

**MINUTES
No. 1/2014****ANNUAL GENERAL MEETING OF MARTELA CORPORATION**

Time: 13 March 2014 at 3.00 p.m. – 3.55 p.m.

Place: Martelatalo, Takkatie 1, 00370 Helsinki

Present: Shareholders were present at the meeting, in person or represented by proxy, in accordance with the list of votes adopted at the meeting.

In addition, members of the Board of Directors, the CEO, Eero Leskinen, LL.M. trained on the bench Anu Kaskinen, Doctor of Economic Sciences Irja Hyväri, Authorized Public Accountant Ari Eskelinen, and technical personnel were present at the meeting.

**1 §
OPENING OF THE MEETING**

The Chairman of the Board of Directors, Mr. Heikki Ala-Ilkka opened the meeting, introduced present members of the Board of Directors and the auditor and held a short presentation of the Company's operations.

**2 §
CALLING THE MEETING TO ORDER**

Ms. Anu Kaskinen, LL.M. trained on the bench, was elected as Chair of the Annual General Meeting and she called Ms. Irja Hyväri, Doctor of Economic Sciences, to act as secretary.

The Chair explained the procedures for handling matters on the agenda of the meeting.

It was noted that the proposals to the Annual General Meeting of the Board of Directors and the shareholders have been made public by a stock exchange release on 4 February 2014 and in their entirety on the Company's website at the latest on 19 February 2014.

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

Ms. Ritva Mäkynen and Ms. Anne Parviainen were elected to scrutinize the minutes and supervise the counting of votes.

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4 § RECORDING THE LEGALITY OF THE MEETING

It was noted that the notice of the meeting had been published on the Company's website on 4 February 2014.

It was noted that the Annual General Meeting had been convened in accordance with the Articles of Association and the Companies Act.

The notice to the meeting was attached to the minutes ([Appendix 1](#)).

5 § RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES

A list of attendees as of the beginning of the meeting and a list of votes represented at the meeting were presented, according to which 28 shareholders were present either in person, by legal representative or by proxy. It was noted that 2,024,303 shares and 10,374,461 votes were represented at the beginning of the meeting.

The list of attendees at the beginning of the meeting and the list of votes represented at the meeting were attached to the minutes ([Appendix 2](#)). It was noted that the list of votes will be adjusted to correspond to the attendance at the beginning of a possible vote.

6 § PRESENTATION OF THE ANNUAL ACCOUNTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2013

The CEO, Mr. Heikki Martela presented a report in which he considered the Company's business and profit for the financial year 2013.

The report of the CEO was attached to the minutes ([Appendix 3](#)).

The annual accounts for the financial year 2013, consisting of the income statement, the balance sheet, cash flow statement, notes to the financial statements and the consolidated annual accounts as well as the report by the board of directors, attached to them were presented. It was recorded that the annual accounts of the parent company had been prepared in accordance with Finnish accounting standards and that the consolidated annual accounts are prepared in accordance with international financial reporting standards (IFRS).

It was noted that the Company's annual accounts had been available on the Company's website since 19 February 2014, at the latest, in addition to which they were also available at the meeting.

The documentation of the annual accounts was attached to the minutes ([Appendix 4](#)).

The auditor's report was presented and attached to the minutes ([Appendix 5](#)).

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7 §**ADOPTION OF THE ANNUAL ACCOUNTS**

The Annual General Meeting resolved to adopt the annual accounts for the financial year 1.1.2013 – 31.12.2013.

8 §**RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND**

It was noted that according to the balance sheet of the parent company, on 31 December 2013 the distributable funds of the parent company were EUR 28,683,930.81 of which the loss for the financial year 2013 was EUR 2,229,503.74.

It was noted that the Board of Directors had proposed to the Annual General Meeting that no dividend shall be paid for the financial period of 1.1.2013–31.12.2013, and that the parent company's losses, EUR 2,229,503.74, shall be covered from the non-restricted equity fund.

