

1. Opening of the Meeting

JOUKO KARVINEN
CHAIRMAN OF THE BOARD OF
DIRECTORS





- 2. Calling the Meeting to order**
- 3. Election of persons to scrutinise the minutes and to supervise the counting of votes**
- 4. Recording the legality of the Meeting**



- 5. Recording the attendance at the Meeting and adoption of the list of votes**
- 6. Presentation of the annual accounts including the consolidated annual accounts, the report of the Board of Directors and the auditor's report for the year 2017**
 - Review by the Chief Executive Officer
 - Remuneration review by the Chairman of the Nomination and Compensation Committee

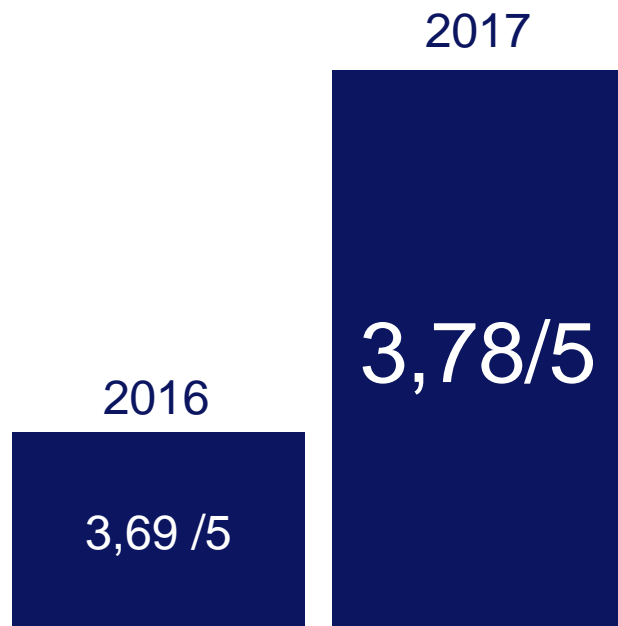
A professional portrait of a middle-aged man with short, light brown hair and black-rimmed glasses. He is wearing a dark blue suit jacket over a white button-down shirt, with a maroon pocket square visible in his jacket. He is leaning forward, resting his hands clasped together on a surface. The background is a soft, out-of-focus light gray.

