

SCANFIL PLC

Business ID: 2422742-9

MINUTES

No. 1/2019

SCANFIL PLC – ANNUAL GENERAL MEETING 2019

- DATE AND TIME:** 24 April 2019 starting from 12:00 noon
- PLACE:** Company's head office, Yritystie 6, Sievi, Finland
- PRESENT:** A total of 43 shareholders in accordance with the list of votes (**Appendix 1**) were present, representing a total of 36,690,213 shares and votes from the company's total 64,035,439 shares and votes.
- Harri Takanen, Jarkko Takanen, Christer Härkönen, Christina Lindstedt and Bengt Engström, members of the Board of Directors; CEO Petteri Jokitalo; company auditor KPMG Oy Ab's representative Janna Kivimäki, representatives of the company's top management and clerical staff were present at the meeting.

1 § OPENING OF THE MEETING

Harri Takanen, chairman of the Board of Directors, opened the Annual General Meeting, welcoming the attendees present to the meeting.

2 § ORGANISATION OF THE MEETING

Jarmo Rankinen, LL.M., was elected chairman of the AGM, and he appointed Teemu Ohtamaa, LL.M., as secretary.

The chairman described procedures concerning the handling of the issues listed on the meeting agenda.

The chairman described voting instructions that had been sent beforehand to nominee-registered shareholders. Summaries of the instructions and powers of attorney were attached to the minutes (**Appendix 2A and 2B**).

It was stated and recorded: (i) that voting instructions for nominee-registered shareholders represented by Nordea Bank Oyj and Scandinaviska Enskilda Banken AB had been sent to the company and the chairman of the AGM before the meeting as infor-

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mation, including votes against but no deviating proposals; (ii) that according to the voting instructions, no voting or no counting of votes will be required if the chairman of the AGM is able to state, on the basis of the voting instructions sent before the meeting, that the majority of votes and shares represented at the meeting required for the specific matter is in favour of the proposals presented to the AGM; (iii) that it could be stated, assuming that the members of the Board of Directors present at the AGM are supporting the proposals of the Board of Directors, that in the agenda sections including voting instructions the required majority of votes represented in the AGM are supporting the proposals made to the AGM.

It was stated that the number of votes against will be added to the minutes regarding the sections of the agenda for which voting instructions have been submitted but for which no voting is required, where applicable and in accordance with the voting instructions.

3 § ELECTION OF PERSONS TO SCRUTINISE THE MINUTES AND SUPERVISE THE COUNTING OF VOTES

Timo Sonninen and Reijo Pöllä were elected to scrutinise the minutes and, if required, also to count votes.

4 § RECORDING THE LEGALITY OF THE MEETING AND THE PRESENCE OF A QUORUM

It was stated that the notice of the Annual General Meeting had been issued through a stock exchange bulletin released on 27 March 2019 and on the company's website.

It was stated that the financial statement documents and the Annual Report were available during the AGM and have been available at the company's head office and on the company's website as of 22 March 2019 and they were sent upon request to shareholders.

It was stated that the AGM had been summoned according to the provisions of the Articles of Association and the Finnish Limited Liability Companies Act and that, therefore, it had a quorum.

The notice of the Annual General Meeting was attached to the minutes (**Appendix 3**).

5 § RECORDING THOSE PRESENT AND VERIFYING THE LIST OF VOTES

A list of participants at the beginning of the AGM and a list of votes were presented, according to which a total of 43 shareholders were present in person or represented by an authorised agent. The company's temporary list of shareholders was on display at the meeting, including the shareholders who were registered as shareholders on the record date of the AGM and the nominee-registered shareholders who have temporarily been registered in the list of shareholders.

It was stated that a total of 36,690,213 shares and votes were represented at the AGM.

The list of votes including proxies was confirmed and attached to the minutes (**Appendix 1**).

6 § PRESENTING THE FINANCIAL STATEMENTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR 2018

CEO Petteri Jokitalo presented a summary of the company's operations in 2018.

