



Tikkurila Oyj

Stock Exchange Release

February 13, 2018 at 9:10 a.m. (CET+1)

## **Board of Directors' proposals to the Annual General Meeting to be held on April 12, 2018**

The proposals of the Nomination Board of Tikkurila Oyj to the Annual General Meeting concerning the number, election, and remuneration of the members of the Board of Directors have been published on January 26, 2018.

The Annual General Meeting of Tikkurila Oyj will be held on Thursday April 12, 2018 at 10.00 a.m. in Finlandia Hall, Mannerheimintie 13, Helsinki, Finland. The notice of the Annual General Meeting will be published on March 5, 2018 on Tikkurila Oyj's website and as a stock exchange release. A summary of the notice will be published in Helsingin Sanomat on March 6, 2018.

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

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share will be paid for the year ended on December 31, 2017 and that the rest be retained and carried further in the Company's unrestricted equity. The proposed dividend totals approximately EUR 35.3 million, which corresponds to approximately 331 percent of the Group's net profit for 2017.

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 Oy. The proposed date of payment is April 23, 2018.

The second tranche EUR 0.40 per share will be paid in November 2018. The second tranche will be paid to a shareholder who is recorded at the record date for the payment of dividend at the Company's shareholder register maintained by Euroclear Finland Oy. 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. According to the current rules of the Finnish book-entry system the record date would then be October 29, 2018 and the dividend payment date earliest November 5, 2018.

### **Resolution on the remuneration of the Auditor**

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that the Auditor's fees be paid against an invoice approved by the Company.

### **Election of the Auditor**

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that KPMG Oy Ab be elected as the Company's auditor for the term

that ends at the conclusion of the Annual General Meeting following the appointment. KPMG Oy Ab has informed that APA Toni Aaltonen will act as the principal auditor.

The Audit Committee states that its recommendation is free from any third party influence and that there has been no requirement to be complied with as defined in article 16 paragraph 6 of the Finnish Accounting Decree, which limits the election of an external auditor.

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

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide upon the repurchase of a maximum of 4,400,000 of the Company's own shares with assets pertaining to the Company's unrestricted equity in one or more tranches. The proposed maximum aggregate 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 share's market price on Nasdaq Helsinki Ltd or in another marketplace 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 the 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, or cancel the shares. The Board of Directors would decide upon any 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.

This authorization would cancel the repurchase authorization granted by the Annual General Meeting to the Board of Directors on April 4, 2017.

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

The Board of Directors proposes that the Annual General Meeting 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 for this, 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 in 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 any 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.

This authorization would cancel the share issue authorization granted by the Annual General Meeting to the Board of Directors on April 4, 2017.

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

The Annual General Meeting of Tikkurila Oyj established, by its resolution on March 28, 2012, to the Company a Shareholders' Nomination Board. The duties and the Charter of the Nomination Board have been updated due to a resolution of the Annual General Meeting on April 6, 2016. Currently the Nomination Board prepares and presents proposals for the next Annual General Meeting concerning the Chairman, Vice Chairman and members of the Board of Directors as well as their remuneration.

The Board of Directors proposes 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) 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.

Tikkurila Oyj

Jukka Havia, Interim President and CEO

**For further information, please contact:**

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**Sustainable Nordicness**

*Tikkurila is a leading Nordic paint company with expertise that spans decades. We develop premium products and services that provide our customers with quality that will stand the test of time and weather. We operate in around ten countries and our 3,000 dedicated professionals share the joy of building a vivid future through surfaces that make a difference. In 2017, our revenue totaled EUR 582 million. The company is listed on Nasdaq Helsinki. Nordic quality from start to finish since 1862.*

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