

Proposal of the Shareholders' Nomination Board on the composition and remuneration of the Board of Directors of Finnair Plc (issued 31 January 2018)

The Shareholders' Nomination Board proposes to Finnair Plc's Annual General Meeting (AGM) to be held on 20 March 2018 that the number of members of the Board of Directors would be confirmed as eight.

Proposal on the composition of the Board of Directors

The Shareholders' Nomination Board proposes that Colm Barrington, Mengmeng Du, Maija-Liisa Friman, Jouko Karvinen, Jonas Mårtensson and Jaana Tuominen be re-elected as members of the Board of Directors, and that Montie Brewer and Henrik Kjellberg be elected as new members to the Board of Directors. All candidates have given their consent to the position, and all are independent of the company and its significant owners. Jussi Itävuori, after having served six years in the Board, has informed the Nomination Board that he will not be available in the election of the Board of Directors in the next Annual General Meeting.

Montie Brewer (b. 1957, BA (Business Administration), US citizen) was the President & CEO of Air Canada 2004-2009 and the Executive Vice President Commercial of Air Canada 2002-2004. Prior to this, he served as Senior Vice President Planning at United Airlines, with responsibility for revenue and planning functions. Mr. Brewer has also held senior positions at Northwest Airlines, Republic Airlines, Braniff and Trans World Airlines. He has planned and developed over 20 hub operations worldwide, managed low-cost airline operations and successfully restructured the route networks of three major carriers. Mr. Brewer has served as a Board member in several companies and organisations of the travel industry, such as Air Lingus, Swiss International Airlines, Air Canada, Star Alliance, AirHelp and IATA. He further sits on the Board of Directors of Allegiant Travel Company.

Henrik Kjellberg (b. 1971, MSc. (Economics), Swedish citizen) has held various senior positions in Expedia group, one of the world's leading travel companies with several global online travel brands, between 2001 and 2017. His last position at Expedia group was the President of the Hotwire Group, overseeing the operations for Hotwire® and CarRentals.com™. Mr. Kjellberg has served also as the President of Expedia® Affiliate Network, providing private label booking solutions for travel suppliers. He has extensive experience in developing travel related services, such as merchant car, lodging and destination services for customers, and in building and managing supply chain for these services in EMEA, APAC and China.

Prior to joining Expedia, Mr. Kjellberg led the E-commerce division for Spray, a leading Swedish Internet portal. Mr. Kjellberg has been a Board member of eLong and VOYAGES-SNCF.COM.

The biographical details of all proposed Board members can be found at Finnair's website.

The Nomination Board further proposes that Jouko Karvinen be re-elected as the Chairman of the Board. He has been a member of the Board since 2016 and the Chairman since 2017.

Proposal on the Board of Directors' remuneration

The Nomination Board proposes to the AGM that the annual remunerations of the members of the Board of Directors would remain unchanged, and be the following:

- Chairperson 61,200 euros
- Vice Chairperson 32,400 euros
- Chairpersons of the Audit Committee and Compensation and Nomination Committee 32,400 euros, where these individuals are neither the Chairperson nor the Vice Chairperson of the Board
- Other members 30,000 euros per year

The Nomination Board proposes to the AGM that each member's fee for a meeting of the Board of Directors or its Committee would be 600 euros when the meeting takes place in the member's country of residence and 2,400 euros for other meetings. For telephone meetings, the fee would be 600 euros.

The members would be entitled to reimbursement of reasonable travel and representation expenses in accordance with the company's general expenses policy.

The members and their spouses would be entitled to discounted travel on the company's flights in accordance with the company's discount ticket policy regarding the Board of Directors.

The Nomination Board

The Shareholders' Nomination Board's members as from 1 September 2017 are Pekka Timonen (Ch), Director General of the Ministry of Economic Affairs and Employment; Heikki Kyöstiä, President; Mikko Mursula, Chief Investment Officer of Ilmarinen; and Jouko Karvinen, Chairman of Finnair's Board of Directors.

The above proposals will be included in the forthcoming invitation to the AGM.