

LÄNNEN TEHTAAT PLC MINUTES OF ANNUAL GENERAL MEETING

Date and time: 28 March 2012, 2.00 pm
Location: Iso-Vimma, Säskylä
Attendance: The attendance and voting list is given in Appendix 1.

1. Opening of the meeting

The meeting was opened by Timo Miettinen, Chairman of the Supervisory Board.

2. Election of chairman

Attorney-at-law Juha Manner was unanimously elected as chairman of the meeting.

3. Appointment of secretary

The chairman invited Asmo Ritala, the Group's Corporate Counsel, to act as secretary of the meeting.

4. Invitation to meeting and presence of quorum

It was noted that the invitation to the Annual General Meeting had been published on the company's website on 5 March 2012. The invitation had also been published in a stock exchange announcement on 5 March 2012.

The chairman stated that the meeting had been convened legally and that a quorum was present for discussing the matters presented in the invitation to the meeting.

5. Appointment of minute-checkers and vote-counters

Hannu Heikola and Veli-Matti Syrjä were appointed as minute-checkers. Pasi Jaakkola, Jouni Kylänpää, Juha Nevavuori and Esa Ruohola were appointed as vote-counters.

6. Approval of order of business and addressing the meeting

The agenda was **approved** as the meeting's order of business (Appendix 2).

It was **resolved** that requests to address the meeting should be submitted in writing using the special slips provided, and that the meeting should be addressed from the podium at the front of the hall.

7. Preparation of voting list

The chairman reported that a voting list had been prepared showing both the number of shares and the number of votes pertaining to each of the shareholders and their proxies and assistants present at the meeting (Appendix 1).

According to the voting list, the number of shares represented at the meeting was 3,413,035 and the number of votes was 3,413,035. The total number of shares and the total number of votes conferred by the company's entire share capital is 6,317,576.

On the basis of the voting restriction in article 11 of the Articles of Association, the chairman limited the number of votes that could be cast by an individual shareholder to 341,303.

8. Company's financial statements for financial year 1 January – 31 December 2011

CEO Matti Karppinen presented the financial statements for 2011 (Appendix 3).

The chairman reported that the financial statements documents had been on display for inspection by shareholders on the company's website since 6 March 2012 and that copies of the documents had been sent to those shareholders who had specifically requested them.

The chairman declared that the financial statements had been presented to the meeting.

9. Presentation of auditor's report

The chairman read out the auditor's report (Appendix 4) and declared that the report had been presented to the meeting.

10. Presentation of Supervisory Board's statement based on financial statements and auditor's report

The chairman read out the Supervisory Board's statement based on the financial statements and the auditor's report (Appendix 5).

The chairman declared that the Supervisory Board's statement had been presented to the meeting.

11. Adoption of parent company and consolidated income statements and

balance sheets

It was **resolved** that the parent company and consolidated income statements and balance sheets for the financial year ending 31 December 2011 be adopted in the form proposed.

12. Measures called for as result of profit declared in adopted parent company and consolidated balance sheets

The chairman reported that the Board of Directors had proposed payment of a dividend of EUR 0.85 per share to shareholders outside the company and that the remainder be left in unrestricted shareholders' equity. No dividend is paid on Lännen Tehtaat plc shares acquired and held by the company.

The record date for dividend payment is 2 April 2012, and the dividend payment date is 11 April 2012.

The Board of Directors' proposal on the distribution of profits was **approved**.

13. Granting discharge from liability to members of Board of Directors and of Supervisory Board and CEO

It was **resolved** that the members of the Board of Directors and of the Supervisory Board and the CEO be granted discharge from liability.

14. Number of Supervisory Board members and their remuneration

It was noted that Textron Inc Master Trust, which represents 7,000 shares and votes, and Oregon Public Employees Retirement System, which represents 343 shares and votes, had announced that they would abstain from voting in the decision-making on this matter. It was also noted that the following shareholders had announced that they are against the proposal:

<u>Shareholder</u>	<u>Number of shares and votes</u>	
Acadian All County World Ex US Fund	175	
Acadian Global Low Volatility Fund LLC	771	
Florida Retirement System	1,441	
Sei Global Master Fund Plc	1,106	
Shell Pensions Trust Limited as Trustee of Shell Contributory Pension	753	
Stichting Shell Pensioenfonds		770
Texas Christian University	400	
The National University of Singapore		471

The shareholders referred to above have, nevertheless,

announced that they do not require a vote and full vote counting, provided that the chairman of the Annual General Meeting can, on the basis of voting instructions supplied in advance and views presented at the meeting, clearly state that at the time in question the majority of votes and the majority of the shares represented at the meeting support the proposal put to the Annual General Meeting.

It was **resolved** that the number of Supervisory Board members be confirmed as 19. In addition, the Supervisory Board has four members chosen by the personnel representatives, and each of these members has a personal deputy.

It was **resolved** that the fees for Supervisory Board members be confirmed as follows:

The meeting attendance allowance for the members, chairman and vice chairman of the Supervisory Board is EUR 255. The meeting attendance allowance for the chairman and vice chairman is also paid for their attendance at meetings of the company's Board of Directors. The meeting attendance allowance is also paid to the members of the Supervisory Board's Nomination Committee. The annual remuneration of the chairman is EUR 7,685 and of the vice chairman EUR 5,125. It was noted that daily allowances and compensation for travelling expenses had been paid in accordance with Lännen Tehtaat plc's general rules on travel. The amount of daily allowance is currently EUR 36 per day and the compensation for travelling expenses EUR 0.45 per kilometre.