The proposal of the Board of Directors was attached to the minutes ([Appendix 6](#)).

The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors that no dividend shall be paid for the financial period of 1.1.2013–31.12.2013 and the parent company's losses, EUR 2,229,503.74, shall be covered from the non-restricted equity fund.

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

It was noted that the discharging of liability for the financial year 1 January 2013 - 31 December 2013 concerned the following persons:

Mr. Heikki Ala-Ilkka, chairman of the Board of Directors
Mr. Tapio Hakakari, member of the Board of Directors (until 14 March 2013)
Ms. Kirsi Komi, member of the Board of Directors (from 14 March 2013)
Mr. Heikki Martela, member of the Board of Directors and the CEO
Mr. Pekka Martela, member of the Board of Directors
Ms. Pinja Metsäranta, member of the Board of Directors
Mr. Yrjö Närhinen, member of the Board of Directors and
Mr. Jaakko Palsanen, member of the Board of Directors.

The Annual General Meeting resolved to discharge the above-mentioned members of the Board of Directors and the CEO from liability.

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10 §**RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the Board of Directors had proposed to the Annual General Meeting that the chairman of the Board of Directors will receive EUR 3,000 per month and the other board members will receive EUR 1,500 per month. Board members employed by the Martela Group will not be paid the remuneration for the Board work. Compensation for travelling expenses will be paid according to Martela Corporation's travelling policy.

The proposal of the Board of Directors was attached to the minutes ([Appendix 7](#)).

The Annual General Meeting resolved to adopt the proposal of the Board of Directors regarding the remuneration of the members of the Board of Directors.

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

It was noted that the shareholders representing more than 50 % of the company's voting rights had proposed to the Annual General Meeting that seven (7) members will be elected to the Board of Directors.

The proposal of the shareholders was attached to the minutes ([Appendix 8](#)).

The Annual General Meeting resolved, in accordance with the proposal by the shareholders mentioned above, that the number of the members of the Board of Directors is seven (7).

12 §**ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the shareholders representing more than 50 % of the company's voting rights had proposed to the Annual General Meeting that Mr. Heikki Ala-Ilkka, Ms. Kirsi Komi, Mr. Heikki Martela, Mr. Pekka Martela, Ms. Pinja Metsäranta and Mr. Yrjö Närhinen would be re-elected as members of the Board of Directors and Mr. Eero Leskinen would be elected as a new member of the Board of Directors. In addition, it was noted that the members of the Board of Directors will be elected for a term which expires at the end of the first Annual General Meeting following the election.

The proposal of the shareholders was attached to the minutes ([Appendix 9](#)).

The Annual General Meeting resolved, in accordance with the proposal of the shareholders mentioned above, that Mr. Heikki Ala-Ilkka, Ms. Kirsi Komi, Mr. Heikki Martela, Mr. Pekka Martela, Ms. Pinja Metsäranta and Mr. Yrjö Närhinen be re-elected as members of the Board of Directors and Mr. Eero Leskinen be elected as a new member of the Board of Directors. The members of the Board of Directors will be elected for a term which expires at the end of the first Annual General Meeting following the election.

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13 §**RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

It was noted that the Board of Directors had proposed to the Annual General Meeting that the remuneration of the auditor be paid according to their invoice.

The proposal of the Board of Directors was attached to the minutes ([Appendix 10](#)).

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors that the auditor's fees are paid according to the auditor's invoice.

14 §**ELECTION OF AUDITOR**

It was noted that the Board of Directors had proposed to the Annual General Meeting that KPMG Oy Ab, Authorized Public Accountants, be re-elected as Company's auditor. The term of the auditor expires at the end of the first Annual General Meeting following the election.

The proposal of the Board of Directors was attached to the minutes ([Appendix 11](#)).

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors that KPMG Oy Ab, Authorized Public Accountants continues as the Company's auditor and that the term of the auditor expires at the end of the first Annual General Meeting following the election. It was noted that KPMG has informed that the principal auditor appointed by them is Mr. Ari Eskelinen, Authorized Public Accountant.

