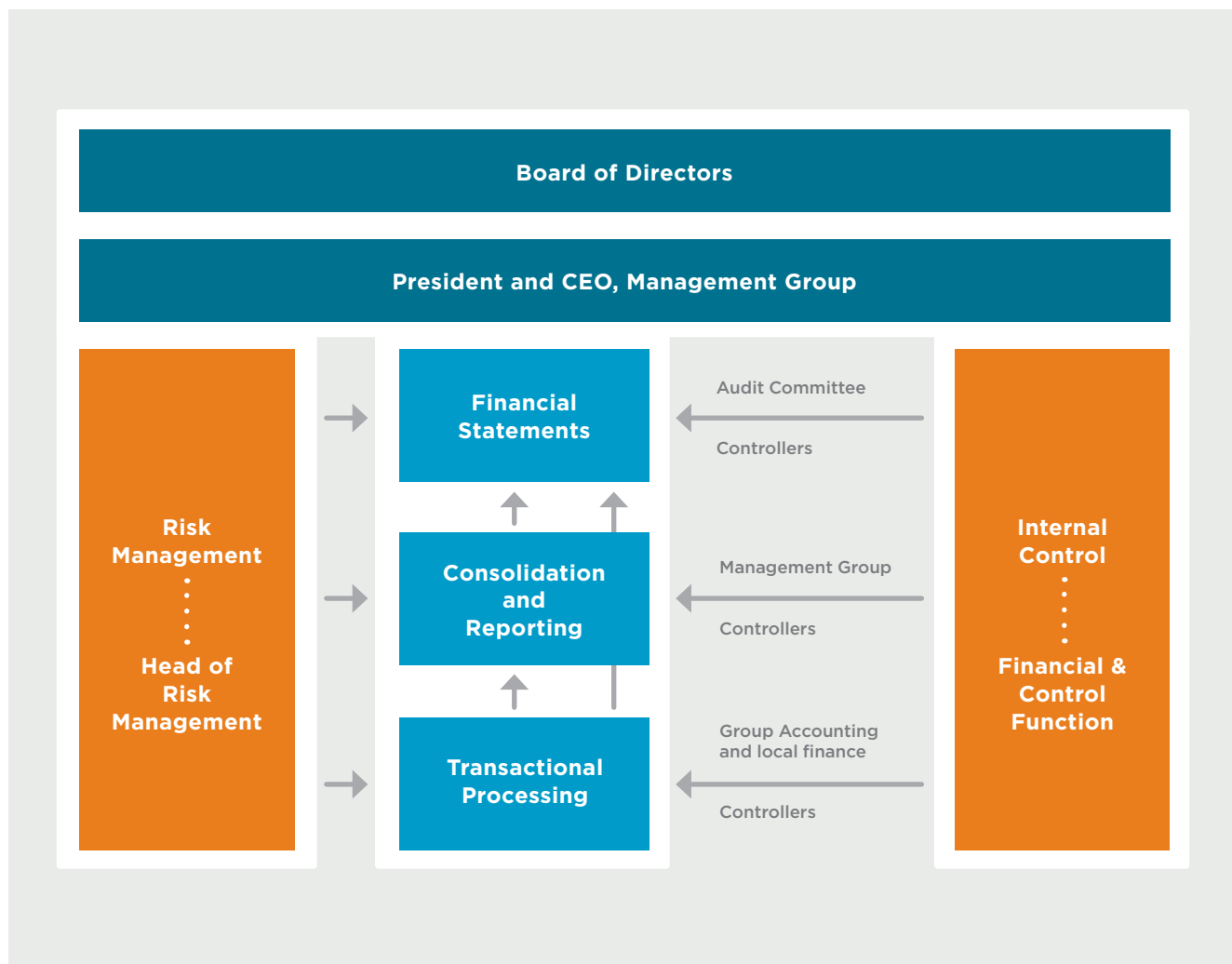
The Board of Directors defines and approves risk management principles and policies, and assesses the effectiveness of risk management. The Audit Committee reviews compliance with risk management policy and processes.

Vaisala's Risk Management Steering Group comprises key internal stakeholders, and the Group is responsible for the operational oversight of the risk management process and assuring that all significant risks are identified and reported, and risks are acted upon on all necessary organizational levels and geographical locations.

Risk management is integrated into key business processes and operations. This is accomplished by incorporating applicable risk identification, assessment, management and risk reporting actions into the core processes. The most significant risks are reported to the Vaisala Management Group and the Audit Committee annually.

More Information

Significant risks and uncertainties related to Vaisala's business are described in the Board of Directors' Report and at www.vaisala.com/investors. Financial risk management is described also in Consolidated Financial Statements, note 1.2.



Main Features of the Internal Control and Risk Management in Relation to the Financial Reporting Process

Correct financial reporting in Vaisala Group means that its financial statements give a true and fair view of the operations and the financial position of the Company, and that these statements do not include intentional or unintentional misstatements or omissions both in respect of the figures and level of disclosure.

All Vaisala Group financial reporting is based on IFRS reporting standards approved by the EU. The financial statements of the Group parent Company are prepared in accordance with the Finnish Accounting Act and the guidelines and statements of the Accounting Board. The Vaisala Accounting Principles are reviewed and maintained by Vaisala Group Accounting and it provides the legal companies with detailed guide-

lines on the application of these policies. Other internal policies related to financial reporting include Vaisala Group Approval Policy and Vaisala Group Credit Policy. Vaisala financial control framework is built and based on unified global transactional and reporting processes as well as defined control points as described below.

