

## **Notice to Annual General Meeting of Finnair Plc**

Notice is given to the shareholders of Finnair Plc to the Annual General Meeting to be held on Wednesday 20 March 2019 at 3 p.m. (EET) at Messukeskus Helsinki, Messuaukio 1. The doors will be opened and reception of persons who have registered for the Meeting will commence at 2 p.m. (EET). Coffee will be served prior to the Meeting.

### **A. MATTERS ON THE AGENDA OF THE GENERAL MEETING**

At the General Meeting, the following matters will be considered:

#### **1. Opening of the Meeting**

#### **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 2018**

- Review by the Chief Executive Officer
- Review of the corporate responsibility targets
- Review of the company's remuneration policy by the Chairman of the People and Remuneration Committee

#### **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 0.274 per share be paid based on the balance sheet adopted for the financial period ended on 31 December 2018. The dividend shall be paid to a shareholder who on the dividend record date 22 March 2019 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 2 April 2019.

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

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

The Shareholders' Nomination Board did not make a proposal for the remuneration payable to the members of the Board of Directors. The State of Finland, representing approximately 55.8 percent of the company's shares and votes, has notified the Shareholders' Nomination Board and the company that it

proposes to the Annual General Meeting that the annual remuneration of the members of the Board of Directors shall remain unchanged and be the following:

- Chairperson EUR 61,200;
- Vice Chairperson EUR 32,400;
- Chairpersons of the Audit Committee and People and Remuneration 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.

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.

In addition, it is proposed that 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, Montie Brewer, Mengmeng Du, Jouko Karvinen, Henrik Kjellberg and Jaana Tuominen of the current members of the Board of Directors be re-elected as members of the Board of Directors, and that Tiina Alahuhta-Kasko and Jukka Erlund be elected as new members to the Board of Directors. All candidates have given their consent to the position, and all, except Jukka Erlund, are independent of the company and its significant owners. Jukka Erlund is not deemed to be independent of the company, because Piia Karhu, Finnair's Senior Vice President, Customer Experience, is member of the Board of Kesko Corporation.

Maija-Liisa Friman, who has served as a member of the Board since 2012, and Jonas Mårtensson, who has served as a member of the Board since 2017, have informed the Shareholders' Nomination Board that they will not be available for re-election.

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

The biographical details of all proposed Board members can be found at Finnair's website [www.finnairgroup.com](http://www.finnairgroup.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, be re-elected as the auditor of the company for the term of office ending at the end of the next Annual General Meeting. PricewaterhouseCoopers Oy has announced that Markku Katajisto, APA, would be acting as the principal auditor.

### **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 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 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 20 March 2018 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 authorise 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 20 March 2018 to decide on the disposal of the company's own shares.

#### **17. Authorising the Board of Directors to decide on donations for public-benefit purposes.**

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

#### **18. Forfeiture of the shares entered in a joint book-entry account and of the rights attached to such shares**

Finnair Plc entered the company's shares into the book-entry system in 1993. The company has opened a joint book-entry account (the "Joint Account") on behalf of those shareholders whose shares have not been registered in the book-entry system.

The Board of Directors proposes that the Annual General Meeting of Finnair Plc decides, in accordance with Chapter 3, Section 14 a, subsection 3 of the Finnish Companies Act, on the forfeiture of the rights to all the shares entered in the Joint Account as well as the rights attached to such shares, where the shares have not been requested to be registered in the book-entry system in accordance with Chapter 6, Section 3 of the Act on the Book-Entry System and Settlement Activities prior to the decision by the Annual General Meeting.

In addition to the shares, the rights attached to such shares, such as undrawn dividend, are forfeited. Once the decision has been made, the provisions applicable to treasury shares held by the company will apply to the forfeited shares.

The number of shares of Finnair Plc entered in the Joint Account as at 15 February 2019 was 16,703. The number of the shares may decrease if requests for the registration of shares entered in the Joint Account and the rights attached to such shares are made before the Annual General Meeting has decided on the forfeiture of the shares and the rights attached to such shares.

#### **19. Closing of the Meeting**

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

The proposals for the decisions on the matters on the agenda of the General Meeting as well as this notice to the General Meeting are available on the company's website at [www.finnairgroup.com](http://www.finnairgroup.com). The annual accounts, the report of the Board of Directors and the auditor's report of Finnair Plc are available on the above-mentioned website on 27 February 2019 at the latest. The proposals for decisions and other above-

mentioned documents are also available at the Meeting. Copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the Meeting will be available on the above-mentioned website as from 3 April 2019 at the latest.