Financial statements and notes over the financial period of 1 January – 31 December 2018 and the report of the Board of Directors were presented.

It was recorded that the financial statements documents have been available at the company's head office and on the company's website for the period set out in the Limited Liability Companies Act before the AGM.

The financial statements documents were attached to the minutes (**Appendix 4**).

Company's auditor KPMG Oy Ab's representative, auditor Janna Kivimäki described the audit process carried out in the group during fiscal year 2018 and presented the audit auditor's report, which was attached to the minutes (**Appendix 5**). It was recorded that the statement of the auditor's report was in standard format.

7 § APPROVAL OF THE FINANCIAL STATEMENTS

IT WAS RESOLVED to approve the financial statements and consolidated financial statements over the financial period of 1 January – 31 December 2018.

8 § RESOLUTION ON THE MEASURES WARRANTED BY THE PROFIT SHOWN ON THE BALANCE SHEET AND ON THE PAYMENT OF DIVIDENDS

It was stated that, according to the parent company's balance sheet closed on 31 December 2018, the parent company's distributable assets stood at EUR 39,015,179.77, including non-distributed profit funds of EUR 10,228,513.15.

It was stated that the Board of Directors had proposed to the AGM that EUR 0.13 per share be paid as dividends from the company's distributable assets over the financial period closed on 31 December 2018. According to the proposal, the dividend will be paid to shareholders who are recorded in the company's list of shareholders maintained by Euroclear Finland Oy on the record date of the dividend payment, 26 April 2019. According to the proposal, the dividend will be paid on 6 May 2019.

The proposal of the Board of Directors was attached to the minutes (**Appendix 6**).

IT WAS RESOLVED according to the proposal of the Board of Directors, to pay EUR 0.13 per share as dividends from the company's distributable assets over the financial period of 1 January – 31 December 2018. The record date for the payment of dividend is 26 April 2019 and the date of payment of the dividend is 6 May 2019. The dividend will be paid to shareholders who are recorded in the company's list of shareholders maintained by Euroclear Finland Oy on the record date of the dividend payment.

9 § DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY

IT WAS RESOLVED to discharge the individuals acting as members of the Board of Directors over the financial period of 1 January – 31 December 2018 and the CEO from liability.

10 § RESOLUTION ON THE FEES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE AUDITOR

It was stated that the Nomination Committee had proposed that the following fees be paid to members of the Board of Directors: EUR 3,800.00 per month to the chairman of the Board of Directors and EUR 2,200.00 per month to members of the Board of Directors and EUR 550.00 per meeting to the members of the Audit Committee. The travel expenses of members of the Board of Directors will be compensated in accordance with the company's travel policy. The auditor will be paid according to a reasonable invoice. The auditor has been elected until further notice.

The proposal of the Nomination Committee was attached to the minutes (**Appendix 7**).

IT WAS RESOLVED according to the proposal of the Nomination Committee that the following fees be paid to the members of the Board of Directors to be elected for the term of office starting from the close of this AGM and ending at the next AGM: EUR 3,800.00 per month to the chairman of the Board of Directors and EUR 2,200.00 per month to members of the Board of Directors and EUR 550.00 per meeting for the members of the Audit Committee. The travel expenses of members of the Board of Directors will be compensated for in accordance with the company's travel policy.

IT WAS RESOLVED that the auditor will be paid according to a reasonable invoice.

11 § RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

According to Section 4 of the Articles of Association, the Board of Directors comprises a minimum of three (3) and a maximum of seven (7) ordinary members.

It was stated that the Nomination Committee of the Board of Directors had proposed that five (5) members be confirmed as the number of members of the Board of Directors. The proposal of the Nomination Committee of the Board of Directors was attached to the minutes (**Appendix 8**).

IT WAS RESOLVED according to the proposal of the Nomination Committee, that five (5) members be confirmed as the number of members of the Board of Directors.

12 § ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

It was recorded that the term of office of members of the Board of Directors ends at the close of the AGM following the election.