CEO REVIEW



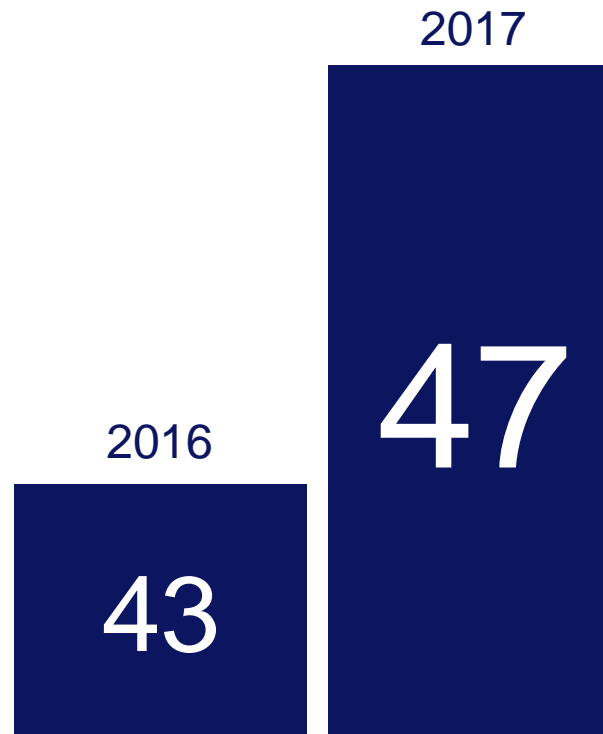
Year 2017 was successful in many ways

People experience improved



Personnel survey

Customer satisfaction developed positively



NPS – net promoter score

Our reputation in Finland improved



Luottamus & Maine –survey / T-Media

**We recruited
1,000 new
employees in
2017**





Responsible Finnair

Cleaner

Caring

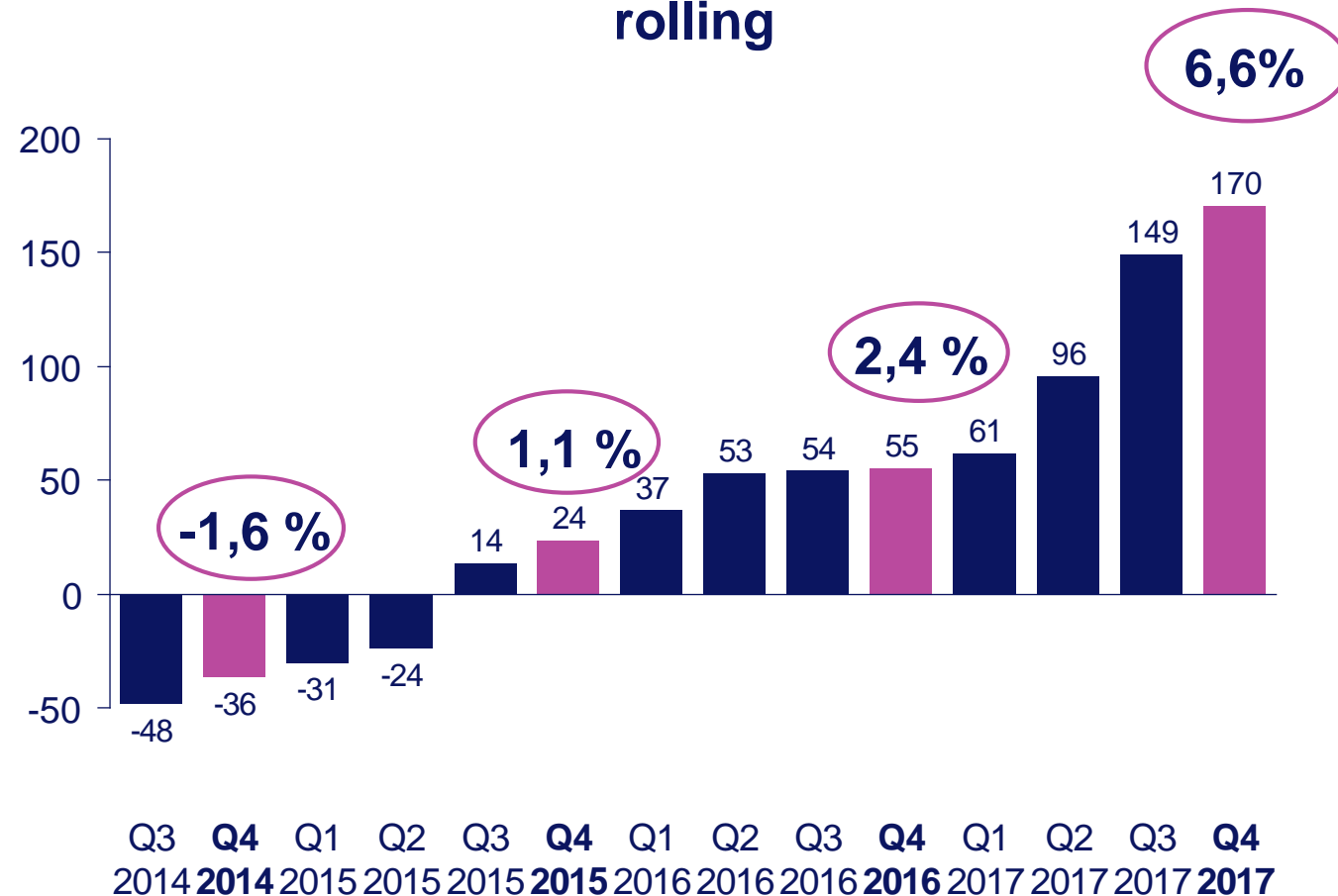
Collaborative

Ethically



2017 - a year of strong growth

Comparable operating result, 12 months rolling



○ Comparable operating result, % of revenue



THANK YOU, FINNAIR-TEAM!



