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**TIKKURILA OYJ**  
(Company ID 0197067-4)

**MINUTES OF THE MEETING 1/2018**  
Annual General Meeting, April 12, 2018

1 (7)

## **ANNUAL GENERAL MEETING**

**Time:** 12 April 2018 at 10:00 a.m.

**Place:** Veranda 2 Hall, Finlandia Hall, Mannerheimintie 13e, Helsinki

**Present:** List of votes, which indicates the shareholders who were present or represented at the meeting, their representatives and assistants as well as the number of shares and votes of each shareholder, has been enclosed to the Minutes of the Meeting as Appendix 1. Additionally, the members of the Company's Board of Directors, members of the Nomination Board, the Chief Executive Officer, the members of the Management Board and technical staff were present.

### **1. Opening of the meeting**

Jari Paasikivi, the Chairman of the Company's Board of Directors, opened the meeting, welcomed the shareholders to the General Meeting, introduced the members of the Board of Directors and provided information on certain key issues from the Company's perspective concerning the financial period 2017.

### **2. Calling the meeting to order**

Attorney at law Mikko Heinonen was elected as the Chairman of the meeting. The Chairman called General Counsel Antti Kiuru to act as secretary.

The Chairman explained the procedures for handling the matters on the agenda of the meeting.

It was noted that the documents in relation to the financial statements of the financial year 2017 had been published on March 2, 2018, and that the Board of Directors' proposals to the General Meeting had been published through a stock exchange release on February 13, 2018 and the Nomination Board's proposals to the General Meeting similarly through a stock exchange release on January 26, 2018. Thus, all proposals to the General Meeting have been available in their entirety since February 13, 2018 on the Company's website at [www.tikkurilagroup.com](http://www.tikkurilagroup.com). The proposals have also been included in the notice to the meeting that was published through a stock exchange release on March 5, 2018. The documents were also available at the meeting and a copy of the documents had been sent to the shareholders who had requested them in accordance with the Finnish Companies Act.

The Chairman noted that certain shareholders, who had nominee registered shares, have delivered voting instructions to the Company before the General Meeting and explained the beforehand delivered voting instructions of the nominee registered shareholders.

In accordance with the query by the Chairman, Camilla Hytönen (Nordea Bank AB (publ), Finnish Branch) confirmed that she represents numerous nominee registered shareholders, whose number of shares and voting instructions she had informed to the Chairman of the meeting. Camilla Hytönen confirmed that her clients did not demand a voting on the matters on the agenda in which the instruction was to vote against or to abstain from voting, and that an appropriate record to the minutes would be sufficient.

Irene Aspelin (Skandinaviska Enskilda Banken AB (publ), Helsinki branch) confirmed similarly her clients' voting instructions and procedures.

Aleksi Harju (Svenska Handelsbanken AB (publ), Branch Operation in Finland) confirmed similarly his clients' voting instructions and procedures.

The Chairman noted that the against and abstain votes in the summary of the list of votes are to be recorded in the minutes as described. To the extent there are against votes in the summary of the list of votes they shall be recorded at the relevant points of the agenda as against votes only in so far as they support an eligible counterproposal at the same time.

It was noted that a summary of the list of votes of the nominee registered shareholders represented by Nordea, SEB and Svenska Handelsbanken were enclosed to the minutes as Appendix 2.

**3. Election of the persons to scrutinize the minutes and to supervise the counting of the votes**

It was decided that Kaj Paasikivi and Annika Ekman scrutinize the minutes and will also supervise the counting of votes as needed.

**4. Recording the legality of the meeting**

It was noted that the notice of the meeting had been published on the Company's website and as a stock exchange release on March 5, 2018. Additionally, a summary of the notice had been published in *Helsingin Sanomat* newspaper on March 6, 2018. The notice to the meeting was enclosed to the minutes as Appendix 3.