Vaisala Group's financial statements are based on the monthly reporting and forecasting process. This process includes in-depth analyses of deviations between actual performance, previous performance and business forecasts. Analyses cover both the financial information as well as key performance indicators measuring operational performance. The defined control points deal with the analysis, elimination and reconciliation

of figures reported by legal companies as well as information included in financial statements bulletins and other stock exchange releases.

Vaisala has a global enterprise resource planning (ERP) system which is built in accordance with Vaisala Accounting Principles. Financial transactional processing is partially centralized in dedicated Group level teams. Vaisala uses Hyperion Financial Management as financial consolidation and reporting system. This system is built in accordance with IFRS. All major legal Company financials are prepared in the global ERP and transferred to consolidation and reporting system with standard interface. The defined control points in the legal Company transactional processing and reporting include reconciliation, balancing, in-depth analysis, system controls and segregation of duties. Vaisala applies the percentage-of-completion method in long-term projects. The critical control points of such projects include updating and analyzing revenue and cost forecasts of projects as well as project reviews.

Audit Committee reviews interim reports and financial statements. The Vaisala Board of Directors approves interim reports and financial statements.

Internal control roles and responsibilities

The Vaisala Board of Directors has the ultimate responsibility for the administration and the proper organization of the operations of the Company. The Board of Directors also ensures that the Company duly endorses the corporate values applied to its operations, approves the internal control, risk management and corporate governance policies. The Board of Directors can assign internal audit assignments to Vaisala's external auditors or other external service providers as needed.

The President and CEO is in charge of the day-to-day management of the Company in accordance with the instructions and orders given by the Board of Directors. The President and CEO establishes the basis for internal control by providing leadership and direction to Management Group members and supervising the way they control the business they are in charge of and by ensuring that the accounting practices of the Company comply with the law and that financial matters are handled in a reliable manner.

The Management Group is responsible for creating detailed internal control policies and procedures in each unit. Finance and control function is of particular significance because its control activities cover all operating and other units of the Company. The head of risk management steers the enterprise risk management process and reports on it both to the Management Group and to the Audit committee as well as follows up the adequacy and effectiveness of control activities on the operative level.

The General Counsel and business area and corporate function directors are responsible for making sure that all units and employees under their responsibility comply with applicable laws, regulations and internal policies.

Vaisala does not have a separate internal audit function. The Audit Committee may engage external specialists to carry out separate evaluations of the control environment or operations. The audit plan of Vaisala's external auditor takes into account the fact that the Company has no internal audit.

General development activities in internal control and risk management in 2014

During 2014, Vaisala revised the internal control points for both transaction processing as well as financial reporting process with process changes implemented as part of Enterprise Resource Planning (ERP) upgrade project. The changes were effective as of January 1, 2015. Vaisala internal control points as well as related roles and responsibilities are documented as part of Vaisala Global Process Map.

Auditing and Auditor's Fees

The company has one auditor, who must be a public accountant or auditing corporation authorized by the Central Chamber of Commerce. If an authorized auditing corporation is not chosen to perform the auditing, a deputy auditor must be elected as well. The Auditor is elected at the Annual General Meeting for a term which expires at the end of the following Annual General Meeting.

In January 1–March 26, 2014, PricewaterhouseCoopers Oy was Vaisala's auditor and

audited the fiscal year 2013. APA Hannu Pellinen acted as the auditor with the principal responsibility.

The Annual General Meeting held on March 26, 2014 elected Deloitte & Touche Oy, Authorized Public Accountants, as auditor of the Company until the close of the Annual General Meeting in 2015. APA Merja Itäniemi acts as the auditor with the principal responsibility.

Auditor's Fees EUR 1,000	2014	2013
Auditor's fees	230	269
Tax advice	113	34
Statements	9	5
Other fees	11	33
Total	363	342

Insiders

Vaisala Corporation observes the Insiders Guidelines issued by NASDAQ OMX Helsinki Ltd. The Company maintains its public and company-specific insider registers in the Euroclear Finland Ltd's Sire system. Public insiders and information on their up-to-date ownership, together with transaction history covering 12 months, of Vaisala's shares are disclosed on Vaisala's website www.vaisala.com/investors.

In accordance with the Securities Market Act, Vaisala Corporation's public insiders comprise of the members of the Board of Directors, the President and CEO, the members of the Management Group and the auditors. Those persons, who on the basis of their employment or other contractual relationship with the Company and on account of their position or duties have regular access to insider information, are included in Vaisala's company-specific insider register. Persons to whom the Company discloses insider information related to a specific project are included in Vaisala's project-specific insider register.

Vaisala observes a silent period which starts at the end of the reporting quarter and ends to the publication of the respective quarterly or annual results. During this time, the permanent insiders are prohibited from trading in Vaisala's shares. Project-specific insiders are prohibited from trading in Vaisala's shares until the project in question has been cancelled or disclosed. Vaisala's insider registers are maintained by the Legal department.

More Information

A regularly updated table reporting the holdings of public insiders is available on Company's website at www.vaisala.com/investors.