

## **INVITATION TO ANNUAL GENERAL MEETING**

Time            Wednesday 29 March 2017 at 3 p.m.

Place           Pörssitalo, Fabianinkatu 14, 00100 Helsinki

The shareholders of Taaleri Plc are invited to the Annual General Meeting, which will be held on Wednesday 29 March 2017 starting at 3pm at Pörssitalo, Fabianinkatu 14, 00100 Helsinki.

Admittance of those registered for the meeting and the distribution of voting tickets will begin at 2pm.

### **A. MEETING AGENDA**

1. Opening of the meeting
2. Calling the meeting to order
3. Election of the persons scrutinising the minutes and supervising vote counting
4. Recording the legality of the meeting
5. Recording those present and confirming the voters list
6. Presentation of the 2016 Financial Statements, Annual Report, and Auditor's Report – Review by the CEO
7. Adoption of the Financial Statements
8. Allocation of the profit shown on the balance sheet, and deciding on dividend distribution
9. Deciding on the discharge from liability for the members of the Board of Directors and the CEO
10. Deciding on the remuneration of the members of the Board of Directors
11. Deciding on the number of the members of the Board of Directors
12. Election of the members of the Board of Directors
13. Deciding on the auditor's remuneration
14. Election of the auditor
15. Authorising the Board of Directors to make a decision on the purchase of the company's treasury shares
16. Authorising the Board of Directors to make a decision on share issue
17. The maximum ratio between fixed and variable component of remuneration
18. Amending of Section 7 of the Articles of Association
19. Closing of the meeting

### **B. DOCUMENTS OF THE ANNUAL GENERAL MEETING**

Decision proposals and this meeting invitation can be viewed by shareholders on Taaleri Plc's website at [www.taaleri.com/en/investor-relations/general-meetings](http://www.taaleri.com/en/investor-relations/general-meetings). Taaleri Plc's Financial Statements, Annual Report and Auditor's Report will be available on 8 March 2017 or sooner on the above-mentioned website and at the company's head office at Kluuvikatu 3, 00100 Helsinki. The decision proposals submitted to the Annual General Meeting and the financial statements documents are also available at the Annual General Meeting.

The minutes of the Annual General Meeting can be viewed by shareholders at the above-mentioned website on 12 April 2017 or sooner.

## C. INSTRUCTIONS FOR THE MEETING ATTENDEES

### 1. Right to attend, and registration

Each shareholder who on 17 March 2017 is registered in the Shareholders' Register of the company held by Euroclear Finland Ltd has the right to attend the Annual General Meeting. A shareholder whose shares have been entered in his/her personal Finnish book-entry securities account is listed on the company's Shareholders' Register.

A shareholder who is registered in the Shareholders' Register of the company and who wishes to attend the Annual General Meeting must register for the meeting no later than on 24 March 2017 at 10:00am, by which time the notice of registration must have been received by the company.

Registration for the Annual General Meeting can take place:

- online at [www.taaleri.com/en/investor-relations/general-meetings](http://www.taaleri.com/en/investor-relations/general-meetings) (registration will open on 8 March 2017 or sooner)
- by telephone: +358 800 552 135, Monday–Friday 9:00am–4:00pm; or
- by letter to the address Taaleri Plc, Annual General Meeting, Kluuvikatu 3, 00100 Helsinki

In connection with the registration, a shareholder must give his/her name, personal identification number or business ID, telephone number and the name and the personal identification number of any authorised representatives or assistants. The personal data will be used only in connection with the Annual General Meeting and the necessary management of the registrations.

The shareholder or his/her authorised representative must, when necessary, be able to prove his/her identity at the meeting venue.

### 2. Holders of nominee-registered shares

A holder of nominee-registered shares has the right to participate in the Annual General Meeting by virtue of such shares based on which he/she would be entitled to be listed in the Shareholders' Register held by Euroclear Finland Ltd on 17 March 2017. The right to participate also requires that the shareholder on the basis of these shares has been temporarily registered in the Shareholders' Register held by Euroclear Finland Ltd by 24 March 2017 at 10:00am. As regards nominee-registered shares, this is considered due registration for the Annual General Meeting.

A holder of nominee-registered shares is advised to request from his/her custodian bank well in advance the necessary instructions regarding the temporary registration in the Shareholders' Register, the issuing of powers of attorney and registration for the Annual General Meeting. The account management organisation of the custodian bank must temporarily register a holder of nominee-registered shares who wishes to attend the Annual General Meeting in the Shareholders' Register of the company by the time stated above.

### 3. Use of an authorised representative, and powers of attorney

A shareholder may use an authorised representative to participate in and exercise his/her rights at the Annual General Meeting. A shareholder's authorised representative must produce a dated power of attorney or otherwise prove in a reliable manner that he/she is authorised to represent the shareholder. If a shareholder attends the Annual General Meeting by means of several authorised representatives who represent him/her through shares held in different book-entry accounts, the shares on the basis of which each authorised representative represents him/her must be identified in connection with registration for the Annual General Meeting.