It was noted that the Annual General Meeting had been convened in accordance with the law and the Company's Articles of Association, and the meeting was found to constitute a quorum to handle the matters mentioned in the notice.

**5. Recording the attendance at the meeting and adoption of the list of votes**

It was noted that a list of votes of the shareholders, representatives and assistants, who were present at the beginning of the meeting, which lists the number of shares and votes of each shareholder, was drawn up in accordance with the Appendix 1. It was noted that according to the list of votes, there were present or represented altogether 401 shareholders representing in total 27 802 563 shares and votes, at the beginning of the meeting.

The Chairman confirmed the list of votes represented at the beginning of the meeting to be in accordance with the Appendix 1. It was noted that the list of votes represented at the meeting will be updated in case of a voting.

**6. Presentation of the financial statements, the consolidated financial statements, the report of the Board of Directors and the auditor's report for 2017**

The Company's temporary CEO and CFO Jukka Havia gave the first part of the review of the Company's activities relating to the financial period 2017 (Appendix 4) and presented the financial statements and the report of the Board of Directors of the financial period ended on December 31, 2017.

The new CEO Elisa Markula introduced herself and gave the second part of the review of the Company's activities relating to the financial period 2017.

The Auditor of the Company, APA Toni Aaltonen presented the Company's auditor's report for the financial period ended on December 31, 2017.

It was recorded that the Chairman of the Board of Directors and the Company's CFO who had acted as the temporary CEO answered to questions presented by shareholders.

It was noted that the financial statements, the consolidated financial statements, the report of the Board of Directors as well as the auditor's report had been available on the Company's website since March 2, 2018.

It was recorded that Kim Lindström (ballots no. 138 and 139) asked to be recorded in the minutes that there was no copy of the aforementioned documents in paper form available for each participant to the meeting at the meeting venue, and asked that at upcoming meetings the material would be available in paper form at the meeting venue.

It was noted that the Company's financial statements, the consolidated financial statements, the report of the Board of Directors as well as the auditor's report for 2017 have been presented.

#### **7. Adoption of the financial statements and the consolidated financial statements**

It was resolved to adopt the financial statements and the consolidated financial statements for the financial period ended on December 31, 2017.

#### **8. Resolution on the use of the profit shown on balance sheet and on the payment of dividend**

It was resolved to distribute a dividend of EUR 0.80 per share as proposed by the Board of Directors. The dividend will be paid in two tranches. The first tranche of EUR 0.40 per share will be paid to a shareholder which is recorded at the record date for the payment of dividend on April 16, 2018 at the Company's shareholder register maintained by Euroclear Finland Ltd. The first tranche of the dividend will be paid on April 23, 2018. The Board of Directors will decide at the meeting scheduled for October 25, 2018 the record date and the payment date for the second tranche.

#### **9. Resolution on the discharge of the members of the Board of Directors and the President and CEO from liability**

It was resolved to discharge the members of the Board of Directors and the President and CEO from liability for the financial period January 1, 2017 to December 31, 2017.

#### **10. Resolution on the remuneration of the members of the Board of Directors**

It was resolved according to the proposal of the Nomination Board appointed by the General Meeting that the annual remuneration of the members of the Board of Directors will remain unchanged. The resolved annual remunerations are: Chairman of the Board EUR 64 000, Vice Chairman EUR 40 000, Board member acting as the Chairman of the Audit Committee EUR 40 000 and the other members of the Board of Directors EUR 32 000. Approximately 40 percent of the annual remuneration will be paid in Tikkurila Oyj's shares acquired from the market and the rest in cash. The shares will be acquired directly on behalf of the Board members within two weeks from the release of the interim report for the period January 1, 2018 to March 31, 2018.

Furthermore, a meeting fee for each meeting of the Board and its Committees (excluding decisions without a meeting) shall be paid to the members of the Board of Directors as follows: EUR 600 for meetings held in the home country of a member and EUR 1 200 for meetings held outside the home country of a member. The fee paid for meetings held via telephone or video connection shall be EUR 600. Travel expenses shall be paid according to the travel policy of the Company.