Decades of determination has brought Finnair to today

- Tokyo 35-years
- Beijing 30-years





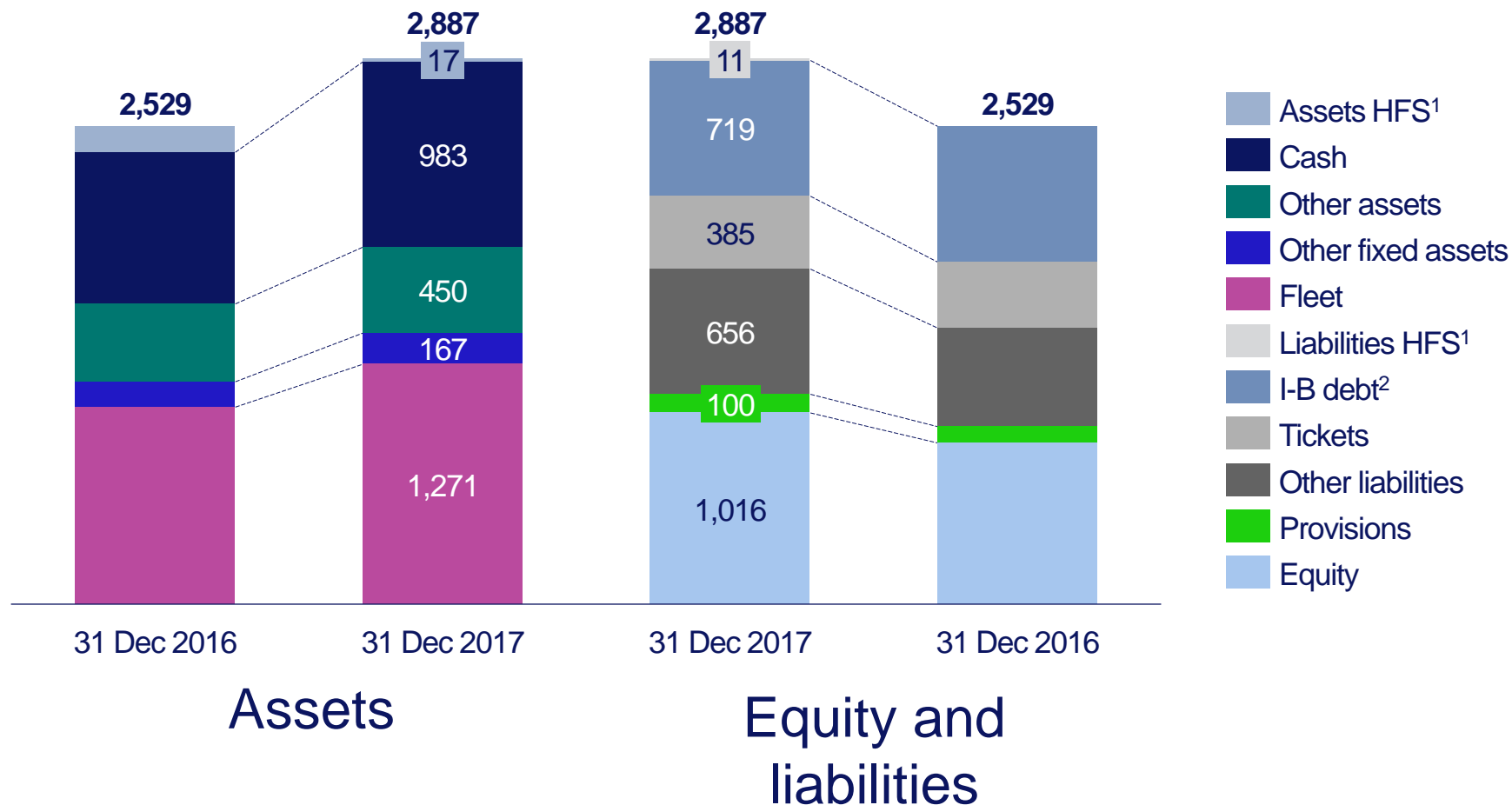
Income statement

In million euros

	2017	2016	Change %
Revenue	2 568,4	2 316,8	10,9
Other operating income	77,0	75,5	2,0
Operating expenses	-2 475,0	-2 337,1	5,9
Comparable operating result	170,4	55,2	> 200 %
Fair value changes in derivatives and changes in exchange rates of fleet overhauls	11,1	32,0	-65,3
Items affecting comparability	43,3	29,0	49,0
Operating result	224,8	116,2	93,4
Financial income	-0,3	1,0	<-200 %
Financial expenses	-13,4	-11,5	-16,1
Result before taxes	211,1	105,8	99,6
Income taxes	-41,7	-20,6	-102,3
Result for the period	169,4	85,1	99,0

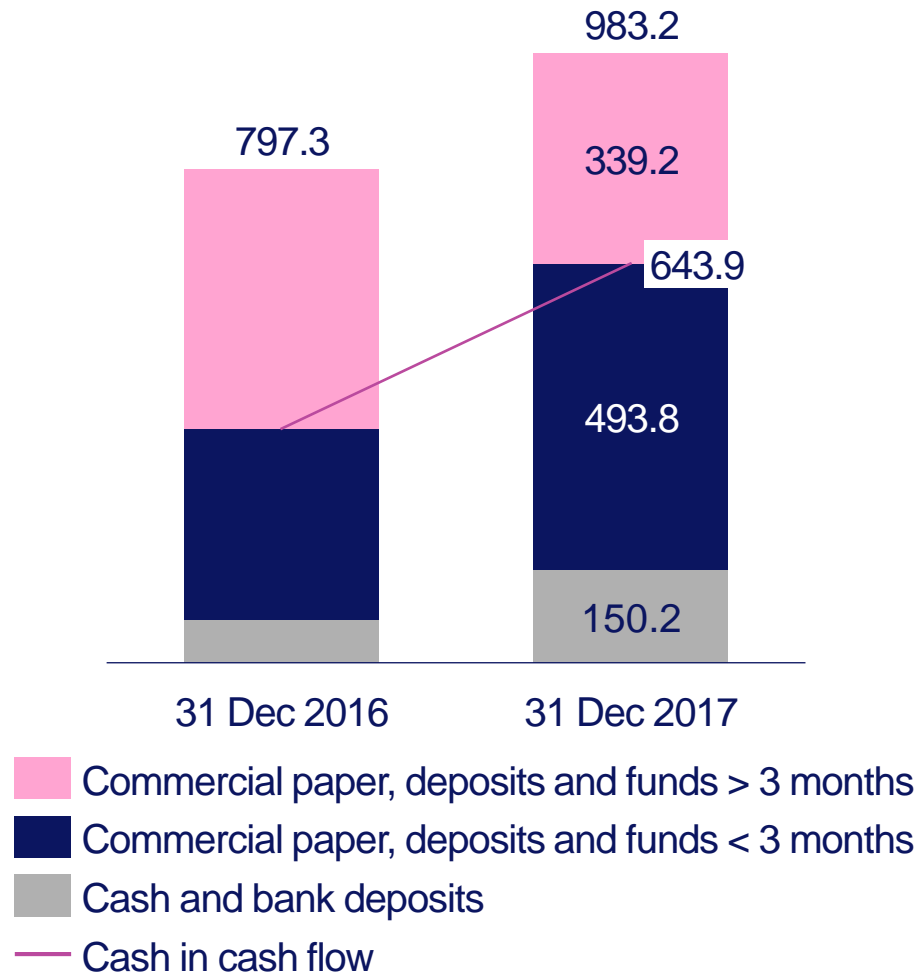
Net cash flow from operating activities **382,3** million euros in 2017.

