

ANNUAL GENERAL MEETING OF PIHLAJALINNA PLC 2018

Time: 5 April 2018 at 11.00 a.m.

Place: Tampere-talo, meeting room Duetto 2, Yliopistonkatu 55, Tampere

Present: Shareholders present at the meeting shall appear from the list of votes enclosed to the minutes in section 5.

Additionally, members of the Board of Directors, the CEO and the Auditor together with the Company's management and technical staff and meeting officials were present at the meeting.

**1 §
Opening of the meeting**

The Chairman of the Board Mr. Mikko Wirén opened the meeting, welcomed the shareholders, presented the members of the Board of Directors, the CEO, and the auditor present, and presented the activities of the Shareholders' Nomination Board.

**2 §
Calling the meeting to order**

Attorney-at-law Ari Keinänen was elected as Chairman of the Annual General Meeting and he called Attorney-at-law Veli Siitonen to act as Secretary. The Chairman of the Meeting gave instructions on organization of the meeting.

It was recorded that Nordea Bank AB (publ), Finnish Branch, and Skandinaviska Enskilda Banken AB (publ), Helsinki Branch Office, have provided the Company with voting instructions of the holders of nominee registered shares, which include item-specific notifications on whether they shall abstain from voting, give blank votes, oppose or favour the item in question, but shall not require a voting, in case it can be stated, based on the voting instruction provided in advance and the statements presented in the meeting, that the majority of votes required in connection with the item and of shares represented in the meeting support the proposal made to the Annual General Meeting.

The Chairman of the Meeting noted that the voting instructions do not contain such number of opposing votes on any item that they would, as such, form an impediment to decision-making. The notifications were enclosed to the minutes and it was noted that they shall not be separately discussed in each item, unless there is a specific reason:

Appendix 1.

**3 §
Election of persons to review the minutes and to supervise the counting of votes**

It was resolved to elect Mr. Juha Rautio and Mr. Kimmo Saarinen as persons to review the minutes and to supervise the counting of votes.

4 §

Recording the legality of the meeting

It was noted that the Notice to the Annual General Meeting has been published as a Stock Exchange Release and on the Company's website on 13 March 2018. The Notice to the meeting was enclosed to the minutes:

Appendix 2.

It was noted that the Notice to the Annual General Meeting had been delivered in accordance with the Articles of Association and that the Annual General Meeting had been legally convened and constituted a quorum.

5 §

Recording the attendance at the meeting and the confirmation of the voting list

It was recorded that there were 125 shareholders present either by proxies or personally representing altogether 16,115,563 shares and votes. The list of votes and attendees was noted and enclosed to the minutes in accordance with the appendix:

Appendix 3.

6 §

Presentation of the annual financial accounts including the consolidated annual financial accounts, the report of the Board of Directors and the auditor's report for the year 2017

It was noted that the Company's financial statements for the year 2017 had been made available for the shareholders' review on the Company's website as from 13 March 2018.

The CEO Joni Aaltonen presented a review of the Company's business and the annual financial accounts in the accounting period 2017:

Appendix 4.

The statement of a conducted audit and the auditor's report regarding the accounting period 2017 were presented. The auditor's report was enclosed to the minutes:

Appendix 5.

It was noted that the annual financial accounts, including the consolidated annual financial accounts, the report of the Board of Directors and the auditor's report regarding the year 2017 were presented in the Annual General Meeting.

7 §

Adoption of the annual financial accounts and the consolidated annual financial accounts

It was resolved to adopt the annual financial accounts and the consolidated annual financial accounts regarding the accounting period 2017 as presented by the Board of Directors.

8 §

Resolution on the use of the profit shown on the balance sheet and the payment of dividend

It was resolved in accordance with the Board of Directors' proposal that a dividend of EUR 0.16 per share be paid based on the balance sheet adopted for the financial year ended on

31 December 2017. The dividend will be paid to a shareholder who on the dividend record date 9 April 2018 is registered as a shareholder in the Company's shareholders' register held by Euroclear Finland Ltd. The dividend will be paid on 16 April 2018.

9 §

Resolution on the discharge of the members of the Board of Directors and the CEO from liability

It was resolved to discharge the members of the Board of Directors and the CEO from liability in respect of accounting period 2017.