## **C. INSTRUCTIONS FOR THE PARTICIPANTS IN THE GENERAL MEETING**

### **1. Shareholder registered in the shareholders' register**

Each shareholder, who on the record date of the General Meeting, Friday 8 March 2019, is registered in the shareholders' register of the company held by Euroclear Finland Ltd., has the right to participate in the General Meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the shareholders' register of the company.

A shareholder, who is registered in the shareholders' register of the company and who wants to participate in the General Meeting, shall register for the Meeting no later than by Friday 15 March 2019 by 10.00 a.m. (EET) by giving a prior notice of participation, which has to be received by the company before the end of the registration period. Such notice can be given:

- a) on the company's website at [www.finnairgroup.com](http://www.finnairgroup.com);
- b) by telephone +358 (0)20 770 6866 Monday through Friday from 9:00 to 16:00 (EET); or
- c) by regular mail to Finnair Plc/Taina Rojo/DTX/303, P.O. Box 15, 01053 FINNAIR.

In connection with the registration, a shareholder shall notify his/her name, personal identification number, address, telephone number and the name of a possible assistant or proxy representative and the personal identification number of a proxy representative. The personal data given to Finnair Plc is used only in connection with the General Meeting and with the processing of related registrations.

The shareholder, his/her authorised representative or proxy representative shall, where necessary, be able to prove his/her identity and/or right of representation.

### **2. Holders of nominee registered shares**

A holder of nominee registered shares has the right to participate in the General Meeting by virtue of such shares, based on which he/she on Friday 8 March 2019 would be entitled to be registered in the shareholders' register of the company held by Euroclear Finland Ltd. The right to participate in the General Meeting requires, in addition, that the shareholder on the basis of such shares has been registered into the temporary shareholders' register held by Euroclear Finland Ltd. at the latest by Friday 15 March 2019 by 10.00 a.m. (EET). As regards nominee registered shares, this constitutes due registration for the General Meeting.

A holder of nominee registered shares is advised to request without delay the necessary instructions regarding the registration in the temporary shareholder's register of the company, the issuing of proxy documents and registration for the General Meeting from his/her custodian bank. The account management organization of the custodian bank has to register a holder of nominee registered shares, who wants to participate in the General Meeting, into the temporary shareholders' register of the company at the latest by the time stated above. The account management organizations are asked to send the voting instructions by e-mail to [agm@finnair.com](mailto:agm@finnair.com).

### 3. Proxy representative and powers of attorney

A shareholder may participate in the General Meeting and exercise his/her rights at the Meeting by way of proxy representation.

A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the General Meeting. When a shareholder participates in the General Meeting by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the General Meeting.

Possible proxy documents should be delivered in originals to Finnair Plc/Taina Rojo/DTX/303, P.O. Box 15, 01053 FINNAIR on Friday 15 March 2019, at the latest.

### 4. Other information

Pursuant to Chapter 5, Section 25 of the Companies Act, a shareholder who is present at the General Meeting has the right to request information with respect to the matters to be considered at the Meeting.

On the date of this notice to the Annual General Meeting, 15 February 2019, the total number of shares and votes in the company 128,136,115. The company or its subsidiaries hold 797,008 of the company's own shares, which do not have voting rights in the General Meeting.

In Helsinki, 15 February 2019

FINNAIR PLC  
BOARD OF DIRECTORS

Further information:

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Distribution:

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Principal media

*Finnair is a network airline specialising in passenger and cargo traffic between Asia and Europe. Helsinki's geographical location gives Finnair a competitive advantage, since the fastest connections between many European destinations and Asian megacities fly over Finland. Finnair's vision is to offer its passengers a unique Nordic experience, and its mission is to offer the smoothest, fastest connections in the northern hemisphere via Helsinki and the best network to the world from its home markets. Finnair is the only Nordic network carrier with a 4-star Skytrax ranking and a member of the **oneworld** alliance. In 2018, Finnair's revenues amounted to EUR 2,835 Million and it carried 13.3 Million passengers. Finnair Plc's shares are quoted on Nasdaq Helsinki.*