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It was stated that the Nomination Committee of the Board of Directors had proposed that the following persons be elected to the Board of Directors for the term of office to end at the close of the following AGM, and that the company's largest shareholders, representing 45% of the company's shares and votes, were in favour of the proposal: Harri Takanen, Jarkko Takanen, Christer Härkönen, Bengt Engström, and Christina Lindstedt. Harri Takanen would continue as the chairman.

The proposal of the Nomination Committee of the Board of Directors was attached to the minutes (**Appendix 9**).

IT WAS RESOLVED that the following persons be elected as members of the Board of Directors for the term of office which ends at the close of the following AGM:

Harri Takanen (b. 1968)

Jarkko Takanen (b. 1967)

Christer Härkönen (b. 1957)

Bengt Engström (b. 1953), and

Christina Lindstedt (b. 1968)

It was recorded that the nominee-registered shareholders presented 339,161 votes against.

13 § ELECTION OF THE AUDITOR

It was stated that the Audit Committee proposes that the accounting firm KPMG Oy Ab be re-elected as the company's auditor, which is elected until further notice. The Audit Committee proposes that Kirsi Jantunen, Authorised Public Accountant, be elected as the main auditor according to her consent. The proposal of the Audit Committee was attached to the minutes (**Appendix 10**).

IT WAS RESOLVED that KPMG Oy Ab be re-elected as the company's auditor and Kirsi Jantunen, Authorised Public Accountant, be elected as the main auditor according to the proposal of the Audit Committee.

14 § AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE ACQUISITION OF TREASURY SHARES

It was stated that the Board of Directors had proposed to the AGM that the Board of Directors be authorised to decide on the acquisition of at most five million (5,000,000) treasury shares (company's own shares). The authorisation cancels the authorisation given at the AGM of 25 April 2018 to acquire treasury shares. The authorisation will remain in force for 18 months after its issuance. The entire proposal of the Board of Directors was attached to the minutes (**Appendix 11**).

IT WAS RESOLVED to authorise the Board of Directors to decide on the acquisition of at most five million (5,000,000) treasury shares according to the proposal of the Board of Directors.

IT WAS RESOLVED that the authorisation cancels the authorisation given at the AGM of 25 April 2018 to acquire treasury shares. The authorisation will remain in force for 18 months.

15 § AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON SHARE ISSUES

It was stated that the Board had proposed to the AGM that the Board of Directors be authorised to decide on share issues through one or more issues. At most thirteen million (13,000,000) shares may be issued under the authorisation. According to the proposal, the Board of Directors shall decide on the terms and conditions of share issues. The authorisation concerns both the issuance of new shares and the transfer of treasury shares. Shares can be issued in deviation from the shareholders' pre-emptive rights (directed issue). The authorisation cancels the authorisation given at the AGM of 25 April 2018 to decide on share issues and the issuance of special rights entitling their holders to shares. The authorisation will remain in force until 30 June 2020.

The authorisation given to the Board of Directors in this section does not cancel or replace any authorisation given to the Board of Directors to decide granting of option rights or other special rights.

The entire proposal of the Board of Directors was attached to the minutes (**Appendix 12**).

IT WAS RESOLVED to authorise the Board of Directors, according to its proposal, to decide on share issues through one or more issues. At most thirteen million (13,000,000) shares may be issued under the authorisation. The Board shall decide on the terms and conditions of share issues. The authorisation concerns both the issue of new shares and the transfer of treasury shares. Shares can be issued in deviation from the shareholders' pre-emptive rights (directed issue). The authorisation will remain in force until 30 June 2020.

It was recorded that the authorisation given to the Board of Directors in this section does not cancel or replace (i) any authorisation given to the Board of Directors to decide on issue of option rights and issue of special rights entitling their holders to shares (among others authorization registered on 26 May 2016 at 14:21:08 maximum of 900 000 pcs of shares), (ii) nor already registered option and special rights entitling their holders to shares decisions (decisions registered P003 (04.01.2016 / 13: 53: 32), P004 (29.12.2016 / 15: 44: 02) and P005 (07.12.2017/10:45:54)), which remain in force.