10 §

Resolution on the remuneration of the members of the Board of Directors

The Annual General Meeting was presented the proposal on the remuneration of the members of the Board of Directors as it appears in the Notice to the Annual General Meeting.

It was resolved in accordance with the proposal that the remunerations of the members of the Board of Directors remain unchanged and that the following annual remunerations shall be paid for the members of the Board of Directors elected at the Annual General Meeting for the period ending at the Annual General Meeting in 2019: for the full-time Chairman of the Board EUR 250,000 per year; for the Vice-Chairman EUR 48,000 per year; and for the other members of the Board of Directors EUR 24,000 per year. For each member of the Board of Directors shall be paid EUR 500 for attendance at the Board and committee meetings. Additionally, reasonable travel expenses shall be compensated in accordance with the Company's travel rules.

11 §

Resolution on the number of the members of the Board of Directors

It was noted that according to the Articles of Association, the Company has a Board of Directors consisting of at least three (3) and at most ten members (10).

It was noted that the Shareholders' Nomination Board has, as it appears in the Notice to the Annual General Meeting, proposed to the Annual General Meeting that the number of the members of the Board be confirmed to be seven (7).

It was further noted that the Company has published a Stock Exchange Release on 29 March 2018 according to which the shareholders MWW Yhtiö Oy (the company controlled by Mr. Mikko Wirén) and Ms. Leena Niemistö, who together represent approximately 13.3 percent of the voting rights carried by the Company's shares, have notified to the Company that they will make a proposal regarding the number of members of the Board of Directors so that the number of members of the Board be confirmed to be eight (8).

As agent and representative of MWW Yhtiö Oy, Mr. Mikko Wirén renewed to the Annual General Meeting the shareholders' proposal on that the number of members of the Board of Directors be confirmed to be eight (8).

As agent and representative of LähiTapiola General Mutual Insurance Company, Mr. Juha Malm opposed the proposal of shareholders MWW Yhtiö Oy and Ms. Leena Niemistö regarding eight members of the Board of Directors and supported the proposal of the Shareholders' Nomination Board regarding seven members of the Board of Directors.

The Chairman of the Meeting noted that since two proposals regarding the number of the Board of Directors had been made there shall be a vote between the proposals. The Chairman gave voting instructions to the present shareholders. The vote was held by ballot.

It was recorded that there were 125 shareholders representing 16,115,563 shares and votes in total present at the beginning of the vote.

It was recorded that 16,115,363 votes in total were given, of which 6,801,485 votes supported the proposal of the Shareholders' Nomination Board according to which the number of Board members would be seven, and 9,313,877 votes of which supported the proposal of MWW Yhtiö Oy and Ms. Leena Niemistö according to which the number of Board members would be eight. It was noted after the vote that the Annual General Meeting had decided the number of members of the Board of Directors be confirmed to be eight members. The voting result was enclosed to the minutes:

Appendix 6.

12 §

Election of members of the Board of Directors

The Annual General Meeting was presented the proposal, as it appears in the Notice to the Annual General Meeting, according to which current Board members Mr. Timo Everi, Ms. Leena Niemistö, Mr. Jari Sundström, Ms. Seija Turunen and Mr. Mikko Wirén be re-elected as members of the Board of Directors and Mr. Matti Bergendahl and Ms. Kati Sulin be elected as new members of the Board. Additionally, the Shareholders' Nomination Board proposes that the Annual General Meeting elects Mr. Mikko Wirén as the Chairman of the Board and Mr. Matti Bergendahl as Vice-Chairman.

It was noted that the Company has published a Stock Exchange Release on 29 March 2018 according to which the shareholders MWW Yhtiö Oy (the company controlled by Mr. Mikko Wirén) and Leena Niemistö, who together represent approximately 13.3 percent of the voting rights carried by the Company's shares, have notified to the Company that they will make a proposal, in their capacity as shareholders, to the Annual General Meeting regarding the members of the Board of Directors so that in addition to the composition proposed by the Shareholders' Nomination Board Ms. Gunvor Kronman would be elected as a Board member.

As agent and representative of MWW Yhtiö Oy, Mr. Mikko Wirén repeated to the Annual General Meeting the proposal that in addition to the composition proposed by the Shareholders' Nomination Board Ms. Gunvor Kronman be elected as a Board member and that Mr. Mikko Wirén be elected as the Chairman of the Board of Directors and Mr. Matti Bergendahl as the Vice-Chairman of the Board of Directors.

