

# Tieto Corporation Annual General Meeting 2018-01

Date 22 March 2018, 4:00-5:15 p.m. (EET)

Place Headquarters of Tieto Corporation, Keilalahdentie 2-4, Espoo, Finland

Participants 391 shareholders representing 48,503,546 shares and votes were present at the meeting, in person or represented by proxy. The participants comprised the shareholders specified in the list of votes adopted at the meeting.

Moreover, participants included all the members of the Board of Directors (except for Endre Rangnes and Jonas Wiström), the proposed members for the Board of Directors, the President and CEO, the company's responsible auditor, representatives of the company's executive management and technical personnel.

## 1 Opening of the meeting

Kurt Jofs, the Chairman of the Board of Directors, opened the meeting, welcomed the shareholders and presented the company's remuneration principles. The presentation of the Chairman was attached to the minutes (Appendix 1).

## 2 Calling the meeting to order

Attorney-at-law Manne Airaksinen was elected as the chairman of the General Meeting and he called Deputy General Counsel Esa Hyttinen to act as the secretary.

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

It was noted that the meeting was conducted in Finnish and translated simultaneously into English.

It was noted that the proposals of the Shareholders' Nomination Board had been made public by a stock exchange release on 16 February 2018 and the proposals of the Board of Directors had been made public by a stock exchange release on 6 February 2018. The proposals had been included in the notice of the meeting and kept available on the company's website as from 6 and 16 February 2018. The proposals were attached to the minutes (Appendices 2 and 3).

The chairman noted that the company had received voting instructions of certain nominee registered shareholders before the meeting and that the custody banks representing these shareholders have notified that their clients support or oppose the proposals under certain agenda items, or that they abstain from taking part in

the decision making, however without presenting any counterproposal under such agenda items.

The chairman noted that unless there will be a voting, opposing and abstaining votes will be recorded in the minutes. Further, the chairman noted that the opposing votes included in the summary lists shall be recorded to the minutes only to the extent they support a counterproposal eligible for voting.

The summary list of the voting instructions of the shareholders represented by the custody banks was attached to the minutes (Appendix 4).

### **3 Election of persons to scrutinize the minutes and to supervise the counting of votes**

Hanna Kaskela and Jonna Ryhänen were elected to scrutinize the minutes of the meeting and to supervise the counting of votes, if needed.

### **4 Recording the legality of the meeting**

It was noted that the notice of the meeting had been made public in its entirety by a stock exchange release on 16 February 2018 and published on the same date on the company's website [www.tieto.com/agm](http://www.tieto.com/agm). It was also noted that newspaper advertisements regarding the notice had been published in Helsingin Sanomat and Dagens Nyheter on 21 February 2018.

It was noted that the General Meeting had been legally convened in accordance with the provisions of Articles of Association and the Companies Act and therefore constituted a quorum.

Extracts of the notice of the meeting and advertisements published in the aforementioned newspapers were attached to the minutes (Appendices 5, 6 and 7).

### **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 391 shareholders were present either in person, by legal representative or by proxy. It was noted that 48,503,546 shares and votes were represented at the beginning of the meeting.

The list of attendees at the beginning of the meeting and the list of votes were attached to the minutes (Appendix 8). It was noted that the list of votes will be adjusted to correspond to the attendance at the beginning of a possible vote.

It was recorded that according to the Articles of Association, no shareholder is allowed to vote with more than one fifth (1/5) of the votes represented at the meeting, i.e. with more than 9,700,709 votes.

## 6 Presentation of the annual accounts, the report of the Board of Directors and the auditor's report for the year 2017

The Chairman of the Board of Directors Kurt Jofs reported on the activities of the Board during the financial year 2017 as well as the preparation work of the company's new strategy. The President and CEO Kimmo Alkio presented a review of the company's operations in 2017, including highlights in the financial statements and report of the Board of Directors, and issues relating to the company's services and the execution of the strategy. The presentation of the Board Chairman and the President and CEO's review were attached to the minutes (Appendices 1 and 9).

The annual accounts for the financial year 2017, consisting of the income statement, 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, were presented.

It was noted that the company's annual accounts had been available on the company's website since 28 February 2018, in addition to which they were available at the meeting venue. The documents were attached to the minutes (Appendix 10).

The auditor's report was presented and attached to the minutes (Appendix 11). The responsible auditor Tomi Hyryläinen described the conducted audit work and his speech was attached to the minutes (Appendix 12).

## 7 Adoption of the annual accounts

The General Meeting **resolved** to adopt the annual accounts for the financial year 2017.

Under this agenda item 1,535 abstaining votes of nominee registered shareholders were recorded.

## 8 Resolution on the use of the profit shown on the balance sheet and the payment of dividend

It was noted that the distributable funds according to the parent company's balance sheet as at 31 December 2017 were approximately EUR 585 million.