We strengthened our balance sheet during heavy investment period



Cash funds increased to nearly one billion euros

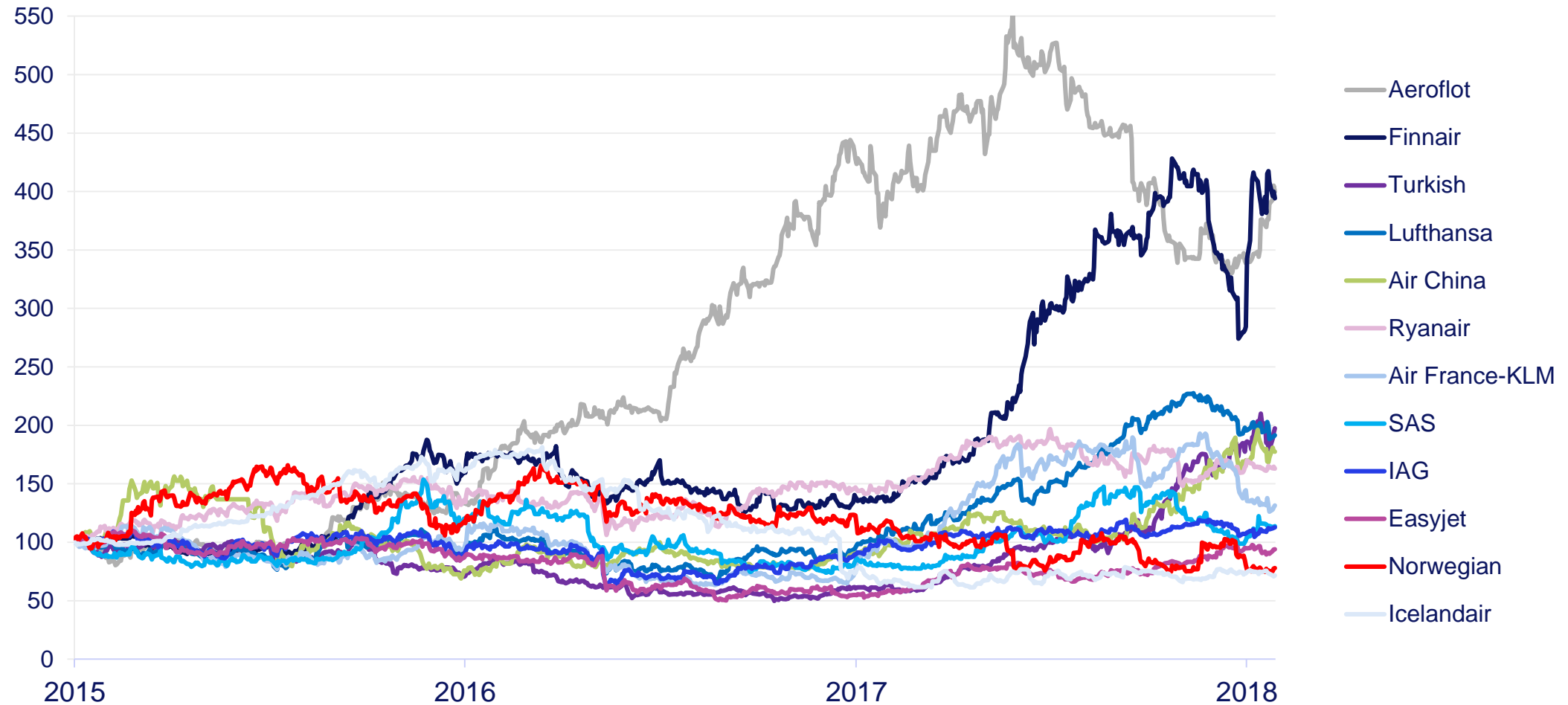
- A good foundation for new investments



- Equity ratio 35.2%
- Gearing -24.2%



Finnair share price development during growth



WHAT NEXT?



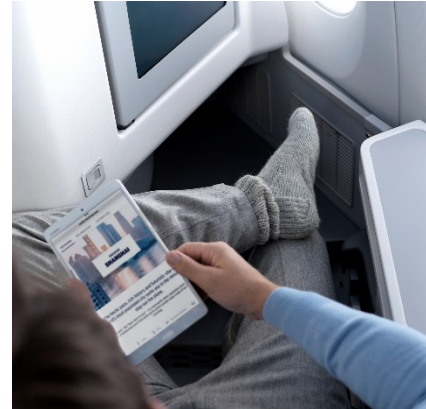
We continue to build on Finnair's strategic cornerstones



**People
experience**



**Customer
experience**



Transformation



Growth



**A wellbeing,
competent and
motivated
personnel
create great
customer
experience**



**Customers are
more satisfied**



Finnair Transformers- teams in Japan and China



スーパーDEAL Rebates ランキング ROOM 雑誌コラボ カード モバイル 電子書籍 ブックス トラベル ブランド ラクマ 証券 銀行

Rakuten キーワードから探す 詳細検索

FC BARCELONA MAIN GLOBAL PARTNER 検索ワード: エアウィーブ 甘酒 ノコリー 携帯スリッパ バレンタインチョコ モバイルバッテリー ふるさ

