

## FINNAIR PLC

### PROPOSALS TO THE ANNUAL GENERAL MEETING OF 2017

#### A. Dividend

The Board of Directors proposes to the General Meeting that a dividend of EUR 0.10 per share be paid based on the balance sheet adopted for the financial period ended on 31 December 2016. The dividend shall be paid to a shareholder who on the dividend record date 20 March 2017 is registered as a shareholder in the Company's shareholders' register held by Euroclear Finland Ltd. The Board of Directors proposes that the dividend be paid on 4 April 2017.

#### B. Proposal for the remuneration of the members of the Board of Directors

The Shareholders' Nomination Board proposes to the General Meeting that the annual remunerations of the members of the Board of Directors would remain unchanged and be as follows:

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

The Nomination Board further proposes to the General Meeting 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 board member's country of residence. The proposed fee for other meetings would be 2,400 euros per meeting and for telephone meetings 600 euros per meeting. In addition, the Board members would be entitled to reimbursement of reasonable travel and representation expenses in accordance with the company's general expenses policy.

The Nomination Board also proposes that Board 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.

#### C. Proposal for the composition of the Board of Directors

The Shareholders' Nomination Board proposes to the General Meeting that of the present members of the Board of Directors, Maija-Liisa Friman, Jussi Itävuori, Jouko Karvinen and Jaana Tuominen be re-elected as members of the Board of Directors, and that Colm Barrington, Mengmeng Du and Jonas Mårtensson be elected as new members to the Board of Directors. The Nomination Board further proposes that Mr. Jouko Karvinen be elected as Chairman of the Board.

#### **D. Proposal for the remuneration of the auditor**

In accordance with the Audit Committee's recommendation, the Board of Directors proposes to the Annual General Meeting that the auditors' fees be paid according to the auditors' reasonable invoice.

#### **E. Proposal for the election of the auditor**

In accordance with the Audit Committee's recommendation, the Board of Directors proposes that [PricewaterhouseCoopers Oy, a firm of authorised public accountants, which has announced that APA Mikko Nieminen would be acting as the principal auditor, be re-elected as the auditor of the company for the term of office ending at the end of the next Annual General Meeting.

The Audit Committee has prepared its recommendation in accordance with the EU Audit Regulation (537/2014).

The Audit Committee hereby confirms that its recommendation is free from influence by a third party and that no clause of the kind referred to in paragraph 6 of the Article 16 of the EU Audit Regulation has been imposed upon it.

#### **F. Proposal to authorise the Board to decide on the repurchase and/or on the acceptance as pledge of the Company's shares**

The Board of Directors proposes that the Annual General Meeting would authorise the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares as follows.

The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 5,000,000 shares, which corresponds to approximately 3.9 per cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.

The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

Own shares may be repurchased and/or accepted as pledge in order to, inter alia, develop the capital structure of Finnair, to finance or carry out acquisitions, investments or other business transactions, or in order to use the shares as part of Finnair's incentive and remuneration schemes.

The authorisation would be effective for a period of 18 months from the resolution of the General Meeting and it would cancel the authorisation given by the General Meeting on 17 March 2016 to decide on the repurchase and/or acceptance as pledge of own shares.

#### **G. Proposal to authorise the Board to dispose of Finnair's shares**

The Board of Directors proposes that the Annual General Meeting would authorise the Board of Directors to decide on the disposal of own shares held by the company as follows.



The amount of shares to be disposed based on the authorisation shall not exceed 5,000,000 shares, which corresponds to approximately 3.9 per cent of all the shares in the company. The Board of Directors decides on all the conditions of the disposals, including to whom, at what price and in which manner the company's shares are disposed. The disposals may also be made in deviation from the shareholders' pre-emptive rights for a weighty financial reason, such as using the shares to develop the company's capital structure, to finance or carry out acquisitions, investments or other business transactions, or in order to use the shares as part of Finnair's incentive and remuneration schemes.

The authorisation would be effective for a period of 18 months from the resolution of the General Meeting and it would cancel the authorisation given by the General Meeting on 17 March 2016 to decide on the disposal of the company's own shares.

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