It was noted that the Board of Directors had proposed to the General Meeting that based on financial year 2017 a dividend of EUR 1.40 per share be paid. The proposal consisted an ordinary dividend of EUR 1.20 and an additional dividend of EUR 0.20. The proposal corresponds approximately in total to EUR 103 million. According to the proposal, the dividend shall be paid to shareholders who on the record date of the dividend payment 26 March 2018 are recorded in the shareholders' register held by Euroclear Finland Oy or in the register held by Euroclear Sweden AB. According to the proposal, the dividend shall be paid out

as from 9 April 2018. The proposal of the Board of Directors was attached to the minutes (Appendix 3).

The General Meeting **resolved**, in accordance with the proposal by the Board of Directors, that a dividend of EUR 1.37 per share be paid. The dividend shall be paid to shareholders who on the record date of the dividend payment 26 March 2018 are recorded in the shareholders' register held by Euroclear Finland Oy or register held by Euroclear Sweden AB. The dividend shall be paid out as from 9 April 2018.

Under this agenda item 86,508 opposing votes of nominee registered shareholders were recorded.

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

It was noted that the discharging from liability concerns all persons having served either as a member of the Board of Directors or as a deputy member during the financial year as well as the President and CEO.

The General Meeting **resolved** to discharge the members and deputy members of the Board of Directors and the President and CEO from liability.

Under this agenda item 36,508 opposing votes and 51,535 abstaining votes of nominee registered shareholders were recorded.

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

Chairman of the Shareholders' Nomination Board Martin Oliw reported on how the work of the Nomination Board was conducted and proposals were prepared. The report was attached to the minutes (Appendix 13).

It was recorded that the Shareholders' Nomination Board had proposed to the General Meeting that the annual remuneration be paid in accordance with proposal attached to the minutes (Appendix 2) to the Board of Directors to be elected for the term of office starting at the end of this Annual General Meeting and expiring at the closing of Annual General Meeting 2019.

The General Meeting **resolved**, in accordance with the proposal of the Shareholders' Nomination Board, that the following annual remuneration be paid from the term of office starting at the end of this General Meeting and expiring at the closing of General Meeting 2019:

- Chairman of the Board EUR 91,000,
- Deputy Chairman of the Board EUR 55,000,
- ordinary members of the Board of Directors EUR 36,000,
- the Chairman of Board Committee EUR 55,000 unless the same individual is also the Chairman or Deputy Chairman of the Board.

According to the proposal each member of the Board of Directors would also be paid a remuneration of EUR 800 for each Board meeting and for its each permanent or temporary committee meeting.

It is the company's policy not to pay remuneration to Board members who are also employees of Tieto Group.

The General Meeting **resolved**, in accordance with the proposal of the Shareholders' Nomination Board that 40% of the fixed annual remuneration shall be paid in Tieto Corporation's shares purchased from the market directly on behalf of the members of the Board. The shares will be purchased within two weeks from the release of the company's interim report 1 January - 31 March 2018 shares.

Under this agenda item 50,000 opposing votes of nominee registered shareholders were recorded.

## 11 Resolution on the number of members of the Board of Directors

It was noted that, in accordance with the Articles of Association, the Board of Directors shall have at least six (6) and at most twelve (12) members.

It was noted that the Shareholders' Nomination Board had proposed to the General Meeting that the number of members of the Board of Directors shall be seven (7).

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 2).

The General Meeting **resolved**, in accordance with the proposal of the Shareholders' Nomination Board, to confirm that the number of the Board of Directors shall be seven (7).

It was noted that Tieto Group has made an agreement on personnel representation in the administration of the Group in accordance with the Act on Personnel Representation in the Administration of Undertakings, and that as stipulated in this agreement, the personnel shall elect two ordinary members and their personal deputies to the Board of Directors in addition to the members elected by the General Meeting.

## 12 Election of members of the Board of Directors and Chairman

It was noted that according to the Articles of Association the members of the Board of Directors are elected for one year at a time, and that the term of a member begins from the closing of the General Meeting at which he or she has been elected and expires at the closing of the first Annual General Meeting following the election.

It was noted that the Shareholders' Nomination Board had proposed to the Annual General Meeting that the Board of Directors be elected in accordance with the proposal attached to the minutes (Appendix 2) for a term of office commencing at the closing of this General Meeting and expiring at the closing of the Annual General Meeting 2019.

The General Meeting **resolved**, in accordance with the proposal of the Shareholders' Nomination Board, that the following individuals be re-elected as members of the Board of Directors for a term of office commencing at the closing of this General Meeting and expiring at the closing of the Annual General Meeting 2018: Timo Ahopelto, Kurt Jofs, Harri-Pekka Kaukonen, Johanna Lamminen, Endre Rangnes and Jonas Synnergren and Timo Ahopelto and Liselotte Hägertz Engstam be elected as a new member.

The General Meeting **resolved** in accordance with the proposal of the Shareholders' Nomination Board to elect Kurt Jofs as the chairman of the Board of Directors.

It was **noted and recorded** that Esa Koskinen (deputy Ilpo Waljus) and Robert Spinelli (deputy Anders Palkint) are the members elected by the personnel.