みんなが楽しめる バレンタイン特集 2018

2018新作も人気チョコもバレンタインの準備なら

楽天の翌日配達「あす楽」最短2/12(月)お届け

ジャンル

最近チェックしたジャンル

- 車・バイク
- 楽天ブックス
- ガーデン・DIY・工具
- メンズファッション
- 光回線・モバイル通信

すべてのジャンル

- 電子書籍
- ファッション・バッグ
- 家電・パソコン・通信
- 食品・ドリンク・お酒
- インテリア・日用雑貨
- スポーツ・ゴルフ
- コスメ・健康・医薬品
- キッズ・ベビー・玩具
- ペット・花・DIY工具
- 本・音楽・ゲーム
- 車・バイク
- 不動産・サービス

毎月 5 10 15 20 25 30 日は

エントリー&楽天カードご利用でポイント+5倍

本日の新商品は? ポイント還元最大 50% スーパーDEAL

本日はプチギフトDAY 日頃の感謝を込めて

あす楽 最短翌日着! バレンタインギフト

みんなが楽しめる バレンタイン特集 2018

楽天スーパーDEAL 24時間限定ブランドアイテム

20% ポイントバック CONVERSE

30% ポイントバック FABIO RUSCONI

20% ポイントバック SWISSWIN

20% ポイントバック JEANASIS

20% ポイントバック Ray-Ban

人気商品ランキング 2月10日(土) 22:34 総合ランキ

リアルタイム 総合 ふるさと納税 キッチン用品・食器 光回線・モバイル通信 キッズ・ベビー

リアルタイムランキング

1位

2位

3位 NEWS EPCOTIA (初回限定盤+通常盤セット)

4位

5位

6位

7位



Finnair Transformers-teams in Japan and China



Finnair Transformers- teams in Japan and China





Finnair Transformers- teams in Japan and China



Finnair was the first airline in the world to launch Alipay onboard





WE CONTINUE TO GROW

LET'S GROW AND TRANSFORM TOGETHER



THANK YOU!





Finnair

– a rewarding workplace

Remuneration Statement 2017

Jussi Itävuori
**Chairman of the Compensation and
Nomination Committee**

Finnair AGM 2018



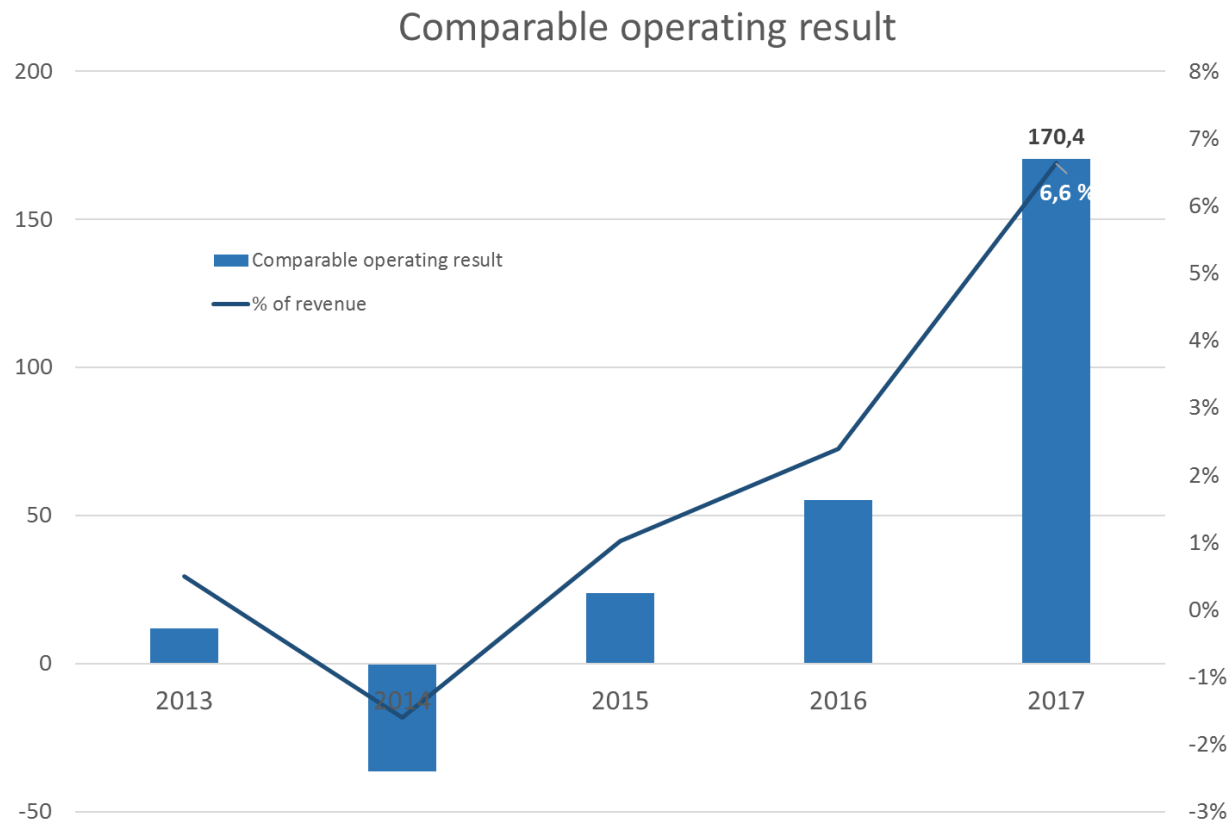
Finnair principles of total compensation