It was recorded that the nominee-registered shareholders presented 443,187 votes against.

16 § AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF OPTION RIGHTS

It was stated that the Board of Directors had proposed that the AGM authorise the Board of Directors to decide on the issuance of option rights as referred to in Section 1 of Chapter 10 of the Limited Liability Companies Act to the key personnel of the Scanfil Group. At most 900,000 option rights may be issued under the authorisation and they entitle the key personnel to subscribe to a combined total of 900,000 of the company's new shares or shares in its possession.

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It was recorded that the issuance of the option rights has financial significance for the company, because option rights are intended to be part of the key personnel's incentive and commitment scheme. The purpose of option rights is to promote the commitment of key personnel to Scanfil Group and to encourage them to work in the long term to increase the company's ownership value.

The whole proposal of the Board of Directors, including the key terms and conditions of the option programme, was attached to the minutes (**Appendix 13**).

IT WAS RESOLVED to authorise the Board of Directors to decide on the issuance of option rights according to the proposal of the Board of Directors. At most 900,000 option rights may be issued under the authorisation and they entitle their holders to subscribe to a combined total of 900,000 of the company's new shares or shares in its possession. The Board of Directors decided on granting of the option rights as well as all other terms and conditions of the option rights.

It was recorded that the authorisation given to the Board of Directors in this section to decide on granting of option rights: (i) does not cancel or replace any authorisation given to the Board of Directors in any other section of this AGM to decide on share issue or granting of option rights or other special rights entitling to shares; (ii) nor the authorization granted to the Board of Directors earlier to decide on granting of option rights or other special rights entitling to shares (*among others without limitation authorization registered on 26 May 2016 at 14:21:08 maximum of 900 000 pcs of shares*), (iii) nor already registered option and special rights entitling their holders to shares decisions (*decisions registered P003 (04.01.2016 / 13: 53: 32), P004 (29.12.2016 / 15: 44: 02) and P005 (07.12.2017/10:45:54)*), which remain in force.

It was recorded that the nominee-registered shareholders presented 208,270 votes against.

17 § CLOSING OF THE MEETING

It was recorded that all shareholders present at the meeting were in favour of the decisions made at the AGM, unless otherwise stated in the minutes or its appendices.

The chairman stated that all matters attributed to the AGM have been handled and that no other matters were to be handled.

The chairman closed the meeting at 12:40 pm.

It was stated that the minutes of the AGM will be available on the company's website from 8 May 2019.

[Signatures at the next/last page]

IN WITNESS THEREOF:

Chairman *JARMO RANKINEN*

Jarmo Rankinen

Secretary *TEEMU OHTAMAA*

Teemu Ohtamaa

Minutes scrutinised and approved by:

TIMO SONNINEN

Timo Sonninen

REIJO PÖLLÄ

Reijo Pöllä

APPENDICES TO THE MINUTES:

- Appendix 1:** List of votes
- Appendix 2A:** Voting instructions and powers of attorney for shareholders represented by Nordea Bank Oyj
- Appendix 2B:** Voting instructions and powers of attorney for shareholders represented by Scandinaviska Enskilda Banken Ab (publ)
- Appendix 3:** Notice of the Annual General Meeting
- Appendix 4:** Financial statements documents
- Appendix 5:** Auditor's Report
- Appendix 6:** Board of Directors' proposal for the payment of dividends
- Appendix 7:** Nomination Committee's proposal for fees of members of the Board of Directors, Committee Members and the auditor
- Appendix 8:** Nomination Committee's proposal for the number of members of the Board of Directors
- Appendix 9:** Nomination Committee's proposal for members of the Board of Directors
- Appendix 10:** Audit Committee's proposal for the auditor and main auditor
- Appendix 11:** Board of Directors' proposal to authorise the Board of Directors to decide on the acquisition of treasury shares
- Appendix 12:** Board of Directors' proposal to authorise the Board of Directors to decide on share issues
- Appendix 13:** Board of Directors proposal to authorise the Board of Directors to decide on granting of option rights