#### **11. Resolution on the number of members of the Board of Directors**

It was resolved according to the proposal of the Nomination Board appointed by the General Meeting that the number of the members of the Board of Directors be elected be seven (7).

## **12. Election of members of the Board of Directors**

It was resolved according to the proposal of the Nomination Board appointed by the General Meeting that Harri Kerminen, Riitta Mynttinen, Jari Paasikivi, Pia Rudengren and Petteri Walldén be re-elected as members of the Board of Directors for the term that ends at the conclusion of the next Annual General Meeting and to elect Catherine Sahlgren and Heikki Westerlund as new members of the Board of Directors. It was resolved to appoint Jari Paasikivi as the chairman and Petteri Walldén as the deputy chairman of the Board of Directors.

## **13. Resolution on the remuneration of the auditor**

It was resolved according to the proposal of the Board of Directors that the auditor's fees shall be paid against an invoice approved by the Company.

## **14. Election of the auditor**

It was resolved according to the proposal of the Board of Directors to elect Authorized Public Accountant Firm KPMG Oy Ab as the Company's auditor.

It was noted that KPMG Oy Ab has informed that APA Toni Aaltonen will act as the principal auditor.

## **15. Authorizing the Board of Directors to decide on the repurchase of the Company's own shares**

The Chairman noted that the Board of Directors has proposed to the Annual General Meeting that the Annual General Meeting would authorize the Board of Directors to decide upon the repurchase of the Company's own shares with assets pertaining to the Company's unrestricted equity in one or more tranches as follows:

The Board of Directors is authorized to decide upon the repurchase of a maximum of 4 400 000 of the Company's own shares. The proposed maximum amount of the authorization corresponds to approximately 10 percent of all the shares in the Company.

The authorization for repurchases of the Company's own shares is proposed to be carried out at the market price of the share on Nasdaq Helsinki Ltd or in other marketplaces, the rules of which allow companies to trade with their own shares. The authorization entitles the Board of Directors to repurchase the shares in another proportion than that of the shares held by the current shareholders (directed repurchase). In repurchasing the Company's own shares, the Company may enter into derivative, stock lending or other arrangements customary in capital market practice within the limits set by law and other regulations. In repurchases, the Company will follow the rules and guidelines regarding, among other factors, the determination of the repurchase price, settlement and disclosure of trades, of the marketplace in which the repurchase is carried out.

The consideration payable for the repurchase of the shares shall be based on the market price of the Company's share on the securities market. The minimum consideration for the repurchase of the Company's own shares is the lowest market price of the share quoted during the authorization period and, correspondingly, the maximum price is the highest market price of the share quoted during the authorization period.

The shares may be repurchased to be used for financing or implementing possible mergers and acquisitions, developing the Company's equity structure, improving the liquidity of the Company's shares or to be used for the payment of the annual fees payable to the members of the Board of Directors, or for implementing the share-based incentive programs of the Company. For the

aforementioned purposes, the Company may retain, transfer further or cancel the shares. The Board of Directors would decide upon other terms related to repurchase of shares.

The repurchase authorization would be valid until the end of the next Annual General Meeting, however, no longer than until June 30, 2019. The authorization would cancel the repurchase authorization granted by the Annual General Meeting to the Board of Directors on April 4, 2017.

It was resolved in accordance with the proposal of the Board of Directors to authorize the Board of Directors to decide upon the repurchase of the Company's own shares.

It was recorded that there were in total 7 200 against votes of nominee registered shareholders in this agenda item.

#### **16. Authorizing the Board of Directors to decide on the issuance of shares**

The Chairman noted that the Board of Directors has proposed to the Annual General Meeting that the Annual General Meeting would authorize the Board of Directors to decide to transfer the Company's own shares held by the Company or to issue new shares in one or more tranches limited to a maximum of 4 400 000 shares. The proposed maximum aggregate amount of the authorization corresponds to approximately 10 percent of all the shares in the Company.