Under this agenda item 164,641 abstaining votes of nominee registered shareholders were recorded.

### 13 Resolution on the remuneration of the auditor

Chairman of the Audit and Risk Committee of the Board of Directors Harri-Pekka Kaukonen reported on the preparation of the proposals regarding the auditors. The speech was attached to the minutes (Appendix 14).

It was noted that the Board of Directors had proposed, in accordance to the recommendation of the Audit and Risk Committee, to the Annual General Meeting that the auditor to be elected be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the committee. The proposal of the Board of Directors was attached to the minutes (Appendix 3).

The General Meeting **resolved** that the remuneration of the auditor to be elected be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the Audit and Risk Committee.

Under this agenda item 6,993 opposing votes of nominee registered shareholders were recorded.

## 14 Election of the auditor

According to the Articles of Association the company has one auditor. The term of the auditor expires at the closing of the first Annual General Meeting following the election. During the previous financial year PricewaterhouseCoopers Oy has acted as the auditor of the company and CPA Tomi Hyryläinen has acted as the responsible auditor.

It was noted that the Board of Directors had proposed, in accordance with the recommendation of the Audit and Risk Committee, to the General Meeting that PricewaterhouseCoopers Oy be re-elected as the auditor of the company for a term of office expiring at the end of the next Annual General Meeting. The proposal of the Board of Directors was attached to the minutes (Appendix 3). PricewaterhouseCoopers Oy has notified that CPA Tomi Hyryläinen would act as the responsible auditor.

The General Meeting **resolved**, in accordance with the proposal of the Board of Directors, that PricewaterhouseCoopers Oy be re-elected as the auditor of the company for a term of office expiring at the end of the Annual General Meeting 2019.

## 15 Authorizing the Board of Directors to decide on the repurchase of the company's own shares

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorized to decide on the repurchase of the company's own shares as follows:

- The amount of own shares to be repurchased shall not exceed 7 400 000 shares, which currently corresponds to approximately 10 % of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares.
- Own shares can be repurchased at a price formed in public trading on the date of the repurchase or at a price otherwise formed on the market.
- The Board of Directors decides how the share repurchase will be carried out. Own shares can be repurchased inter alia by using derivatives. The company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).
- The authorization cancels previous unused authorizations to decide on the repurchase of the company's own shares. The authorization is effective until the next Annual General Meeting, however, no longer than until 30 April 2019.

The proposal of the Board of Directors was attached to the minutes (Appendix 3).

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

## 16 Authorizing the Board of Directors to decide on the issuance of shares as well as options and other special rights entitling to shares

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors was authorized to decide on the issuance of shares as well as on the issuance of option rights and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act in one or more tranches.

- The amount of shares to be issued based on the authorization (including shares to be issued based on the special rights) shall not exceed 7 400 000 shares, which currently corresponds to approximately 10 % of all the shares in the company. However, out of the above maximum amount of shares to be issued no more than 700 000 shares, currently corresponding to less than 1 % of all of the shares in the company, may be issued as part of the company's share-based incentive programs.
- The Board of Directors decides on the terms and conditions of the issuance of shares as well as of option rights and other special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares as well as of option rights and other special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive right (directed issue).
- The authorization cancels previous unused authorizations to decide on the issuance of shares as well as on the issuance of option rights and other special rights entitling to shares. The authorization is effective until the next Annual General Meeting, however, no longer than until 30 April 2019.

The proposal of the Board of Directors was attached to the minutes (Appendix 3).

The General Meeting **resolved** to authorize the Board of Directors to decide on the issuance of shares as well as on the issuance of option rights and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act in accordance with the proposal of the Board of Directors.

Under this agenda item 6,300 opposing and 6,900 abstaining votes of nominee registered shareholders were recorded.

## 17 Closing of the meeting

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

The chairman 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 5 April 2018.



The chairman announced the General Meeting closed.

**Chairman of the meeting**

MANNE AIRAKSINEN  
Manne Airaksinen  
chairman

**In witness thereof**

ESA HYTTINEN  
Esa Hyttinen  
secretary

**Minutes reviewed and approved by**

HANNA KASKELA  
Hann Kaskela  
scrutinizer

JONNA RYHÄNEN  
Jonna Ryhänen  
scrutinizer

**Appendices**

- 1 Presentation of the Chairman of the Board of Directors
- 2 Proposals of the Shareholders' Nomination Board
- 3 Proposals of the Board of Directors
- 4 Summary of voting instructions
- 5 Notice of the General Meeting as published on the company's website
- 6 Advertisement regarding the notice of the meeting, Helsingin Sanomat
- 7 Advertisement regarding the notice of the meeting, Dagens Nyheter
- 8 Attendance status report and list of votes
- 9 The President and CEO's review
- 10 Financial statements for 2017
- 11 Auditor's report
- 12 Responsible auditor's speech
- 13 Report of the Shareholders' Nomination Board
- 14 Speech of the Chairman of the Audit and Risk Committee of the Board of Directors