	CEO	Executive Board	Personnel
Base Salary	649 KEUR No salary increase in 2017	Avg. 230 KEUR Avg. 2,6% salary increase in 2017	Depending on employee group, defined in CLAs
Short Term Incentives (STI)	Target 30% of base salary Based on comparable EBIT and revenue and individual targets	Target 30% of base salary Based on comparable EBIT and revenue and individual targets	For those eligible: Target 0-25% of base salary Based on comparable EBIT and other Group/Unit and individual targets
Long Term Incentives (LTI)	Target 20% of base salary Based on EPS and revenue growth targets and share price	Target 20% of base salary Based on EPS and revenue growth targets and share price	Personnel Fund (based on comparable EBIT %) FlyShare - Share Savings Plan Pilot LTI 2015–2018
Variable pay cap	Variable pay (STI + LTI) capped at 120% of annual base salary		
Supplementary Pension	Defined contribution (20% of base salary)	Defined contribution (10% of TyEI salary) Applies to 2 EB members	Defined benefit (2,100 active employees) Defined contribution (140 active employees)
Other Benefits	According to normal company policy (+ flight ticket policy)	According to normal company policy + flight ticket policy	According to normal company policy + flight ticket policy
Notice period and severance pay	6 + 12 months	Maximum of 6 + 12 months	According to law or CLA



Variable compensation is driven by Finnair's performance



Variable compensation 2017

– CEO and Executive Board

Paid variable compensation:

CEO: STI 36% + LTI 35% = 71% (Max 120%)

EB: STI 35% + LTI 18% = 53% (Max 120%)

Paid Short Term Incentives are based on 6-month performance periods H2 2016 and H1 2017 as these were paid out in March and September 2017.

Paid Long Term Incentives (LTI) are based on 2014-2016 LTI plan.

Earned variable compensation:

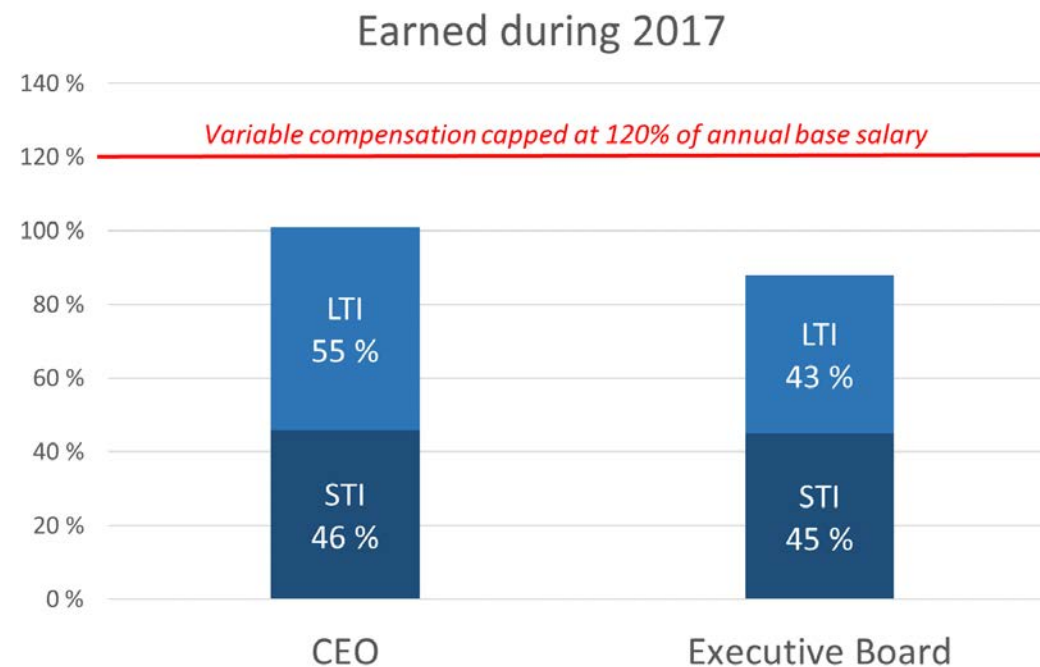
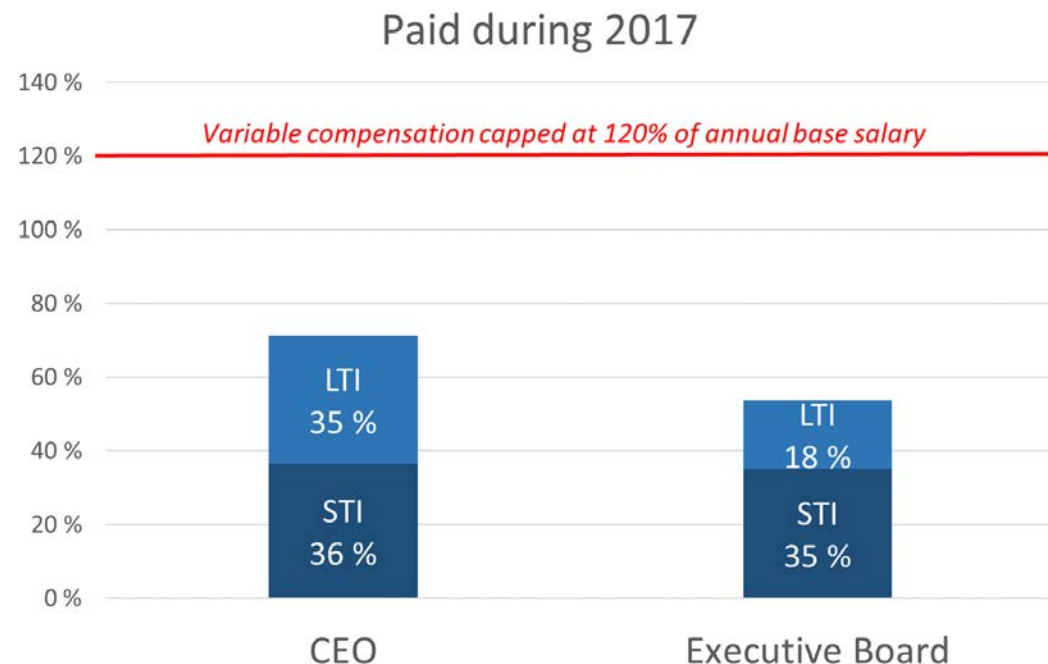
CEO: STI 46% + LTI 55% = 101% (Max 120%)