Powers of attorney should be delivered in original to the address Taaleri Plc, Annual General Meeting, Kluuvikatu 3, 00100 Helsinki, before the registration period closes.

#### 4. Other instructions and information

Under Section 25 of Chapter 5 of the Limited Liability Companies Act, the shareholders present at the Annual General Meeting have the right to present questions on the matters discussed at the meeting.

On the date of this notice, 28 February 2017, the total number of Taaleri Plc's shares is 28,350,620, each of which provides one (1) vote at the Annual General Meeting.

Helsinki, 28 February 2017

**TAALERI PLC**

**BOARD OF DIRECTORS**

## **Proposals for the Annual General Meeting, 29 March 2017**

### **8. Allocation of the profit shown on the balance sheet, and deciding on dividend distribution**

On 31 December 2016, Taaleri Plc's distributable assets were EUR 42,775,914.58, including profit from the 2016 financial period of EUR 6,364,826.18.

The Board of Directors proposes that, based on the balance sheet to be adopted for the financial period 2016 that ended on 31 December 2016, EUR 0.22 of dividend per share be distributed. The Board of Directors proposes that the remaining share of distributable assets be left as equity.

Dividend will be paid to shareholders who, on the dividend payment record date of 31 March 2017, are registered in the company's Shareholders' Register maintained by Euroclear Finland Ltd. The Board of Directors proposes that the dividend be paid on 7 April 2017.

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

Shareholders who represent a total of approximately 33% of the company's shares have proposed that the members of the Board of Directors be paid annual remuneration as follows:

- Chairman of the Board of Directors EUR 38,000 per annum
- Vice Chairman of the Board of Directors EUR 28,000 per annum
- Member of the Board of Directors EUR 23,000 per annum

The annual remuneration covers the whole of the term of office and committee work.

Shareholders who represent a total of approximately 33% of the company's shares have also proposed that the costs of travel and accommodation for attending meetings of the Board of Directors and committees held elsewhere than the home locality of the member of the Board of Directors be reimbursed according to invoice.

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

Shareholders who represent a total of approximately 33% of the company's shares have proposed that the number of the members of the Board of Directors be set at six (6).

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

Shareholders who represent a total of approximately 33% of the company's shares have proposed that, of the present members of the Board of Directors, Peter Fagernäs, Juha Laaksonen, Vesa Puttonen, Esa Kiiskinen and Hanna Maria Sievinen be re-elected to the Board, and Tuomas Syrjänen be elected as a new member. Of the present members of the Board, Pertti Laine has announced that he is not available for re-election.

The term of office of the Board of Directors will end at the close of the following Annual General Meeting.

The above-mentioned candidates have consented to their positions.

All the proposed members of the Board of Directors are deemed to be independent of the company and of the company's significant shareholders in accordance with the Corporate Governance Code issued in 2015 by the Securities Market Association.

The persons proposed for the Board of Directors are presented on Taaleri Plc's website [www.taaleri.com](http://www.taaleri.com) and the CV of the new candidate at [www.taaleri.com/en/investor-relations/general-meetings](http://www.taaleri.com/en/investor-relations/general-meetings).

### **13. Deciding on the auditor's remuneration**

The Board of Directors proposes, on the recommendation of the Audit Committee, that the auditor's remuneration be paid based on invoices approved by the company.

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

The Board of Directors proposes, on the recommendation of the Audit Committee, that Authorised Public Accountants Ernst & Young Oy be elected as auditor for the term of office that will end at the close of the following Annual General Meeting.

Ernst & Young Oy has announced that auditor-in-charge will be Ulla Nykky, APA, if Ernst & Young Oy is elected as the company's auditor.

#### **RECOMMENDATION TO THE BOARD OF DIRECTORS CONCERNING THE ELECTION OF A STATUTORY AUDITOR**

This recommendation has been prepared and issued in accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (hereinafter "the Auditing Regulation").

By virtue of Article 16, Paragraph 2 of the Auditing Regulation, the Audit Committee of Taaleri Plc (hereinafter "Taaleri") must issue a recommendation to the Board of Directors of Taaleri concerning the election of a statutory auditor. In accordance with the Auditing Regulation, the Audit Committee must report two alternatives for an auditing assignment, and justify which alternative it is prioritising.

The Audit Committee has carefully evaluated and considered several good and qualified auditor candidates. The Audit Committee has evaluated the auditor candidates in question using the generally applied selection criteria. All candidates have been transparently informed about the selection criteria in the selection process. Based on these criteria, the Committee has specified Ernst & Young Oy and KPMG Oy Ab as the best alternatives for the auditing assignment. After careful evaluation and consideration, taking into account offers, the above-mentioned criteria and Taaleri's present circumstances and planned development, the Committee considers Ernst & Young Oy to be the first option.

