Opening address: Mr Jorma Eloranta, Chair of the Board, Uponor Corporation
Uponor AGM, 13 March 2018 at 15:00, Messukeskus Helsinki, Expo and Convention Centre

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.

While opening the AGM, I would like to tell you about the work of the Board of Directors in the past year. As usual, the agenda includes the CEO's annual review and the CFO's presentation of the financial statements for 2017.

I would like to start with a few comments about our performance last year.

On the whole, Uponor’s business performance was satisfactory. Our turnover grew organically by a comfortable 6.5%. The reported profit for last year increased by 35% on the previous year. Our comparable operating profit grew to €97.2 million, by more than 7%. ROI was just over 16%; somewhat less than our long-term goal of 20%. ROE was over 19%.

Despite the satisfactory performance, our total shareholder return or TSR for last year was 4.4%, which is less than we hoped for. This figure was 24.6% in 2016 and 22.0% in the year before that.

Our proposal for a dividend distribution is €0.49 per share. We propose that the dividend be paid in two instalments. The proposed dividend is 7% higher than last year, a somewhat larger increase than in the two previous years. In considering this proposal, the Board took account of our dividend policy, the strong financial position of Uponor, cash flow predictions, competition and demand outlook, and the growth and development goals and investment plans that the company has for the near future. We believe that we will be able to proceed with our planned investments, with capital to spare, if the dividend proposal is adopted, even though we are implementing and considering more growth projects than a few years ago. We also want our dividend proposals to be predictable and consistent.

As usual, the agenda includes authorising the Board to decide on the buyback of Uponor shares, and on a special issue of shares. The Board has no specific plan for exercising these authorisations, but we are seeking authorisation as a precaution.

Before discussing the work of the Board in more detail, I would like to briefly introduce the Members of the Board, the CEO and the company auditor for 2017. As in the previous year, I have asked the Board Members, CEO and the AGM officers to join me up here:

Details of the Members of the Board
• **Pia Aaltonen-Forsell**, CFO of the Ahlström-Munksjö Group. Pia has been with the Board since last year’s AGM.

• **Markus Lengauer**, Doctor of Science in Technology, is from Austria. Last year, he became CEO of the Oras Group. He has been a Member of the Uponor Board and Audit Committee since the 2015 AGM.

• **Eva Nygren** from Sweden is an architect who joined the Board in 2011. She is a board professional who had a previous career as managing director in construction consultancies and planning companies.
• **Annika Paasikivi.** Annika was elected as a Member of the Board in the spring of 2014. She is also Deputy Chair of the Board, Chair of the Audit Committee and a Member of the Personnel and Remuneration Committee.

• **Jari Rosendal,** is CEO of Kemira plc. He has been a Member of the Uponor Board and Audit Committee since 2012.

• I have been a Member of Uponor’s Board since 2005 and Chair of the Board and the Personnel and Remuneration Committee from 2014. I have also served as an expert member of the Nomination Board since 2014.

All Members of the Board are independent of the company. They are also independent of major shareholders, except for Annika Paasikivi and Markus Lengauer. Annika is the COO of our largest shareholder, Oras Invest Oy, and Markus Lengauer is the CEO of the faucet maker Oras Group, which is wholly owned by Oras Invest Oy.

Jari Rosendal and I have informed the Nomination Board that we will retire from the Board at this AGM. Of course, we are fully committed to serving out our term, up to the end of this AGM, in the service of this fine company.

**Information on the auditor and President and CEO**

• Deloitte Oy have been our auditors since 2010. Our principal auditor at the firm has been Jukka Vattulainen, Authorised Public Accountant, since 2016.

• Jyri Luomakoski has served as President and CEO of Uponor since 2008.

**Board activities in 2017**

The duties of the Uponor Board and committees are described in the corporate governance statement published on 15 February 2018. The Board’s main duty is to direct the Group’s operations in such a manner that the yield to shareholders is secured in the long run, while taking the expectations of various stakeholders into account.

In addition to the usual matters prescribed by law and the Board charter, the Board focused on the following in 2017:

1) Profitable growth: how it is affected by technological changes and digitalisation, how change programmes have been executed, and how they support profitable growth. Investment programmes that support growth in demand, particularly in North America, and how Uponor can leverage this opportunity, are matters of particular importance in this respect.

2) Improving profitability in our joint venture, Uponor Infra.

