

PIHLAJALINNA PLC'S ANNUAL GENERAL MEETING 2018

Time: 4 April 2019 at 11:00

Place: Tampere Hall, conference room Duetto 2, Yliopistonkatu 55, Tampere

Attendees: The shareholders attending are listed in the list of votes attached to the minutes under 5 §.

The meeting was also attended by the members of the Company's Board of Directors, the CEO and auditor, company management, technical staff and meeting functionaries.

1 §

Opening the meeting

Mikko Wirén, Chairman of the Board of Directors, opened the meeting, welcomed the shareholders and presented the board members, CEO and auditor who were present.

2 §

Calling the meeting to order

Lawyer Ari Keinänen was elected the Chairman of the Annual General meeting and appointed General Counsel Marko Savolainen as the secretary of the meeting. The Chairman explained matters related to calling the meeting to order.

It was noted that Nordea Bank Oyj and Skandinaviska Enskilda Banken AB (publ), Helsinki branch have sent voting instructions for nominee-registered shareholders to the company, which contain information on abstaining from voting on matters discussed in the Annual General Meeting, blank voting, opposition or defence, but according to which voting is not required if it can be established based on the pre-delivered voting instructions and the opinions expressed at the meeting, that the majority of the votes and the shares represented at the meeting required in the item at hand support a proposal made to the General Meeting.

The Chairman established that the voting instructions do not contain an amount of opposition concerning any item that they would as such prevent decision-making. The notifications were attached to the minutes, and it was established that they would not be handled separately by item unless there is a specific reason for doing so.

Appendix 1.

3 §

Election of persons to scrutinise the minutes and supervise the counting of votes

Juha Rautio and Kimmo Saarinen were elected as scrutinisers of the minutes and supervisors of the counting of votes.

4 §

Recording the legality of the meeting

It was established that a notice of the meeting had been published on 11 March 2019 as a stock exchange release and on the company's website. The notice of the meeting was attached to the minutes:

Appendix 2.

It was established that the notice of the meeting had been published in accordance with the Articles of Association and the Limited Liability Companies Act and that the Annual General Meeting was legally convened and constituted a quorum.

5 §

Recording the attendance at the meeting and adoption of the list of votes

The list of participants and votes was confirmed and attached to the minutes:

Appendix 3.

6 §

Presentation of the financial statements for 2018 and the consolidated financial statements, report of the Board of Directors and auditor's report included therein

It was established that the company's financial statements for 2018 had been available to the shareholders since 13 March 2019 on the company's website.

CEO Joni Aaltonen presented an overview of the company's activities and financial statements of the financial year 2018:

Appendix 4.

A report by the auditor on the auditing and the auditor's report for the financial year 2018 were presented. The auditor's report was attached to the minutes:

Appendix 5.

It was established that the financial statements for 2018 and the consolidated financial statements, report of the Board of Directors and auditor's report had been presented to the AGM.

7 §

Confirmation of the financial statements and the consolidated financial statements

It was decided that the financial statements and consolidated financial statements for the financial year of 2018 would be confirmed in the form proposed by the Board of Directors.

8 §

Deciding on the use of the profit shown on the balance sheet and payment of dividends

In accordance with the proposal of the Board of Directors, it was decided that a dividend of EUR 0.10 per share be paid for the financial year that ended on 31 December 2018 based on the adopted statement of financial position. The dividend will be paid to shareholders who on the dividend record date, 8 April 2019, are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd. The dividend will be paid on 15 April 2019.

9 §

Deciding on the discharge of the members of the Board of Directors and the CEOs from liability

It was decided that the members of the Board of Directors and the CEOs would be granted discharge for the financial year 2018.

10 §

Deciding on the remuneration of the Board of Directors

The Chairman of the Board of Directors presented the work of the Shareholders' Nomination Board and repeated the proposals of the Nomination Board to the meeting.

The proposals of the Shareholders' Nomination Board concerning the remuneration of the Board of Directors, which was also presented in the notice of the meeting, was presented to the AGM.

