

PIHLAJALINNA PLC
THE ANNUAL GENERAL MEETING APRIL 4, 2016

PROPOSED RESOLUTIONS

Resolution on the Use of the Profit Shown on the Balance Sheet and the Payment of Dividend

The Board of Directors proposes that a dividend of EUR 0.02 per share would be paid based on the balance sheet adopted for the financial period ended on 31 December 2015. The dividend would be paid to a shareholder who on the dividend record date 6 April 2016 is registered as a shareholder in the Company's shareholders' register held by Euroclear Finland Ltd. The Board of Directors proposes that the dividend would be paid on 13 April 2016.

Resolution on the Remuneration of the Members of the Board of Directors

The largest shareholders of the Company, representing approximately 37.9 percent of the shares and votes in the Company, propose that the annual remuneration to the members of the Board of Directors would be paid as follows: to the Chairman EUR 3500, to the Vice-Chairman EUR 2500 and to other members EUR 2000.

In addition, the above-mentioned largest shareholders propose that the meeting fees would be paid as follows: EUR 500. In addition travel compensation would be paid according to the state travel code.

Resolution on the Number of Members of the Board of Directors

The largest shareholders of the Company, representing approximately 37.9 percent of the shares and votes in the Company, have announced that they will publish the proposal for the number of the Board Members before the Annual General Meeting.

Election of Members of the Board of Directors

The largest shareholders of the Company, representing approximately 37.9 percent of the shares and votes in the Company, have announced that they will publish the proposal for the Board composition before the Annual General Meeting.

Resolution on the Remuneration of the Auditor

The Audit Committee of the Board of Directors proposes that the Auditor's remuneration would be paid against an invoice approved by the Audit Committee of the Board of Directors.

Election of the Auditor

The Audit Committee of the Board of Directors proposes that KPMG Oy Ab, a firm of authorized public accountants, would be elected as Auditor for the financial year 1 January - 31 December 2016. KPMG Oy Ab has announced that Ms. Lotta Nurminen, APA, would be the Auditor with principal responsibility.

Authorizing the Board of Directors to Resolve on the Repurchase of the Company's Own Shares

The Board of Directors proposes that the Annual General Meeting would authorize the Board of Directors to resolve on the repurchase of an aggregate maximum of 2,061,314 of the Company's own shares, which corresponds to approximately 10 percent of all the existing shares in the Company at the date of this notice. Own shares may be repurchased on the basis of the authorization only by using non-restricted equity.

Own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. Own shares may be repurchased using, inter alia, derivatives. The Board of Directors resolves on how shares are repurchased. Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase). The authorization remains in force until the end of the next Annual General Meeting, however, no longer than until 30 June 2017.

Resolution on the Authorization of the Board of Directors to Decide on Issuance of Shares and Other Special Rights Entitling to Shares

The Board of Directors proposes to the Annual General Meeting that the Board of Directors would be authorized to decide on the issuance of shares and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act by virtue of one or several decisions as follows.

The number of shares issued pursuant to the authorization shall not exceed 4,122,629 shares, which corresponds to approximately 20 percent of all the existing shares in the Company at the date of this notice. The authorization concerns both the issuance of new shares as well as the transfer of the Company's own shares.

The Board of Directors decides on all other terms and conditions of the issuance of shares and other special rights entitling to shares. The authorization includes a right to deviate from the shareholders pre-emptive right to subscription (directed issue).

The authorization remains in force until the end of the next Annual General Meeting, however, no longer than until 30 June 2017.