

Jorma Eloranta
Chair of the Board of Directors
Uponor Corporation

Opening words

Dear Uponor shareholders, ladies and gentlemen,

My name is Jorma Eloranta and I am Chair of the Board of Uponor Corporation. It is my great pleasure to welcome you all to Uponor's Annual General Meeting of 2016.

While opening the meeting, I will also tell you a little bit about the Board's work this past year.

Regarding this Annual General Meeting, President and CEO Jyri Luomakoski will discuss business operations with you and CFO Riitta Palomäki will present the financial statements. As we know, the market in Europe remained challenging last year, while the North American market provided growth opportunities; but, as a whole, Uponor achieved satisfactory results in its business operations. Our net sales increased and operating profit improved from the previous year. Uponor's return on investment, 15.5%, can be regarded as a good result considering the current interest rates. Our proposed dividend of 44 cents per share is approximately five per cent more than in the previous year. Therefore, I wish to extend my thanks to Uponor's President and CEO, executive committee and personnel for their good performance in 2015 – after all, they are the people whose hard work has made such good results possible. Thank you.

The agenda also includes authorising the Board to decide on the buyback of Uponor shares and on a special issue of shares. These are standard authorisations at Uponor, normally issued only to be on the safe side, and the Board does not have any particular plans to make use of these authorisations.

Before discussing the work of the Board in 2015, I would like to introduce the Board Members, President and CEO and the company's auditor for 2015. Like last year, I have asked the Board Members present at the meeting to join me here to be under your scrutiny, our esteemed shareholders.

Details of the Members of the Board

- Timo Ihamuotila is a Licentiate of financial sciences and Executive Vice President and Group Chief Financial Officer of Nokia Plc. He has served on the Board of Uponor from 2013, also acting as Chair of the Audit Committee.
- Markus Lengauer, Master of Engineering, Doctorate in Mechanical Engineering, from Austria. A Member of Uponor's Board and Audit Committee since last year's Annual General Meeting.
- Eva Nygren is an architect and a Swedish citizen, who joined the Board in 2011. She works as Director of Investments in the Swedish Transport Administration.
- Annika Paasikivi, Bachelor of Arts and Master of Science in Global Politics, is the Chief Operating Officer of Oras Invest Ltd. Annika was elected as a Member of the Board in spring 2014. She is also Deputy Chair of the Board and a Member of the Audit Committee and Personnel and Remuneration Committee.
- Jari Rosendal, Master of Science in Engineering, is President & CEO of Kemira Plc, and a Member of Uponor's Board and Audit Committee since 2012.

- As for me, I am a Master of Science in Industrial Engineering and Management. I have been a Member of Uponor's Board since 2005, as well as Chair of the Board and the Personnel and Remuneration Committee since 2014. I have also served as an expert member of the Nomination Board since 2014.

All current Board Members are independent of the company and, with the exception of Annika Paasikivi, of major shareholders. Based on the preparation of the Audit Committee, its own comprehensive evaluation and actual circumstances, the Board has also unanimously concluded that I remain independent of the company, despite serving as a Board Member for more than a decade.

Information on the auditor and President and CEO

- The corporation of authorised public accountants Deloitte & Touche Ltd has served as the auditors of Uponor since 2010. Since 2013, our principal auditor has been Mr. Teppo Rantanen, Authorised Public Accountant. Deloitte & Touche have notified us that, if they are elected as the auditors for Uponor, the principal auditor will from then on be Jukka Vattulainen, Authorised Public Accountant. We thank Teppo Rantanen for his sterling work as principal auditor for Uponor and wish him all the best and success in his new, even more demanding duties at Deloitte.
- Jyri Luomakoski, Master of Business Administration, has served as President and CEO of Uponor since 2008.

Operations of the Board in 2015

The duties of Uponor's Board and its committees are detailed in the Corporate Governance Statement for 2015, published on 12 February 2016. It is stated therein that the Board's main duty is to direct the Group's operations in such a way that the yield to shareholders is secured in the long run, while taking the expectations of various stakeholders into account. In addition to its statutory duties, the Board takes decisions on all other significant issues. Such decisions are related to strategy, action plans, investments, senior management appointments, remuneration, the organisation and dividend policy, to name a few examples.

The committees of the Board are tasked with preparing the matters discussed by the Board and the monitoring their own fields of activity in support of the Board as a whole. All material decisions are made at Board meetings, frequently based on the presentations of the committees. All materials used by the committees are made immediately available to Board Members, who also have the right to participate in committee meetings if they wish. This ensures transparency and contributes to the efficiency of Board work.

As we all know, the duties of a corporate Board of Directors are many and varied. It is therefore an important choice of the Board to decide which issues to emphasise and discuss at meetings. We call this the Board Agenda. In 2015, the Board Agenda included profitable growth, the renewal of business models, new products and our offering portfolio, as well as the development and safeguarding of management resources.