The Chairman of the Meeting inquired whether there were other proposals regarding this item. No other proposals were made. The Chairman noted that since the Annual General Meeting resolved in the previous item that eight members are elected to the Board of Directors and since the proposal of MWW Yhtiö Oy and Ms. Leena Niemistö corresponds the contents of the proposal of the Shareholders' Nomination Board, except for the fact that the eighth member elected to the Board of Directors would be Ms. Gunvor Kronman and no other proposals were made, it could be noted that the Annual General Meeting has adopted the combined proposal of the Shareholders' Nomination Board and shareholders MWW Yhtiö Oy and Ms. Leena Niemistö. No differing opinions were expressed when the Chairman enquired after them.

It was resolved to elect Mr. Timo Everi, Ms. Leena Niemistö, Mr. Jari Sundström, Ms. Seija Turunen, Mr. Mikko Wirén, Mr. Matti Bergendahl, Ms. Kati Sulin, and Ms. Gunvor Kronman as Board members, and to elect Mr. Mikko Wirén as the Chairman of the Board of Directors and Mr. Matti Bergendahl as the Vice-Chairman of the Board of Directors.

13 §

Resolution on the remuneration of the auditor

It was noted that the Board of Directors proposes, based on the recommendation of the Board's Audit Committee, to the Annual General Meeting that the auditor's remuneration would be paid against an invoice approved by the Audit Committee of the Board of Directors.

It was resolved in accordance with the proposal to pay the auditor's remuneration against an invoice as approved by the Company.

14 §

Election of auditor

It was noted that the Board of Directors proposes, based on the recommendation of the Board's Audit Committee, to the Annual General Meeting that KPMG Oy Ab, a firm of authorized public accountants, would be re-elected as auditor for the financial year 1 January–31 December 2018. KPMG Oy Ab has announced that Ms. Lotta Nurminen, APA, would be the auditor with principal responsibility.

It was resolved in accordance with the proposal to elect KPMG Oy Ab, a firm of authorized public accountants, as auditor for the financial year 1 January–31 December 2018. It was noted that KPMG Oy Ab has appointed APA Lotta Nurminen as auditor with principal responsibility.

15 §

Authorizing the Board of Directors to decide on the repurchase of the Company's own shares

It was noted that the proposal of the Board of Directors regarding the authorization of the Board of Directors to repurchase own shares appeared from the Notice to the Annual General Meeting and had been made available for the shareholders' review three weeks prior to the Annual General Meeting on the Company's website. The Board of Directors' proposal was presented and enclosed to the minutes:

Appendix 7.

It was resolved to adopt the proposal of the Board of Directors and to authorize the Board of Directors to decide on the repurchase of own shares in accordance with the Board of Directors' proposal. The authorization is valid until the next Annual General Meeting, however, no longer than until 30 June 2019. The authorization cancels the authorization given by the Annual General Meeting on 4 April 2017.

16 §

Authorizing the Board of Directors to decide on issuance of shares and other special rights entitling to shares

It was noted that the proposal of the Board of Directors to authorize the Board of Directors to decide on issuance of shares and other special rights entitling to shares appeared from the Notice to the Annual General Meeting and it had been made available for the

shareholders' review three weeks prior to the Annual General Meeting on the Company's website. The Board of Directors' proposal was presented and enclosed to the minutes:

Appendix 7.

It was resolved to adopt the proposal of the Board of Directors and to authorize the Board of Directors to decide on issuance of shares and other special rights entitling to share in accordance with the Board of Director's proposal. The authorization is valid until next Annual General Meeting, however, no longer than until 30 June 2019. The authorization cancels the authorization given by the Annual General Meeting on 4 April 2017.

17 §

Amendment of the composition of the shareholders' Nomination Board as well as its Charter

The proposal of Mikko Wirén, MWW Yhtiö Oy and Leena Niemistö in Section 17 of the Notice was presented to the Annual General Meeting according to which the Nomination Board would consist of six members instead of current four members and that the Nomination Board would not make a proposal on the Chairman and Vice-Chairman of the Board of Directors to the General Meeting, but instead, the Board of Directors would elect the Chairman and Vice-Chairman from among its members. In addition, the proposal included a proposition for amending of the second paragraph of section 2 of the Charter of the Shareholders' Nomination Board as presented in the Notice to the Annual General Meeting.

