



CORPORATE GOVERNANCE STATEMENT 2009

Scanfil plc is a publicly listed company, managed in accordance with the company's Articles of Association, the Finnish Companies Act and other legislation relating to the company. In addition, the company follows the Finnish Corporate Governance Code issued by the Securities Market Association on 20 October 2008, excluding recommendations 14 (Number of independent directors), 26 (Independence of the members of the audit committee) and 29 (Members of the nomination committee and appointment of members).

This Corporate Governance Statement is available on the company Web site www.scanfil.com under Investors, and it complies with recommendation 51 of the Finnish Corporate Governance Code. The Finnish Corporate Governance Code is available to the public at www.cgfinland.fi. The Corporate Governance Statement is provided separately from the company's annual report.

OUTLINES OF THE INTERNAL CONTROL AND AUDIT RELATED TO THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

RISK MANAGEMENT

The Board of Directors of Scanfil plc is responsible for ensuring the appropriate organisation of the Group's risk management and internal control and audit.

Risk management is based on a risk management policy approved by the Board, aiming to manage risks in a comprehensive and proactive manner. The assessment of risks is part of the annual strategy and business planning process. There is no separate risk management organisation; risk management is incorporated into the business processes and the management system. Risk management aims to observe and analyse factors that might have a negative impact on the achievement of the company's goals and to take measures to mitigate or completely eliminate the risks. The operative units report on business risks in accordance with the management and reporting system.

INTERNAL CONTROL

Scanfil's internal control is a continuous process to ensure profitable and uninterrupted operation. Control aims to minimise risks by ensuring the reliability of reporting and compliance with laws and regulations.

Internal control is based on the Group's shared values, ethical guidelines and industry legislation from which the operating principles and guidelines followed are derived. The guidelines cover procedures for core operations. Group and unit management hold the responsibility for the company's internal control system. Internal control forms an active part of the company's management and administration. The Group's operational management holds the responsibility for developing the harmonised business processes included in the control system. The Group's financial administration supports and coordinates the financial management of the Group.

The controls contained in Scanfil's operating processes form the basis of the company's financial control. They enable the company to swiftly identify and react to any deviations from the norm. The management's monthly reporting is a fundamental part of financial control. It includes rolling forecasting, the result of business operations carried out and an analysis of the differences between the forecast and actual result. The indicators monitored in monthly reporting have been set so as to support the achievement of shared Group-level and unit-specific targets and to identify issues that require control measures. An auditing firm supports the performance of financial control.

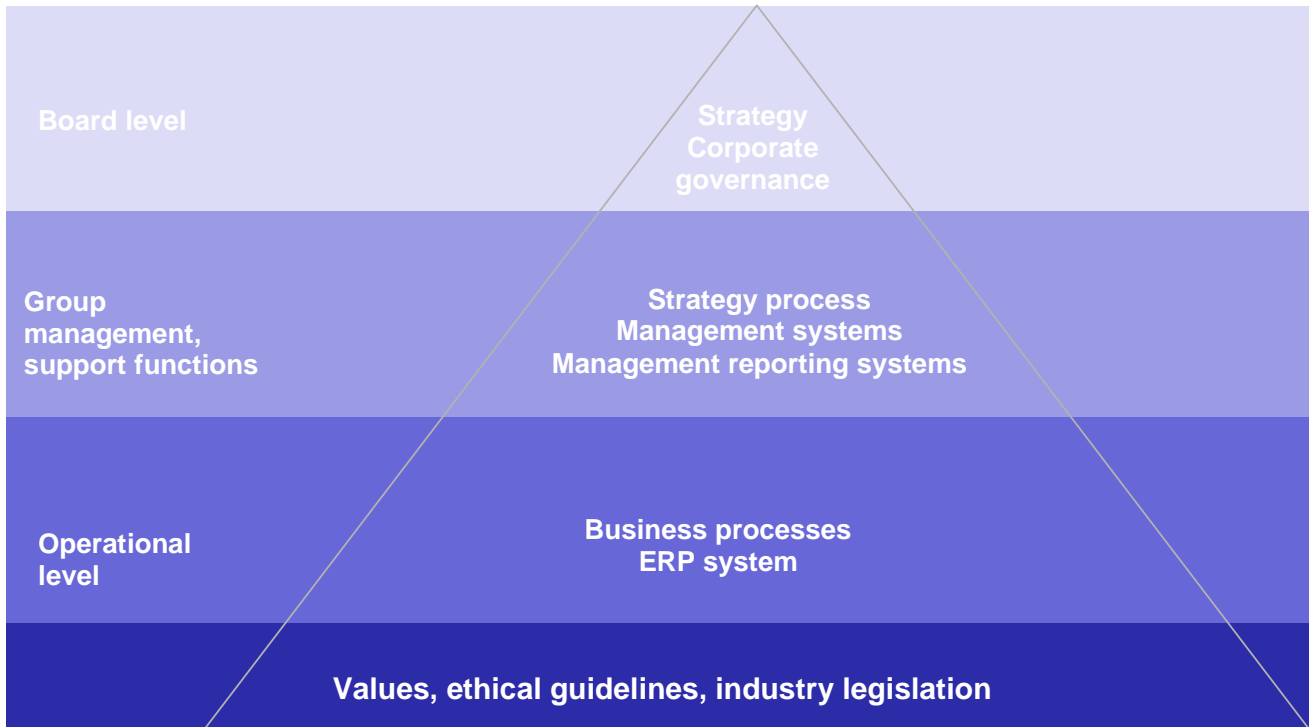
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The interpretation and application of accounting standards is carried out centrally by the Group's financial administration. These standards form the basis for the Group's shared recognition principles and reporting and accounting standards. In order to ensure reliable financial reporting, core functions are conducted using a globally harmonised ERP system and shared reporting tools. The use of standardised tools enables continuous control and successful change management.