The Board has been active in looking for new business opportunities and operating methods through dialogue inside the Board and with the executive committee. We have also sparred with the company's management, openly weighing risks and opportunities, while making sure we do not override the management. We aim to make Uponor an even more attractive, constantly developing and useful partner for our customers. Constant renewal is vital, since it enables the company to find interesting business opportunities in a changing world, while seeking controlled growth at the same time. Growth is a prerequisite for increasing the company's value.

The search for profitable growth opportunities led to the corporate acquisition in Germany that was finalised in January 2016. This acquisition consolidates our offering and competence in the in the preassembled solutions

markets, in which the importance of energy efficiency and hygiene factors are growing. Towards the end of 2015, we also acquired a Finnish start-up, which specialises in water quality monitoring.

We have also sought growth opportunities in, for example, China, which has involved years of discussion and decisions by the Board, based on the strategy reports drawn up by the management. We have decided to reject a number of prospective corporate acquisitions due to special considerations or risks uncovered by the investigations of our management and experts. In the end, the best choice was narrowed down to starting our own factory, the construction of which began in 2015.

In order to improve our competitiveness, and after extensive preparations, we launched a significant rationalisation and change programme in our European Building Solutions division. These programmes seek to buttress our potential for profitable growth through the renewal of functions and structures. Uponor Infra will also be updating its production structures, in order to reinforce our cost competitiveness and to adapt capacity to the contraction of the market due to the deficit in the public economy.

In 2015, Uponor's investments in fixed assets equalled approximately EUR 50 million, which was higher than that of the previous year. The largest single investment entailed the expansion of our North American factory's production capacity, in order to meet the increased demand in that market area. The Board has engaged in continuous dialogue with management over the profitability of investments and their impact on our productivity and competitiveness. Our goal has been to authorise good investments, while keeping the overall amount of investments under control and in line with our balance sheet targets. The Board also monitors the realised profits from key investments in comparison to the original projections.

To summarise, the Board has authorised growth-oriented projects. Uponor has also launched new products and service concepts. Meanwhile, we have decided to renew our operating structures in order to improve the Group's cost competitiveness.

With regard to management and development of the corporate structure, we would like to highlight the consolidation of the European Building Solutions segment under a single executive in June 2015. In summer 2015, based on the proposal of the President and CEO, the Board appointed Master of Science in Economics and MBA Jan Peter Tewes to lead the segment and to join Uponor's executive committee. Meanwhile, we emphasised the strategic significance of research, technology and sustainable development by appointing Fernando Roses to lead this area in the Executive Committee. Fernando has served the company for many years and is a member of the Executive Committee since 2008. These appointments were preceded by constructive dialogue between the Board and President and CEO on the required structural changes and management resources.

The Board and executive committee have jointly defined operational and strategic key performance indicators for 2015 and 2016. These measure the cost-efficiency of various business operations, growth in different markets and the share of new products in our net sales. The Board regularly monitors these indicators, along with the realisation of other strategic goals.

In 2016, the Board intends to keep working to identify profitable growth opportunities and to exploit the strategic opportunities created by long-term changes in the industry.

Operational statistics, 2015

- In 2015, the Board held 10 meetings, of which two convened at business units and three were teleconferences. A total of eight absences were logged, four of which were partial. Most of these absences were due to a medical condition that has now been resolved. The absent Board Members

conveyed their key opinions in writing or verbally to the Chair before the meetings. In addition, the Board made eight decisions without convening for a meeting.

- The Audit Committee met four times in 2015, and one of these meetings was a teleconference. There were no absences from Audit Committee meetings. The Committee also made one decision without convening a meeting.
- The Personnel and Remuneration Committee met six times in 2015, with no recorded absences.

Board self-evaluation, 2015

- The Board has carried out an annual self-evaluation since 2003. In 2009, we adopted a new tool for Board work, the Directors' Desk, after which the Board's self-evaluation has been carried out by using this system's assessment tool.
- The results of the self-evaluation indicate that the Board considers that its operations and performance have developed positively, since the average scores for the various questions all increased from the previous year, and were the best scores during a five-year reference period.
- The Chair has conducted private performance reviews with Board Members since 2014. As another new procedure adopted in 2014, the Board now concludes each meeting by reviewing the meeting, first with the President and CEO, and then internally.
- The results of the Chair's performance reviews and the Board's self-evaluation have been used to develop Board work and have been reported to the shareholders' Nomination Board.

Opening of the meeting

Dear Uponor shareholders,

I would like to thank you for the trust you have placed in Uponor by investing your funds in its shares. I also thank you for being present at this Annual General Meeting to hear and discuss how the company's Board and executive committee have performed the tasks entrusted to them, and what plans the company has for the future, without forgetting the important decisions that are the remit of the Annual General Meeting.

I note that the Annual General Meeting has been opened, and similar to the previous year, I propose that Mr. Mikko Heinonen, Attorney-at-law, be elected as Chairman.