The Company's own shares held by the Company may be transferred and the new shares may be issued either against payment or without payment. The new shares may be issued and the Company's own shares held by the Company may be transferred to the Company's shareholders in proportion to their current shareholdings in the Company or in deviation from the shareholders' pre-emptive right through a directed share issue, if the Company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the Company's equity structure, improving the liquidity of the Company's shares, settling the payment of the annual fees payable to the members of the Board of Directors or implementing the share-based incentive programs of the Company. Upon the issuance of the new shares, the subscription price of the new shares shall be recorded to the invested unrestricted equity reserves. In case of a transfer of the Company's own shares, the price payable for the shares shall be recorded to the invested unrestricted equity reserves.

The Board of Directors would decide upon other terms and conditions related to the share issues. The authorization would be valid until the end of the next Annual General Meeting, however, no longer than until June 30, 2019. The authorization would cancel the share issue authorization granted by the Annual General Meeting to the Board of Directors on April 4, 2017.

It was resolved in accordance with the proposal of the Board of Directors to authorize the Board of Directors to decide on the issuance of shares.

It was recorded that there were in total 2 172 700 against votes of nominee registered shareholders in this agenda item.

#### **17. Adoption of the charter of the Shareholders' Nomination Board**

The Chairman noted that the Board of Directors has proposed to the General Meeting that the General Meeting amend and update the Charter of the Nomination Board. Key amendments are the following:

(a) seeking prospective successor candidates for the members of the Board of Directors and successor planning will be added to the duties of the Nomination Board;

(b) in case a shareholder who according to the Securities Market Act would have the obligation to notify the Company, when required, of certain changes in ownership (flagging obligation) presents

a written request directed to the Board of Directors of Tikkurila Oyj by the end of May, the holdings of a corporation and/or foundation under control of, and/or holdings held under several funds or registers of such shareholder will be calculated together when counting the share of voting rights;

(c) to the Charter will be added a note that a holder of nominee-registered shares will be taken into account when determining the composition of the Nomination Board if the holder of nominee-registered shares presents a written request concerning the issue directed to the Board of Directors of Tikkurila Oyj by the end of the May preceding the Annual General Meeting;

(d) the Charter will be updated in other respects, among other things, by adding procedural provisions thereto concerning operation of the Nomination Board in particular.

An updated version of the Charter of the Shareholders' Nomination Board with amendments proposed to the General Meeting is in its entirety available on Tikkurila Oyj's webpage at [www.tikkurilagroup.fi](http://www.tikkurilagroup.fi).

It was resolved in accordance with the proposal of the Board of Directors to adopt the Charter of the Shareholders' Nomination Board.

It was recorded that there were in total 1 055 985 against votes of nominee registered shareholders in this agenda item.

## **18. Closing of the meeting**

It was recorded that the resolutions declared in the Annual General Meeting were supported by all the shareholders present unless otherwise stated in the minutes.

The Chairman noted that all the matters on the agenda were handled and closed. It was noted that the minutes of the Annual General Meeting shall be available on the Company's website [www.tikkurilagroup.com](http://www.tikkurilagroup.com) for the shareholders as of April 26, 2018 at the latest.

The Chairman closed the meeting at 11.50 a.m.

*(Signatures on the following page)*

### **In fidem:**

*MIKKO HEINONEN*  
Mikko Heinonen  
Chairman

*ANTTI KIURU*  
Antti Kiuru  
Secretary

**Scrutinized:**

*KAJ PAASIKIVI*  
Kaj Paasikivi

*ANNIKA EKMAN*  
Annika Ekman

**APPENDICES**

- Appendix 1 List of votes
- Appendix 2 Summary of the beforehand delivered voting instructions of holders of nominee registered shares
- Appendix 3 Notice to the meeting
- Appendix 4 Review by the President and CEO