INTERNAL AUDIT

Considering the Group's structure and extent, the company does not have a separate internal audit organisation. The company's controller function is responsible for the duties of internal audit, reporting regularly to the President and the Board of Directors.

DESCRIPTION OF INTERNAL CONTROL AT SCANFIL PLC



BOARD OF DIRECTORS

Under the Companies Act, the Board of Directors is responsible for the management of the company and proper organisation of operations. The members of the Board of Directors are elected by the Annual General Meeting. According to the Articles of Association, Scanfil plc's Board of Directors shall include a minimum of five and a maximum of seven regular members. The Board of Directors elects a Chairman from among its members. The Board of Directors is responsible for deciding on the business strategy, significant matters related to investments, organisation and finance, as well as supervising the company's management and operations. The Board of Directors shall also ensure that supervision of the company's accounts and asset management is properly organised. The Board of Directors had a total of 16 meetings in 2009, some of which were telephone meetings. The average attendance rate at Board meetings was 95%.

The Annual General Meeting held on 26 March 2009 elected the following Board members:

Jorma J. Takanen

Chairman of the Board of Directors Born 1946, Qualified Chemical Engineer. Founder of Scanfil Oy and member of its Board of Directors 1976-2002 and member of the Board of Directors of Scanfil plc since 2002. Group CEO of Scanfil Group.

Asa-Matti Lyytinen

Independent of the company and major shareholders. Vice Chairman of the Board of Directors. Born 1950, M.Sc. (Econ.) Member of the Board of Directors of Scanfil plc since 2000.

Tuomo Lähdesmäki

Independent of the company and major shareholders. Member of the Board of Directors. Born 1957, M.Sc. (Eng), MBA (INSEAD). Member of the Board of Directors of Scanfil plc since 2005. Senior Partner of Boardman Oy.

Reijo Pöllä

Member of the Board of Directors. Born 1951, Qualified IT Engineer. Member of the Board of Directors of Scanfil Oy 1983-2002 and member of the Board of Directors of Scanfil plc since 2002. Scanfil EMS Oy, Director, Investment Projects.

Jarkko Takanen

Member of the Board of Directors. Born 1967, Qualified Production Engineer, holds a Commercial College Diploma in Management Accountancy. Member of the Board of Directors of Scanfil Oy 1997–2002 and of Scanfil plc 2002–2003 and since 2005. Managing Director, Jussi Capital Oy.

The term of office of the Board members expires at the close of the first Annual General Meeting following the one at which they were elected.

According to an evaluation of independence carried out by the Board, two Board members (Asa-Matti Lyytinen and Tuomo Lähdesmäki) are independent of the company. The non-independent members of the Board (Jorma J. Takanen, Reijo Pöllä and Jarkko Takanen) are among the seven biggest shareholders in the company. Due to the shareholding-related entrepreneurship and financial risk, it is justifiable that they supervise the interests of the shareholders also as members of the Board of Directors and the Audit Committee. In addition, Jorma J. Takanen is the founder of the company and served as the President & CEO in 1976–2005, Reijo Pöllä has been employed by the company as a developer in electronics manufacturing since 1981 and Jarkko Takanen has held various positions in the company in 1995–2004, so they all are extensively experienced in the operation of the company and in the industry, which can be utilised by the entire company and shareholders through Board membership.

BOARD COMMITTEES

The Board of Directors has established two committees: a Nomination Committee and an Audit Committee.

The task of the *Nomination Committee* is to prepare matters related to the appointment and remuneration of the members of the Board of Directors and, when necessary, find suitable new members for it. The Committee consists of two members: Jorma J. Takanen, who acts as the Chairman, and Asa-Matti Lyytinen. In the Nomination Committee, Jorma J. Takanen is the largest single shareholder in the company while Asa-Matti Lyytinen is independent of the company. The composition of the Committee is considered to secure the interests of the shareholders in committee work. The Committee convened a total of two times during 2009. The attendance rate of the Committee members was 100%.

The task of the *Audit Committee* is to supervise the financial reporting process and the reporting of the financial statements and interim reports as well as to monitor the functioning of the company's internal control and risk management. It also evaluates the appropriateness of auditing and prepares the proposal for the appointment of an auditor. The entire Board of Directors acts as the

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Audit Committee, with Jorma J. Takanen as the Chairman. The Committee convened a total of 11 times in 2009. The attendance rate of the Committee members was 100%.

PRESIDENT

The Board of Directors decides on the appointment and dismissal of the President and the terms and conditions of his employment. The President is covered by the performance and profit bonus systems decided on separately by the Board of Directors at any given time. Harri Takanen, M.Sc. (Eng), born 1968, was the company's President 1 January–31 December 2009.

The President's duties are determined in accordance with the Companies Act. The President is in charge of the company's operative management in accordance with guidelines and orders given by the Board of Directors. The President shall ensure that the company's accounting practices comply with legislation and that asset management is organised in a reliable manner. The President is the Chairman of the company's Management Team.

The Group CEO is responsible for the strategic planning and execution of the investment activities of the parent company that acts as an investment company.

The President has a separate service contract that is valid until further notice with a mutual notice period of six months. Should the company terminate the service contract made with the President, an amount equivalent to the monetary salary of 12 months will be paid to the President as a severance package in accordance with the terms and conditions of his service contract. The President's retirement age is the statutory retirement age. The President has a voluntary pension insurance policy with a projected pension of some EUR 1,000 per month.