3) Talent management and development: what is the state of our leadership and talent management. Ensuring that we have succession plans in place for key posts, including that of CEO.

A few comments on these are in order.

Last year, as in the year before, we invested in growth. However, many of last year’s investments have so far only incurred expenses; the returns will mature later. These investments include the new Uponor factory in North America. The Board is also closely monitoring the evolution of our joint venture, Phyn. We consider its development to be positive. At the end of last year the Board authorised the CEO, within certain conditions, to
invest a further USD 10 million in Phyn. This will enable the company to accelerate its
development of smart water monitoring systems. The conditions we set were met, and the
additional investment made this February brought the total Uponor investment to USD 25
million, giving Uponor a 50% holding in Phyn.

As the financial statements show, we managed to get Uponor Infra to show a profit, but
much remains to be done to raise the company’s profitability to a level deemed satisfactory
by the Uponor Board.

As with almost any other company, the success of Uponor depends on how it is managed,
and on the expertise of its management and personnel. It is with great pleasure that the
Board and its Personnel and Remuneration Committee have monitored the implementation
of Uponor training programmes and the development and use of various HR systems and
tools. With regard to succession planning, the Board has approved the profile goals and
recruitment process for the next CEO. The Board is happy to note that we currently have a
qualified and expert CEO; succession planning is thus merely a failsafe, demonstrating by
example that it is important to consider such issues at all levels of the organisation.

In addition to its statutory duties and the focus areas that I have just detailed, the Board has also
decided on topics, such as those relating to the strategy, operating plans, investments, senior
management appointments, remuneration, organisation and dividend policy.

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 and are frequently based on presentations by the committees.

We published the financial statements and the board review for 2017 on 15 February 2018. In
addition to reporting on the markets, business development, investments and R&D, organisational
development and risk mapping, we have added a new section: non-financial information. This
section details the sustainable development focus areas at Uponor: corporate social responsibility,
environmental responsibility, health and safety, partnerships, and ensuring the wellbeing of
personnel.

We conducted a materiality analysis in 2017 as part of our commitment to fostering a more
sustainable world. It is obvious that only a financially robust company can discharge such
responsibilities in the appropriate manner. Conversely, if a company does not address sustainable
development, it runs a grave risk of denying its financial development a sure footing.

**Operating statistics 2017**

- In 2017, the Board had 9 meetings. Since two partial non-attendances were recorded, the
  attendance rate was over 96%. In addition, the Board made decisions three times without
  convening for a meeting.
- The Audit Committee met four times. There were no absences from Audit Committee meetings.
- The Personnel and Remuneration Committee met five times, and no non-attendances were
  recorded.
- The operations and proposals of the Nomination Board, appointed by decision of the AGM, will
  be discussed by its Chair, Jari Paasikivi.

Last year, like before, the Board also evaluated its own activities, the activities of the Chair and
those of the company CEO by completing an extensive, anonymous questionnaire covering the
principal aspects of the Board’s work. In addition to that, at the end of each meeting we evaluate the
preparation and progress of the meeting in question, aiming at continuous development. In my capacity as Chair, I have also interviewed each Board Member separately and compiled a report on these discussions. This report and the Board’s self-evaluation report have been submitted to the Nomination Board as input for its work.

In sum, these reports state that the Board has shown excellent team spirit in working for the good of the company and all its shareholders. The Board has also been satisfied with its Chair and the CEO.

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 am also very pleased that you have come to this AGM to hear and discuss how we, on the Board and in the management of the company, have discharged our tasks, to consider the company’s plans, and of course to make the important decisions required of an AGM.

Since this is the last time that I will have the honour of opening the Uponor AGM, I would like to thank my colleagues on the Board for their good cooperation and smooth team work. I would like to give Oras Invest, our largest shareholder, my sincere thanks and appreciation; all members of the Paasikivi family have contributed to Uponor’s potential for success and further improvement. I would also like to thank Jyri Luomakoski, who has piloted Uponor commendably, first as CFO and then as CEO, for making my work as a Board Member and subsequently as the Chair much easier.

I would also like to thank you, the AGM participants. I have attended Uponor AGMs since 2005. Every meeting has been a model of decorum and collaboration for the good of the company.

Uponor is in excellent condition and I am confident that it will remain so and develop if the AGM elects Annika Paasikivi as my successor, as proposed by the Nomination Board.

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