EB: STI 45% + LTI 43% = 88% (Max 120%)

Earned STI rewards are based on 6-month performance periods H1 2017 and H2 2017.

Earned LTI rewards are based on 2015-2017 LTI plan.

As of beginning of 2018, the CEO's and Executive Board's STI performance period is the full fiscal year.





Earned variable compensation during 2017

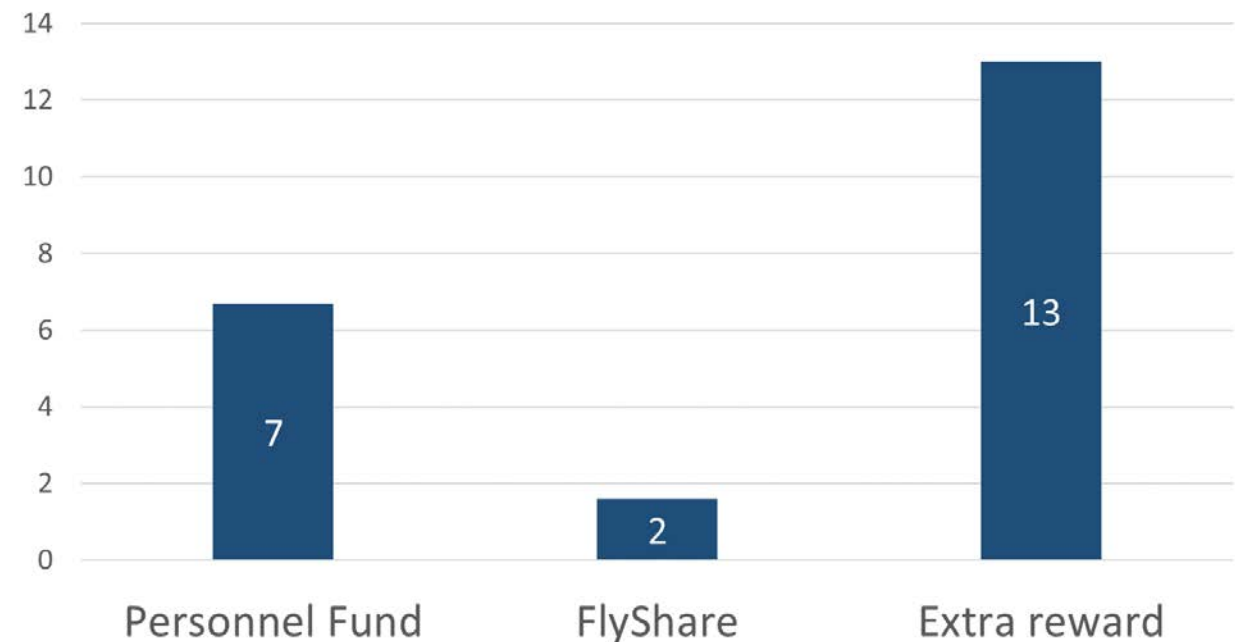
– Other personnel

Personnel Fund: Based on 2017 result, 6.7 MEUR will be transferred to Personnel Fund during 2018, equaling ~1,300 EUR per employee. Previous year payout was 0.5 MEUR / ~100 EUR per employee.

FlyShare - Employee Share Savings Plan: Matching shares worth 1.6 MEUR will be transferred to participants in 2018 based on the 2015–2016 saving period. ~1,000 employees participate in the Plan annually.

Extra reward 2017: Due to excellent financial performance of 2017 and turnaround, an extra reward of up to 2,000 EUR per employee was paid to personnel in Jan 2018 (~13 MEUR).

Variable compensation earned during 2017
- other personnel (MEUR)



Total reward for each employee
~**3,300 EUR** from Personnel Fund
and Extra reward.



THANK YOU!



7. Adoption of the annual accounts including the consolidated annual accounts

8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend

- The Board of Directors proposes to the General Meeting that a dividend of EUR 0,30 per share be paid based on the balance sheet adopted for the financial period ended on 31 December 2017. The dividend shall be paid to a shareholder who on the dividend record date 22 March 2018 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 2018.