It was decided in accordance with the proposal that the remuneration of the Board of Directors be kept otherwise unchanged, except for a reduction in the remuneration of the Vice-Chairman, and that the following annual remuneration be paid to the members of the Board of Directors to be elected at the General Meeting for the term of office ending at the close of the Annual General Meeting 2020: to the full-time Chairman of the Board of Directors EUR 250,000 per year, to the Vice-Chairman EUR 36,000 per year, and to the other members of the Board of Directors EUR 24,000 per year. Each Board member shall be paid a meeting fee of EUR 500 for each Board and Committee meeting. Reasonable travel expenses will also be reimbursed to the members of the Board in accordance with the company's travel policy.

11 §

Deciding on the number of members of the Board of Directors

It was established that according to the Company's Articles of Association, there are a minimum of three (3) and a maximum of ten (10) members on the Board of Directors.

It was established that the Shareholders' Nomination Board proposes to the AGM that the number of the members of the Board of Directors be confirmed as seven (7). This is also mentioned in the notice of the General Meeting.

In accordance with the proposal of the nomination Board, it was decided that the number of the members of the Board of Directors be confirmed as seven.

12 §

Electing members of the Board of Directors

The proposal of the Shareholders' Nomination Board, which was also mentioned in the notice of the meeting, concerning the re-election of Leena Niemistö, Kati Sulin, Seija Turunen and Mikko Wirén as members of the Board of Directors and the election of Mika Manninen, Hannu Juvonen and Matti Jaakola as new members of the Board of Directors was presented to the AGM. The Shareholders' Nomination Board also proposed that the General Meeting elect Mikko Wirén as the Chairman of the Board and Leena Niemistö as the Vice-Chairman.

In accordance with the proposal of the Shareholders' Nomination Board, it was decided that Leena Niemistö, Kati Sulin, Seija Turunen, Mikko Wirén, Mika Manninen, Hannu Juvonen and Matti Jaakola would be elected as members of the Board of Directors and that Mikko Wirén would be elected as the Chairman of the Board and Leena Niemistö as the Vice-Chairman.

13 §

Deciding on the remuneration of the auditor

It was established that on the recommendation of the Audit Committee, the Board of Directors proposes to the AGM that the auditor be remunerated according to the invoice approved by the Board's Audit Committee.

In accordance with the proposal, it was decided that the auditor be remunerated according to the invoice approved by the Board's Audit Committee.

14 §

Electing an auditor

It was established that on the recommendation of the Audit Committee, the Board of Directors proposes to the AGM that KPMG Oy Ab, authorised public accountants, be re-elected as the company's auditor for the financial year 1 January–31 December 2019, with Lotta Nurminen, authorised public accountant, as the principal auditor.

In accordance with the proposal, it was decided that KPMG Oy Ab would be elected as the company's auditor for the financial year 1 January–31 December 2019. It was established that KPMG Oy Ab has appointed Lotta Nurminen, authorised public accountant, as the principal auditor.

15 §

Authorising the Board to decide on purchasing the company's own shares

It was established that the Board's proposal concerning authorising the Board of Directors to decide on purchasing the company's own shares was included in the notice of the meeting and had been available to the shareholders on the company's website for three weeks prior to the meeting. The proposal of the Board of Directors was presented and attached to the minutes:

Appendix 6.

The meeting decided to accept the proposal of the Board of Directors and authorise the Board of Directors to decide on purchasing the company's own shares in accordance with the proposal. The

authorisation will remain in force until the end of the next AGM, though not beyond 30 June 2020. The authorisation revokes the authorisation given by the AGM on 5 April 2018.

16 §

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

It was established that the Board's proposal concerning authorising the Board of Directors to decide on the issuance of shares and other special rights entitling to shares was included in the notice of the meeting and had been available to the shareholders on the company's website for three weeks prior to the meeting. The proposal of the Board of Directors was presented and attached to the minutes:

Appendix 7.

The meeting decided to accept the proposal of the Board of Directors and authorise the Board of Directors to decide on the issuance of shares and other special rights entitling to shares in accordance with the proposal. The authorisation will remain in force until the end of the next AGM, however, not beyond 30 June 2020. The authorisation revokes the authorisation given by the AGM on 5 April 2018.

17 §

Closing the meeting

It was established that the items listed in the notice of the meeting had been discussed and that the meeting could be ended. The minutes of the Annual General Meeting will be available to the shareholders no later than two weeks after the meeting on the company's website.

The Chairman announced that the Annual General Meeting had ended.

Collateral:

Marko Savolainen
Secretary

Ari Keinänen
Chairman

Scrutinised and approved:

Juha Rautio

Kimmo Saarinen