



FINNAIR PLC

PROPOSALS TO THE ANNUAL GENERAL MEETING OF 2018

BOARD'S PROPOSALS

Proposal on the use of the profit shown on the balance sheet and the payment of dividend

The Board of Directors proposes to the Annual 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.

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.

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.

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 16 March 2017 to decide on the repurchase and/or acceptance as pledge of own shares.

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 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.

Proposal to amend 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. The text proposed to be added is shown as underlined and the text proposed to be deleted as crossed out.

The Board of Directors proposes that:



- (i) 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."

- (ii) 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 ~~seven (7)~~ nine (9) other members."

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

"The company has one auditor. The auditor shall be an ~~auditing agency approved by Finland Central Chamber of Commerce~~ 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."

- (iv) Section 12 § of the Articles of Association will be amended in its entirety to read as follows:

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

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."

Proposal on authorizing 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.

NOMINATION BOARD'S PROPOSALS

Proposal on 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.



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 2018 Annual General Meeting.

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