

## **The proposals of the Board of Directors and the Shareholders' Nomination Board to the Extraordinary General Meeting on 1 July 2019**

### **Decisions regarding the Transaction**

Componenta Corporation announced on 16 May 2019 that it has signed a share purchase agreement regarding the shares in Komasa Oy (business identity code 2507356-4) whereby the company buys all shares in Komasa Oy. The purchase price payable for the share purchase and capital loans acquired in connection with the share purchase (together the "Transaction") shall be paid with the company's shares and the Transaction is conditional *inter alia* on that the extraordinary general meeting of the company gives the needed authorisations to complete the Transaction to the board of directors of the company. In connection with and as a condition for the subscription of the consideration shares, each seller undertakes and agrees to pledge as security for its obligations under the share purchase agreement to the company number of shares set forth in the share purchase agreement.

The proposals made by the board of directors to the General Meeting mentioned below in sections a) and b) are related to the execution of the Transaction and constitute therefore one entity in the sense that the approval of each of the proposals made in sections a) and b) below requires that the General Meeting approves all proposals made in this section by the board of directors.

The proposed authorisations, as presented in sections a)–c) below, will not, if approved by the General Meeting, revoke each other or replace previous authorisations granted to the Board of Directors.

#### **a) Authorizing the Board of Directors to resolve on the issue of shares to execute the Transaction**

The purchase price would be paid by issuing the company's shares to the sellers in accordance with the provisions of the Transaction.

The Board of Directors proposes that the General Meeting decides to authorize the Board of Directors to resolve on the issuance of shares under the following conditions.

The total number of new shares to be issued by virtue of the authorization may amount to a maximum of 60,000,000 new shares, equivalent to approximately 33.8% of the total number of shares of the company on the date of this notice to the meeting. The shares to be issued by virtue of the authorization may be used as payment in the contemplated Transaction.

New shares may be issued through a directed share issue in deviating from the shareholders' pre-emptive subscription right if there is a weighty financial reason for the deviation from the company's point of view. The subscription price of the new shares can be paid as contribution in kind.

Based on the authorization, the Board of Directors is entitled to resolve on all other matters related to the share issue.

The authorization is proposed to be valid until 30 June 2020 at the most.

#### **b) Authorizing the Board of Directors to resolve on taking the company's own shares as a security**

In accordance with the provisions of the Transaction, the company would take its own shares issued to the sellers as a security.

The Board of Directors proposes that the General Meeting authorizes the Board of Directors to resolve on taking the company's own shares of a maximum of 12,000,000 shares as a security in one or more tranches. Based on the authorization, the Board of Directors may not make a resolution

based on which the number of shares to be taken as a security, together with the shares possibly held by the company or its subsidiaries, would constitute one tenth or more of the total number of shares in the company.

The Board of Directors is, based on the authorization, entitled to resolve on all other conditions for acquiring and/or taking as a security own shares.

The authorization to resolve on taking the company's own shares as a security is proposed to be valid until 30 June 2020 at the most.

### **c) Authorizing the Board of Directors to resolve on the transfer of shares**

Based on the authorization granted in section b) above with respect to the possible realization of the company's own shares taken as a security, the Board of Directors proposes that the General Meeting authorizes the Board of Directors to resolve on the transfer of own shares held by the company in one or several parts, either against payment or without payment.

The total number of new shares to be transferred may amount to a maximum of 12,000,000 shares, equivalent to approximately 6.8% of the total number of shares of the company on the date of this notice to the meeting.

The authorization entitles the Board of Directors to decide on all terms and conditions related to the transfer of shares, including the right to deviate from the shareholders' pre-emptive subscription rights.

The authorization is proposed to be valid until 31 December 2020.

### **Resolution on the number of Board Members**

The Nomination Board proposes that the number of the members of the Board of Directors be increased from four to five.

The Nomination Board's proposal is conditional on the approval of the proposal of the Board of Directors on authorizing the Board to resolve on the share issue set out above in Decisions regarding the Transaction section a) and on the approval of the proposal of the Board of Directors on authorizing the Board to resolve on taking the company's own shares as a security set out above in Decisions regarding the Transaction section b). In the event that the General Meeting does not approve the proposals of the Board of Directors set out in sections a) and b) above, the proposal set out in this section will lapse.

Furthermore, the decision is conditional on the execution of the Transaction where the company will acquire all shares in Komasa Oy. In the event that the Transaction is not executed, the decision made under this section will lapse.

### **Election of the members of the Board of Directors and resolution on their remuneration**

The Nomination Board proposes that Harri Suutari is elected as new board member for the term expiring at the close of next Annual General Meeting. CEO Harri Suutari has stated that he will relinquish his position as the CEO in the event that he is elected as a member of the Board of Directors, and a new CEO will be appointed for the company. Material information relating to the board work of Harri Suutari has been presented at the company's web page.

The Nomination Board also proposes to the Extraordinary General Meeting that, in the event that Harri Suutari is elected as a board member, the annual remuneration payable to a board member in accordance with the decision made at the Annual General Meeting be paid to Harri Suutari *pro rata temporis* to the duration of his term. In all other respects, the decisions made at the Annual General Meeting held on 16 May 2019 with regard to the remuneration of the Board of Directors will remain in force without amendment.

The proposed new member has given his consent to the election and he is independent of the significant shareholders but not of the company as he has acted as CEO and President of the company since November 2015.

The Nomination Board's proposal is conditional on the approval of the proposal of the Board of Directors on authorizing the Board to resolve on the share issue set out above in Decisions regarding the Transaction section a) and on the approval of the proposal of the Board of Directors on authorizing the Board to resolve on taking the company's own shares as a security set out above in Decisions regarding the Transaction section b). In the event that the General Meeting does not approve the proposals of the Board of Directors set out in sections a) and b) above, the proposal set out in this section will lapse.

Furthermore, the decision is conditional on the execution of the Transaction where the company will acquire all shares in Komasa Oy. In the event that the Transaction is not executed, the decision made under this section will lapse.