

Finavia Corporation's ownership strategy policies

The Ministry of Transport and Communications has laid down the following enumerated ownership policies pertaining to Finavia Corporation, pursuant to section 5(2 and 3) of the State Shareholdings and Ownership Steering Act (1368/2007).

Regulation of ownership steering and basis of other steering

The steering authority of Parliament, Government and the Ministry is laid down in the State Shareholdings and Ownership Steering Act (1368/2007). Decision-making powers of Finavia Corporation that deviate from the Companies Act are specified in the Articles of Association.

The main outlines of the State's ownership policy are laid down in the Government Resolution on State Ownership Policy (7 June 2007) and in other Government guidance. Finavia Corporation applies the Recommendation of the Cabinet Committee on Economic Policy (8 September 2009) as its guideline for the remuneration and pension benefits of company management.

Finavia Corporation in brief

Finavia Corporation's field of business consists of airport operations, airport and air navigation services, and other operations related to airports and air transport.

Finavia Corporation is part of a transport system entity comprising various forms of transport and is responsible for maintaining Finland's network of 25 airports and an air navigation system covering the entire country. The airport network includes 18 civil airports, 4 joint operation airports and 3 military airports.

Finavia Corporation's customers are airlines, air passengers, business, general aviation, military aviation and official aviation. Finavia Corporation's goal is to be a customer-oriented, profitably growing and renewing service company which has expert, motivated and service-oriented personnel. In terms of the safety authorities' operating conditions, Finavia Corporation is highly significant in military and official aviation.

Ownership

Finavia Corporation is a public limited company wholly-owned by the State. The Finnish Government does not have authorisations granted by Parliament to transfer Finavia Corporation shares.

Restrictions on the transfer of the company's assets are outlined in the Articles of Association.

- (1) Finavia Corporation is a special assignment company wholly-owned by the State and within the ownership steering of the Ministry of Transport and Communications.
- (2) The company's powers in terms of services and the pricing of services belonging to its special tasks cannot be transferred outside the company.

Finavia Corporation as a State special assignment company

As the owner of Finavia Corporation, the State has a special interest: a business, social, safety and transport policy assignment (service availability and support readiness) specified by the State. Steering of the company's special tasks is ensured primarily by sector legislation.

- (3) Finavia Corporation is active in supporting airlines and its other customers to maintain and open new routes within Finland and to Finland. Finavia Corporation's pricing policy is supportive of flying and fair in terms of pricing criteria.
- (4) International air transport has a particularly high significance for Finavia Corporation and its task of enhancing the service conditions of its customers and the availability of flight connections nationally and internationally.
- (5) The special purpose (*special assignment*) of Finavia Corporation is to promote aviation by maintaining and developing an integrated and coordinated State airport network and a Finnish air navigation system for the needs of commercial air transport, other civil aviation, and military and official aviation, and to offer air navigation services in airspace for which Finland is responsible such as is separately enacted and decreed in respect of these services.
- (6) Finavia Corporation's social and economic overall performance is evaluated on the basis of how and at what cost the company fulfils its social service assignment. Finavia Corporation's operations overall have been evaluated as commercially profitable.

Airport network

The basis of Finavia Corporation's airport network is enacted in law in accordance with what is valid pursuant to Directive 2009/12/EC of the European Parliament and of the Council on airport charges as well as what is separately enacted nationally.

The purpose of national regulation is to promote aviation by maintaining and developing the national airport network and services for the needs of commercial air transport, other civil aviation, and military and official aviation, taking into account Finland's coordinated airport system.

- (7) In its airport operations, Finavia Corporation maintains all those airports under its control to which there is regular commercial scheduled traffic. Uniform pricing and service criteria adjusted according to airport classification are applied within the airport network.
- (8) Finavia Corporation operates to ensure that the airport network remains efficient and maintains its current extent. Cooperation with subregions plays a significant role in developing the operating conditions for air transport. Marketing of airports and flight connections is done in cooperation with subregions.

Air navigation

Finavia Corporation is the air transport services provider nominated by the Ministry of Transport and Communications, as referred to in Section 116 of the Aviation Act (1194/2009).

- (9) In air navigation operations, Finavia Corporation maintains under its direct authority the air navigation systems and services that Finavia Corporation provides in Finnish airspace as the nominated air transport services provider. Uniform pricing and service criteria adjusted according to route, terminal control area and aerodrome control classification or flight information service are applied in air navigation services.
- (10) Finavia Corporation participates in the development of the Single European Sky in accordance with EU legislation in the Northern European airspace segment to the extent that is technically, operationally and economically justified for Finland. The company ensures that it has in its direct possession and authority decision-making power in the provision and pricing of services in Finnish airspace and at Finnish airports.

Availability and pricing of services and terms of service

Availability and pricing of services and terms of service are important in a customer-oriented service company. The availability of the safety authority services is safeguarded in law.

- (11) Finavia Corporation arranges its operations such that the availability and pricing of services and terms of service constitute, in accordance with sector legislation, a commercial entity in which the company's special assignment is fulfilled.
- (12) The availability and terms of service of the company's services are evaluated in terms of the fulfilment of both commercial and statutory tasks.
- (13) The company handles its statutory tasks in an exemplary fashion. The company operates such that socially justified needs relating to official airport and air navigation services are safeguarded.

Risk management and advocacy

- (14) Finavia Corporation operates such that a high level of flight safety and a safety culture is ensured and that the continuity of airport and air navigation operations is safeguarded in all circumstances.
- (15) Finavia Corporation can practice commercial and investment activity commercially justified and acceptable under competition law in other sectors pursuant of its Articles of Association. Other commercial and investment activity must be reconciled with the company's special tasks.
- (16) Finavia Corporation's investments, other commitments as well as financial, operational and other risks must not weaken the company's capacity to fulfil its special assignment.
- (17) Finavia Corporation is responsible for advocacy in its field of business, taking its special assignment into account.

Reports and policies relating to the steering of the administrative branch

Finavia Corporation's operations are linked to the activities of the Ministry of Transport and Communications' administrative branch and the Government

on a wider scale. To this end, it is justified to evaluate the company's operations so that the various tasks of other State actors are reconciled.

- (18) The Ministry of Transport and Communications reviews annually on commercial criteria the level and allocation of structural deficits arising from Finavia Corporation's special tasks.
- (19) During 2011, Finavia Corporation will implement, in a manner to be decided later, the transfer of an observation system connected with the provision of weather services to the Finnish Meteorological Institute in a manner required to safeguard flight safety.
- (20) During 2011, Finavia Corporation will review and implement, in collaboration with Senate Properties and interested parties and in a manner to be decided later, the division of the assets of IP-Kiinteistöt Oy as well as the discontinuation of separate subsidiary operations among the subsidiary's customer relationships, Senate Properties, Finavia Corporation and third parties.

Non-recurring policies relating to ownership steering

- (21) To safeguard domestic air transport, air transport fees have been reduced by an average 10% until the end of 2011.
- As part of the implementation of the fee reduction, the company's regular dividend from the 2010 result will be reduced by EUR 5 million.
- (22) The Ministry of Transport and Communications considers it important that the Oulu and Tampere-Pirkkala airport projects can be implemented in accordance with their project and financing plan schedules.

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