15. Appointment of members of Supervisory Board

It was noted that Ensign Peak Advisors Inc, which represents 25,958 shares and votes, Textron Inc Master Trust, which represents 7,000 shares and votes, and Oregon Public Employees Retirement System, which represents 343 shares and votes, had announced that they would abstain from voting in the decision-making on this matter. It was also noted that the following shareholders had announced that they are against the proposal:

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Acadian All County World Ex US Fund	175	
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The chairman reported that the Group's personnel had appointed the following persons as their representatives on the Supervisory Board for the three-year term now starting: Mari Hakanperä, with Marko Kulmala as deputy; Timo Kaila, with Heikki Kämäräinen as deputy; Veijo Kukkonen, with Heikki Vesanto as deputy; and Kirsi Roos, with Janne Pääaho as deputy.

It was **resolved** that the following members be appointed to the Supervisory Board: Harri Eela, Matti Eskola, Laura Hämäläinen, Markku Länninki, Ilkka Markkula, Jari Nevavuori and Markku Pärssinen.

16. Appointment of two members to Supervisory Board's Nomination Committee

It was noted that Ensign Peak Advisors Inc, which represents 25,958 shares and votes, Textron Inc Master Trust, which represents 7,000 shares and votes, and Oregon Public Employees Retirement System, which represents 343 shares and votes, had announced that they would abstain from voting in the decision-making on this matter. It was also noted that the following shareholders had announced that they are against the proposal:

<u>Shareholder</u>	<u>Number of shares and votes</u>
Shell Pensions Trust Limited as Trustee of Shell Contributory Pension	753
Stichting Shell Pensioenfonds	770

The shareholders have, nevertheless, announced that they do not require a vote and full vote counting, provided that the chairman of the Annual General Meeting can, on the basis of voting instructions supplied in advance and views presented at the meeting, clearly state that at the time in question the majority of votes and the majority of the shares represented at the meeting support the proposal put to the Annual General Meeting.

Heikki Laurinen and Tauno Uitto were **re-appointed** as members of the Supervisory Board's Nomination Committee.

17. **Number of auditors appointed and their remuneration**

The chairman noted that in the invitation to the Annual General Meeting the company's Board of Directors had proposed that two regular auditors be appointed for the company.

It was **resolved** that two regular auditors be appointed.

The chairman noted that in the invitation to the Annual General Meeting the company's Board of Directors had also proposed that the auditors' fee be paid in accordance with the invoice approved by the company.

It was **resolved** that the auditors' fee be paid in accordance with the invoice approved by the company, as proposed by the Board of Directors.

18. **Appointment of auditors**

The chairman noted that in the invitation to the Annual General Meeting the company's Board of Directors had proposed that Hannu Pellinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Tomi Moisio, APA, CPFA as the auditor with principal responsibility, be re-appointed as the company's auditors.

The Annual General Meeting **resolved** that Hannu Pellinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Tomi Moisio, APA, CPFA as the auditor with principal responsibility, be appointed as the company's auditors.

19. **Proposal for granting Board of Directors authorisation to decide on issuing new shares and on transfer of Lännen Tehtaat plc shares held by the company through a share issue**

It was noted that Sei Global Master Fund Plc, which represents 1,106 shares and votes, had announced that it is against the proposal. The shareholder has, nevertheless, announced that it does not require a vote and full vote counting, provided that the chairman of the Annual General Meeting can, on the basis of voting instructions supplied in advance and views presented at the meeting, clearly state that at the time in question the majority of votes and the majority of the shares represented at the meeting support the proposal put to the Annual General Meeting.

It was noted that the Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on issuing new shares and transferring Lännen Tehtaat plc shares

held by the company through a share issue in one or more lots totalling a maximum of 761,757 shares under the following conditions:

The share issue authorisation concerns all of the Lännen Tehtaat plc shares held by the company, i.e. 130,000 shares. The maximum number of new shares that can be issued is 631,757.

The subscription price for each new share shall be at least the share's nominal value, or EUR 2. The transfer price for Lännen Tehtaat plc shares held by the company must be at least the current value of the share at the time of transfer, determined by the price quoted in public trading on the NASDAQ OMX Helsinki exchange, but when implementing share-based incentive plans shares can also be issued without consideration.

The authorisation includes the right to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has an important financial reason to do so, such as development of the company's capital structure, financing and implementing corporate acquisitions or other arrangements, or implementing a share-based incentive system.

This authorisation also includes the right to offer shares instead of money, also against capital consideration in kind or otherwise under certain conditions or by using right of set-off; and the right to decide on the share subscription price and other terms and circumstances concerning the share issue.

The authorisation is valid until the 2015 Annual General Meeting. The authorisation revokes the earlier authorisation to issue shares, given on 31 March 2011, and the authorisation to transfer Lännen Tehtaat plc shares, given on the same date.

It was **resolved** that the Board of Directors be granted authorisation to decide on a share issue in accordance with the proposal of the Board of Directors.

20. Closing of meeting

As all the items on the agenda had been discussed, the chairman closed the meeting at 3.30 pm. The chairman reported that the minutes of the meeting would be on display for inspection by shareholders on the company's website no later than 11 April 2012.

In witness whereof:

Juha Manner
chairman

Asmo Ritala
secretary

We have examined the above minutes and found that they accord with the events of the meeting.

Hannu Heikola
minute-checker

Veli-Matti Syrjä
minute-checker