

## **REPORT OF THE OPERATIONS OF THE SHAREHOLDERS' NOMINATION COMMITTEE OF ALMA MEDIA CORPORATION IN THE PERIOD 2017-2018**

The General Meeting of Shareholders of Alma Media Corporation, held on 17 March 2015, decided, by proposal of the Board of Directors of Alma Media Corporation, to set up a Nomination Committee composed of Alma Media's Shareholders. The Nomination Committee's duties include preparing proposals related to the election and remuneration of the members of the Board of Directors to be submitted to the Annual General Meeting.

The Nomination Committee for the spring 2018 Annual General Meeting of Shareholders was appointed in October 2017. Based on the ownership situation on 30 September, the following representatives of the four largest shareholders were appointed as members of the Nomination Committee: Timo Aukia, Chairman of the Board of Directors, Ilkka Group; Peter Immonen, Member of the Board, Mariatorp; Henrik Ehrnrooth, Chairman of the Board of Directors, Otava; and Timo Sallinen, Head of Listed Securities, Varma Mutual Pension Insurance Company. In addition, the Chairman of the Board of Directors of Alma Media Corporation, Harri Suutari, acted as an expert member of the Nomination Committee. The Nomination Committee elected Timo Aukia as its Chair, and as Secretary, General Counsel Mikko Korttila.

### **Meetings**

The Nomination Committee met on 1 November and 1 December 2017 and on 9 January and 29 January 2018.

All members of the Nomination Committee attended the meetings.

### **Proposals by the Nomination Committee**

#### Number of members of the Board of Directors and proposal for the composition of the Board

The Nomination Committee endeavours to recruit to the Board of Directors diverse and extensive competence that supports the relevant strategic goals and also meets the defined principles concerning the diversity of the Board of Directors.

The Nomination Committee proposes to the Annual General Meeting of Alma Media Corporation, scheduled to be held on 14 March 2018, that the number of the members of the Board be confirmed to be eight.

Of the current Board Members, Harri Suutari and Mitti Storckovius have announced that they will be unavailable as members of the Board of Alma Media Corporation.

The Nomination Committee of the Shareholders proposes that the current Board members be re-elected for the new term of office, extending until the end of the next Annual General Meeting: Esa Lager, Petri Niemisvirta, Matti Korkiatupa and Catharina Stackelberg-Hammarén. The Committee also proposes that Peter Immonen, Alexander Lindholm, Heike Tyler and Päivi Rekonen be elected as new

Board members for the same term of office. The Nomination Committee further proposes that Petri Niemisvirta serve as Chairman of the Board of Directors and Catharina Stackelberg-Hammarén serve as Vice Chairman.

Peter Immonen, born in 1959, M.Sc. (Econ.), has acted as the Chairman of the Board of WIP Asset Management Oy since 2005. Immonen is a Member of the Board of Mariatorp Oy, Wipunen varainhallinta Oy, Dasos Capital Oy and Finsilva Oyj.

Alexander Lindholm, born in 1969 (BBA), has acted as the CEO of Otava Group since 2010. Lindholm is a Member of the Board of Otava Oy as well as Chairman of the Board of Yhtyneet Kuvalehdet Oy:n/Otavamedia Oy, Kustannusosakeyhtiö Otava, Suomalainen Kirjakauppa Oy, NettiX Oy and Kirjavälitys Oy. He is also chairman of the executive group of Mediapooli.

Heike Tyler, born in 1969 (Master's degree in German and Slavonic literature, MBA (HBS/ IMD), has been an entrepreneur, advisor and investor in startups and accelerating growth business situations in the digital space since 2016. Tyler has been the CEO of Sanoma Media Russia & CEE and member of Executive Management Group of Sanoma Corporation.

Päivi Rekonen, born in 1969, M. Sc. (Economics), M.Sc. (Social Sciences), has acted as an independent strategy advisor since 2018. Rekonen has been Managing Director in Group Technology at UBS. Rekonen is a Member of the Board of F-Secure Corporation.

The personal details of the current members of the Board and information on their positions of trust can be found on the company website at <https://www.almamedia.fi/en/investors/governance/board-of-directors>

All proposed members of the Board of Directors have given their permission for their election.

Shareholders representing more than half of Alma Media's shares and voting rights have indicated that they support the Shareholders' Nomination Committee's proposal.

#### Proposal for the remuneration of the Board of Directors

The Shareholders' Nomination Committee proposes that the remuneration of the Board of Directors be kept unchanged, and that the following annual remuneration be paid to the members of the Board of Directors to be elected at the Annual General Meeting for the term of office ending at the close of the Annual General Meeting 2019: to the Chairman of the Board of Directors, EUR 40,000 per year; to the Vice Chairman, EUR 32,000 per year, and to members EUR 27,000 per year.

Additionally, and in accordance with the resolution of the 2016 Annual General Meeting, it is proposed that the Chairmen of the Board and its Committees be paid a fee of EUR 1,000, Vice Chairmen a fee of EUR 700 and members a fee of EUR 500 for those Board and Committee meetings that they attend. It is proposed that Board members' travel expenses be compensated in accordance with company travel regulations.

It is proposed that the above-mentioned attendance fee for each meeting be

- doubled for (i) members living outside Finland in Europe or (ii) meetings held outside Finland in Europe; and
- tripled for (i) members resident outside Europe or (ii) meetings held outside Europe.

The members of the Board shall, as decided by the Annual General Meeting, acquire a number of Alma Media Corporation shares corresponding to approximately 40% of the full amount of the annual remuneration for Board members, taking into account tax deduction at source, at the trading price on the regulated market arranged by the Helsinki Stock Exchange. Members of the Board are required to arrange the acquisition of the shares within two weeks of the release of the first quarter 2018 interim report or, if this is not possible due to insider trading regulations, as soon as possible thereafter. If it was not possible to acquire the shares by the end of 2018 for a reason such as pending insider transactions, the remuneration shall be paid in cash. Shares acquired in this way cannot be transferred until the recipient's membership of the Board has expired. The company is liable to pay any asset transfer taxes that may arise from the acquisition of shares.

The above-mentioned proposals will also be included in the notice of the Annual General Meeting, to be published at a later date.

#### Expenses of the Nomination Committee

The members of the Nomination Committee are not entitled to receive remuneration from the Company for their participation in the Nomination Committee. The Board members' travel expenses will be compensated in accordance with the company's travel policy. The members of the Nomination Committee have not accrued any travel expenses to be reimbursed.

The Shareholders' Nomination Committee has used an external expert in finding and evaluating successors to the members of the Board of Directors.

Helsinki, 29 January 2018

Timo Aukia  
Chairman of the Nomination Committee