

The proposals of the Board of Directors and the Nomination Board to the Annual General Meeting on 5 May 2017

Resolution on the use of profit shown on the balance sheet

The Board of Directors proposes that no dividend be paid for the financial period 1 January – 31 December 2016.

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

The Nomination Board proposes that the members of the Board of Directors, who will be elected to the term continuing to the annual general meeting 2018, will be paid annual remuneration as follows: EUR 50,000 to the Chairman and EUR 25,000 to the members of the Board of Directors. If the Board of Directors decides to establish Board committees, an annual fee of EUR 5,000 will be paid to the members of Board committees. Travel expenses of the members of the Board of Directors will be compensated in accordance with the company's travel policy.

Resolution on the number of members of the Board of Directors

The Nomination Board proposes that four members are elected to the Board of Directors.

Election of members of the Board of Directors

The Nomination Board proposes that the current members of the Board of Directors Olli Isotalo ja Tommi Salunen are re-elected as Board members and Petteri Walldén and Anne Leskelä are elected as new Board members.

The presentation of the persons nominated for the Board of Directors is available at Componenta's website: www.componenta.com.

All nominated persons are independent of the company and significant shareholders and have given their consent to the position.

Election of auditor

The Board of Directors proposes, upon the recommendation of the Audit Committee, that the audit firm PricewaterhouseCoopers Oy is elected as the auditor of the company for the following term of office. PricewaterhouseCoopers Oy has informed that Samuli Perälä, Authorised Public Accountant, will act as the responsible auditor should it be elected as the auditor of the company.

Reduction of the share capital and certain reserves to cover losses

The Board of Directors proposes that out of the loss of EUR 336,419,172.22 related to the financial periods ended on or before 31 December 2016 (the loss of the financial period ended on 31 December 2016 being EUR 236,496,663.78), as shown in the financial statements of the company as per 31 December 2016, a total amount of EUR 233,487,815.06 be covered as follows:

- by reducing the unrestricted equity reserve by EUR 197,476,971.36;
- by reducing the share premium reserve by EUR 15,114,467.70;
- by reducing the reserve fund by EUR 4,980; and
- by reducing the company's share capital of EUR 21,891,396 by EUR 20,891,396.

The covering of the losses will be primarily directed to the losses of financial periods ended before 31 December 2016 and secondarily to the losses of the financial period that ended on 31 December 2016.

After the suggested actions:

-the sum of the unrestricted equity reserve, the share premium reserve and the reserve fund would be EUR 0.00; and

- the share capital of the company would be EUR 1,000,000.

Covering losses with share capital, the share premium reserve and the reserve fund results in a three-year restriction of distributions to shareholders. Under this restriction, the company may not during a three-year period following the registration of the decrease in the share capital distribute unrestricted equity without complying with the procedure for protection of creditors provided for in Chapter 14, Sections 3-5 of the Limited Liability Companies Act.

Canceling the resolution on the option right issue

The Board of Directors proposes that the General Meeting cancel the resolution by the General Meeting on 15 April 2016 to issue a maximum of 10,000,000 option rights to the key employees of the Componenta Group.