

Proposal by the Board of Directors to EGM

7. Measures for rehabilitating the company's financial position

Componenta Corporation has in accordance with the Finnish Restructuring Act filed on 1 September 2016 a restructuring application to the District Court of Helsinki, petitioning the commencement of restructuring proceedings. The company has amended the restructuring application on 7 September 2016. The District Court of Helsinki has on 30 September 2016 made a decision on the commencement of the restructuring proceedings.

Due to asset value write offs made in the interim accounts the equity of Componenta Corporation (as a separate company) has become negative by approximately 9 Me. These write offs relate to receivables from subsidiaries, value of the subsidiary investments and certain other assets. No write offs have been made to the debts of the company. If the equity of the company according to its balance sheet is less than one half of the share capital, the Board of Directors shall, according to the Companies Act, convene a General Meeting to consider possible measures to remedy the financial position of the company.

The Board of Directors considers that there is reason to believe that the equity will increase to positive as a result of the debt cuts to be implemented in the restructuring proceedings. The Board of Directors proposes to the General Meeting that the company shall carry on with the measures already taken to remedy the company's equity and to ensure sufficient financing and liquidity.

Helsinki, 26 October 2016

COMPONENTA CORPORATION
Board of Directors