As required by the Auditing Regulation, the Audit Committee confirms that this recommendation is free from third-party influence, and that the Committee has not been required to comply with a clause similar to the clause referred to in Article 16, Paragraph 6 of the Auditing Regulation. This

recommendation, including the alternative considered as the first option by the Audit Committee, is included in the Board of Directors' proposal for the 2017 Annual General Meeting.

Taaleri Plc's Audit Committee

Vesa Puttonen

Esa Kiiskinen

Hanna Maria Sievinen

Chairman

member

member

## **15. Authorising the Board of Directors to make a decision on the purchase of the company's treasury shares**

The Board of Directors proposes that it be authorised to decide on the purchase of the company's treasury shares using assets belonging to unrestricted equity on the following conditions:

Up to 2,000,000 shares may be purchased, corresponding to 7.05% of all the company's shares. The purchase may be made in one or more instalments.

The purchase price per share shall be the price given on the Helsinki Stock Exchange or another market-based price.

The shares may be acquired to develop the company's capital structure, to finance or implement corporate acquisitions, investments or other arrangements related to the company's business operations, to be used as part of the company's reward scheme, or to be cancelled if justified from the point of view of the company and its shareholders.

The authorisation issued to the Board of Directors includes the right to decide whether the shares will be acquired in a private placement or in proportion to the shares owned by shareholders. The purchase may take place through private placement only if there is a weighty financial reason for it from the company's perspective.

The Board of Directors has the right to decide on other matters concerning the purchase of shares.

This authorisation is valid for 18 months from the date of the close of the Annual General Meeting.

This authorisation supersedes the authorisation to purchase the company's treasury shares issued at the Annual General Meeting of 8 January 2016.

## **16. Authorising the Board of Directors to make a decision on share issue**

The Board of Directors proposes that it be authorised to decide on the issue of new shares and the assignment of treasury shares in the possession of the company on the following terms:

The Board of Directors may issue new shares and assign treasury shares in the possession of the company up to a maximum of 2,500,000 shares, corresponding to 8.82% of all the company's shares.

The new shares may be issued and the treasury shares possessed by the company may be assigned to the company's shareholders in relation to their ownership of shares or deviating from the shareholder's pre-emptive subscription right in a private placement, if there is a weighty financial reason for it from the point of view of the company, such as using the shares as consideration in potential corporate acquisitions or other arrangements that are part of the company's business operations, or to finance investments or as part of the company's reward scheme.

The Board of Directors may also decide on a free-of-charge share issue to the company itself.

The new shares may be issued and the shares possessed by the company may be assigned either against payment or without payment. A private placement may only be without payment if there is an especially weighty reason for it from the point of view of the company and taking into account the benefit of all its shareholders.

The Board of Directors will decide on all other factors related to share issues and the assignment of shares.

It is proposed that the authorisation be valid for one (1) year from the close of the Annual General Meeting, but no later than until 30 June 2018.

This authorisation supersedes the authorisation issued at the Annual General Meeting on 7 April 2016.

## **17. The ratio between fixed and variable component of remuneration**

The Board of Directors proposes that the General Meeting of Shareholders decide to increase the annual 100% remuneration limit for employees so that the variable component of an employee's remuneration may not exceed 200% of the employee's fixed salary.

Increasing the variable component of remuneration up to 200% enables offering of dynamic total remuneration structure to the Company's employees through variable remuneration. In this way, the Company expects to minimize the increase in fixed costs and to award its employees for the Company's long-term success and value increase.

Variable remuneration may better be aligned with the Company's strategy, long-term performance and controlling level of risk. Increasing the maximum ratio will lead to a more controlled cost structure and more flexible solvency planning for the Company.

The possibility to increase the maximum ratio of variable remuneration is applied for entire personnel, excluding the members of the Board of Directors. The maximum ratio will be applied to approximately 170 employees in operative management as well as in investment and retail banking, in asset management, corporate functions and independent control functions as well as in other functions.

## **18. Amending of Section 7 of the Articles of Association**

The Board of Directors proposes that, due to a change to the terminology of the Auditing Act, Section 7 of the Articles of Association be amended to read as follows:

#### Section 7 Auditor

The company has one (1) auditor that must be an auditing organisation referred to in the Auditing Act. The term of office of the auditor ends at the close of the first Annual General Meeting following the election.

Valid Section 7 of the Articles of Association:

#### Section 7 Auditor

The company has one (1) auditor that must be an Authorised Public Accounting organisation referred to in the Auditing Act. The term of office of the auditor ends at the close of the first Annual General Meeting following the election.