15 §**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF OWN SHARES**

It was noted that the Board of Directors had proposed that the Annual General Meeting authorize the Board of Directors to decide on the repurchase of the Company's own shares in one or several occasions as follows:

Based on authorization the Board of Directors may resolve on the repurchase of a maximum of 415,560 Company's own A shares with assets from the company's unrestricted equity.

Own shares will be repurchased in public trading on NASDAQ OMX Helsinki at the market price of the shares as per the time of repurchase.

Own shares may be repurchased when necessary as a part of the Company's salary and incentive scheme, for use in conjunction with corporate acquisitions and other business arrangements, if the Board deems this is in the interest of the shareholders in light of the company's share indicators, or if the Board deems it is an economical way of using liquid assets, or for some other purpose.

Own shares repurchased to the Company may be retained in the possession of the Company, cancelled or transferred further.

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The authorization grants the Board of Directors the right to resolve on all other terms of the repurchase of the shares. Thus this share repurchase authorization includes the right to repurchase shares otherwise than in proportion of the shareholdings.

This share repurchase authorization will be valid for one (1) year from the decision of the Annual General Meeting.

The proposal of the Board of Directors was attached to the minutes ([Appendix 12](#)).

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors to authorize the Board of Directors to decide on the repurchase of the Company's own shares.

16 §

AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE SHARE ISSUE

It was noted that the Board of Directors had proposed to the Annual General Meeting that the General Meeting authorize the Board of Directors to resolve to issue a maximum of 415,560 new A shares and/or to dispose of the Company's own A shares held by the Company either against payment or without payment ("Share Issue Authorization").

The Board of Directors be authorized to decide to whom and in what order the new shares may be issued and the own shares held by the Company will be disposed of.

The new shares may be issued and the shares held by the Company may be disposed to the shareholders in proportion to their current shareholdings of the Company's shares or through a directed share issue deviating from the shareholders pre-emptive right if the Company has a weighty financial reason in doing so, such as developing the Company's capital structure, carrying out mergers and acquisitions or other arrangements relating to the development of the Company's business activities, financing investments or implementing the Company's salary and incentive schemes.

The authorization incurs the Board of Directors' right to resolve on other terms of the share issue.

The proposed authorization will be valid for one year from the decision of the Annual General Meeting.

The proposal of the Board of Directors was attached to the minutes ([Appendix 13](#)).

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors to authorize the Board of Directors to decide on the share issue.

17 §

CLOSING OF THE MEETING

It was noted that all decisions of the Annual General Meeting had been made unanimously unless otherwise indicated in the minutes.

The Chair noted that the items on the agenda had been attended to and that the minutes of the meeting would be available on the company's website as from 27 March 2014.

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The Chair announced the meeting closed at 3.55 p.m.

Chair of the General Meeting:

Anu Kaskinen

In fidem:

Irja Hyväri

Minutes reviewed and confirmed by:

Ritva Mäkynen

Anne Parvianen

APPENDICES

- Appendix 1 Notice to the meeting
- Appendix 2 List of attendees and the list of votes represented at the meeting
- Appendix 3 Report of the CEO
- Appendix 4 Annual accounts documents
- Appendix 5 Auditor's report
- Appendix 6 Proposal of the Board of Directors concerning the payment of dividend
- Appendix 7 Proposal of the Board of Directors concerning the remuneration of members of the Board of Directors
- Appendix 8 Proposal of the shareholders concerning the number of members of the Board of Directors
- Appendix 9 Proposal of the shareholders concerning the election of the members of the Board of Directors
- Appendix 10 Proposal of the Board of Directors concerning the remuneration of the auditor
- Appendix 11 Proposal of the Board of Directors concerning the election of the auditor
- Appendix 12 Proposal of the Board of Directors for the authorization of the board of directors to decide on the repurchase of own shares
- Appendix 13 Proposal of the Board of Directors for the authorization of the Board of Directors to decide on the share issue

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