It was noted that the Company has published a Stock Exchange Release on 29 March 2018 according to which the shareholders MWW Yhtiö Oy (the company controlled by Mr. Mikko Wirén) and Ms. Leena Niemistö, who together represent approximately 13.3 percent of the voting rights carried by the Company's shares, have notified the Company that they will withdraw their proposal according to which the Nomination Board would consist of six members and also withdraw their proposal according to which the Board of Directors would elect the Chairman and Vice-Chairman from among its members. Additionally, it was noted in the Stock Exchange Release that these shareholders had presented a completed version of the second paragraph of section 2 of the Charter of the Shareholders' Nomination Board which appears in the appendix:

Appendix 8.

As agent and representative of MWW Yhtiö Oy, Mr. Mikko Wirén renewed to the Annual General Meeting the shareholders' supplemented proposal in accordance with the Stock Exchange Release on 29 March 2018.

As agent and representative of LähiTapiola General Mutual Insurance Company, Mr. Juha Malm opposed the proposal of shareholders MWW Yhtiö Oy and Ms. Leena Niemistö and presented a counterproposal on behalf of the shareholder represented by him regarding the amendment with respect to content of the second paragraph of section 2 of the Charter of the Shareholders' Nomination Board as follows:

Appendix 9.

The Chairman of the meeting noted that since two proposals had been made on the matter there shall be a vote between the proposals. It was recorded that there were 120 shareholders representing 16,111,414 shares and votes in total present at the beginning of the vote. The list of votes at the starting time for the vote was enclosed to the minutes:

Appendix 10.

The Chairman of the Meeting gave voting instructions to the present shareholders so that the shareholders supporting the proposal of shareholders MWW Yhtiö Oy and Ms. Leena Niemistö would write the letter "A" on the voting slip and the shareholders supporting the proposal of shareholder LähiTapiola General Mutual Insurance Company would write the letter "B" on the voting slip.

It was recorded that 15,955,954 votes were given in total of which 9,313,550 votes supported the proposal of shareholders MWW Yhtiö Oy and Ms. Leena Niemistö and 6,642,404 votes supported the proposal of shareholder LähiTapiola General Mutual Insurance Company. It was noted after the vote that the Annual General Meeting had decided to adopt the proposal of shareholders MWW Yhtiö Oy and Ms. Leena Niemistö to amend the second paragraph of section 2 of the Charter of the Shareholders' Nomination Board in accordance with the proposal presented at the Meeting. The voting result was enclosed to the minutes:

Appendix 11.

18 §

Amendment of section 4 of the Articles of Association

It was noted that section 18 of the Notice has included a proposal of shareholders Mr. Mikko Wirén, MWW Yhtiö Oy and Ms. Leena Niemistö regarding amendment of section 4 of the Articles of Association. It was further noted that the Company has published a Stock Exchange Release on 29 March 2018 according to which the Company's shareholders MWW Yhtiö Oy (the company controlled by Mr. Mikko Wirén) and Ms. Leena Niemistö, who together represent approximately 13.3 percent of the voting rights carried by the Company's shares, have notified to the Company that they withdraw their proposal regarding the amendment of section 4 of the Articles of Association.

As agent and representative of MWW Yhtiö Oy, Mr. Mikko Wirén confirmed that the said shareholders withdraw their proposal regarding amendment of the Articles of Association appearing in section 18 of the Notice. The Chairman of the meeting noted that since the shareholders' proposal has been withdrawn and no other proposal regarding amendment of the Articles of Association has been made to the Annual General Meeting the matter does not require a decision of the Annual General Meeting and the matter will no more be a subject for discussion at the Annual General Meeting.

19 §

Closing of the Annual General Meeting

It was noted that the items on the Notice to the meeting had been handled and that the meeting could be closed. The minutes of the Annual General Meeting shall be available for the shareholders' review at the latest in two weeks from the Annual General Meeting on the Company's website.

The Chairman of the Meeting announced the meeting closed.

In fidem:

VELI SIITONEN
Veli Siitonen
Secretary

ARI KEINÄNEN
Ari Keinänen
Chairman

Reviewed and confirmed by:

JUHA RAUTIO
Juha Rautio

KIMMO SAARINEN
Kimmo Saarinen