9. Resolution on the discharge of the members of the Board of Directors and the CEO from liability



Presentation of the Chairman of the Shareholders' Nomination Board

Pekka Timonen



10. Resolution on the remuneration of the members of the Board of Directors

The Shareholders' Nomination Board proposes that the annual remuneration of the members of the Board of Directors would remain unchanged and be the following:

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

11. Resolution on the number of members of the Board of Directors

- The Shareholders' Nomination Board proposes that the number of members of the Board of Directors would be confirmed as eight (8).

12. Election of the Chairperson and other members of the Board of Directors

- The Shareholders' Nomination Board proposes that
 - Colm Barrington
 - Mengmeng Du
 - Maija-Liisa Friman
 - Jouko Karvinen (puheenjohtaja)
 - Jonas Mårtensson
 - Jaana Tuominen
 - Montie Brewer (new)
 - Henrik Kjellberg (new)




COLM BARRINGTON
s. 1946, MA (Econ).





MENGMENG DU
s. 1980, M.Sc. (Econ),
M.Sc. (Information science)




MAIJA-LIISA FRIMAN
s. 1952, M.Sc. (Chem. Eng.)

Candidates for re-election





JOUKO KARVINEN
(Chairman)
s. 1957, M.Sc. (Tech.)




JONAS MÅRTENSSON
s. 1977, M.Sc. Business Admin
(Business Development),
M.Sc. Business Admin
(Entrepreneurship).




JAANA TUOMINEN
s. 1960, M. Sc. (Eng.).



New candidates



MONTIE BREWER
s. 1957, BA (Business
Administration)

Relevant work history: mm. Air Canada, United Northwest Airlines, Republic Airlines, Braniff ja Trans World Airlines.

Key positions of trust (Chairman or member of Board):

Aer Lingus, Swiss International Airlines, Air Canada, Star Alliance, AirHelp and IATA.

Past key positions of trust: member of the Board of Allegiant Travel Company.



HENRIK KJELLBERG
s. 1971, MSc. (Economics)

Relevant work history: Expedia Group (mm. Hotwire®, CarRentals.com, Expedia® Affiliate Network), and Spray.

Key positions of trust (Chairman or member of Board): eLong and VOYAGES-SNCF.COM.



13. Resolution on the remuneration of the auditor

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

14. 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.

15. Authorising the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of own shares

- The Board of Directors proposes that the Annual General Meeting would authorize 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 number 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 16 March 2017 to decide on the repurchase and/or acceptance as pledge of own shares.



16. Authorising the Board of Directors to decide on the disposal of the company's own shares

- The Board of Directors proposes that the Annual General Meeting would authorize the Board of Directors to decide on the disposal of own shares held by the company as follows.
- The number 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 16 March 2017 to decide on the disposal of the company's own shares.



17. Amending the Articles of Association

The Board of Directors proposes that the Articles of Association be amended to, among other things, broaden the company's field of business, increase the maximum number of members of the Board of Directors, and to make certain technical updates.

In accordance with the above, the Board of Directors proposes that:

Section 2 § of the Articles of Association be amended to read as follows:

"The company's field of business is to operate an airline by transporting passengers, cargo, and mail and to sell, lease, and repair aircraft and their parts and supplies, to provide hotel, forwarding, travel agency and other business operations relating to travelling and airline operations, as well as finance and insurance brokerage services and all other business operations related to the above. The company may conduct its business through subsidiaries, associated companies and joint ventures."



- Section 3 § of the Articles of Association be amended to read as follows:

"The administrative bodies of the company are the Board of Directors and the Chief Executive Officer. A Deputy Chief Executive Officer may also be appointed for the company. The Board of Directors shall consist of a Chairperson and of a minimum of four (4) and a maximum of nine (9) other members."

- Section 8 § of the Articles of Association be amended to read as follows:

"The company has one auditor. The auditor shall be an Auditing Firm referred to in the Auditing Act. The auditor shall be elected at the Annual General Meeting for a term which shall end at the closing of the first Annual General Meeting following the election."

- Section 12 § of the Articles of Association will be amended to read as follows:

"General Meetings of the company may be held in either Helsinki, Espoo or Vantaa. (cont.)"

(cont.) At the Annual General Meeting, the following are

- presented:
 - the financial statements, the consolidated financial statements and the report of the Board of Directors, and the auditor's report;
- decided on:
 - the adoption of the financial statements and the consolidated financial statements,
 - the use of the profit shown on the balance sheet,
 - the discharge from liability of the members of the Board of Directors and the Managing Director,
 - the remuneration of the members of the Board of Directors, and
 - the number of members of the Board of Directors, and
 - the remuneration of the auditor;
- elected:
 - the Chairperson and other members of the Board of Directors, and the auditor; and
- addressed:
 - any other matters mentioned in the notice of the Meeting."



18. Authorising the Board of Directors to decide on donations for public-benefit purposes.

- The Board of Directors proposes that the Board of Directors be authorized to decide on donations up to an aggregate maximum of EUR 250,000 for charitable or corresponding purposes and that the Board be authorized to determine the recipients, purposes and other terms and conditions of the donations. The donations can be made in one or multiple installments. The authorization would be effective until the next Annual General Meeting.

19. Closing of the Meeting