



**PROPOSALS TO THE ANNUAL GENERAL MEETING OF MUSTI
GROUP PLC
21 JANUARY 2021**

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1. PROPOSAL BY THE BOARD OF DIRECTORS REGARDING THE ADOPTION OF THE ANNUAL ACCOUNTS (ITEM 7 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021 that the General Meeting adopt the annual accounts.

In Helsinki, 28 December 2020

The Board of Directors

2. PROPOSAL BY THE BOARD OF DIRECTORS REGARDING THE USE OF PROFITS SHOWN ON THE BALANCE SHEET AND THE RETURN OF CAPITAL (ITEM 8 ON THE AGENDA OF THE GENERAL MEETING)

The parent company's distributable funds as at 30 September 2020 totaled EUR 167,909,159.28, of which the loss for the financial year was EUR -128,875.23. The Board of Directors proposes to the General Meeting that the loss for the financial year 1 October 2019 – 30 September 2020 be added to retained earnings and that no dividend be paid.

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021 that, based on the balance sheet adopted for the financial year 1 October 2019 – 30 September 2020, shareholders be paid a capital return of EUR 0.38 per share to be distributed from the invested unrestricted equity reserve. The capital return shall be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd. on the capital return record date of 25 January 2021. The Board proposes that the capital return payment date will be 2 February 2021.

In Helsinki, 28 December 2020

The Board of Directors

3. PROPOSAL BY THE BOARD OF DIRECTORS FOR REMUNERATION OF THE BOARD OF DIRECTORS (ITEM 11 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021, based on the Remuneration Committee's recommendation, that the members of the Board of Directors be paid the following annual remuneration:

- Chairman of the Board: EUR 60,000;
- Vice-Chairman of the Board: EUR 35,000; and
- Other members of the Board of Directors: EUR 30,000.

The Board of Directors also proposes, based on the Remuneration Committee's recommendation, that the members of the Audit Committee and the Remuneration Committee of Board of Directors be paid the following annual remuneration:

- Chairman of the Committee: EUR 5,000; and
- Other Committee members: EUR 2,500.

In Helsinki, 28 December 2020

The Board of Directors

4. PROPOSAL BY THE BOARD OF DIRECTORS FOR THE COMPOSITION OF THE BOARD OF DIRECTORS (ITEMS 12 AND 13 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021 that the number of members of the Board of Directors shall be 4.

Further, the Board of Directors proposes that current members of the Board of Directors Jeffrey David, Ingrid Jonasson Blank and Juho Frilander be re-elected and that, in addition, Ilkka Laurila be elected as a new member of the Board of Directors. Further information on the candidates and their independence are presented on the Company's website at www.mustigroup.com/agm. The term of office of the members of the Board of Directors expires at the end of the next Annual General Meeting.

In Helsinki, 28 December 2020

The Board of Directors

5. PROPOSAL BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF THE AUDITOR (ITEM 14 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021, based on the Audit Committee's recommendation, that the remuneration of the auditor be paid against a reasonable invoice approved by the Audit Committee.

In Helsinki, 28 December 2020

The Board of Directors

6. PROPOSAL BY THE BOARD OF DIRECTORS FOR THE ELECTION OF AUDITOR (ITEM 15 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021, based on the Audit Committee's recommendation, that Ernst & Young Ltd, Authorized Public Accountants, be re-elected auditor of the Company. Ernst & Young Ltd has notified that Johanna Winqvist-Ilkka, Authorized Public Accountant, would act as the auditor with principal responsibility. The term of office of the auditor expires at the end of the next Annual General Meeting.

The Audit Committee has prepared its recommendation with the EU Audit Regulation (537/2014). The Audit Committee hereby confirms that its recommendation is free from influence by a third party and that no clause of the kind referred to in paragraph 6 f Article 16 of the EU Audit Regulation, which would restrict the choice by the Annual General Meeting as regards the appointment of the auditor, has been imposed upon it.

In Helsinki, 28 December 2020

The Board of Directors

7. PROPOSAL BY THE BOARD OF DIRECTORS REGARDING AUTHORIZATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE AND/OR ON THE ACCEPTANCE AS PLEDGE OF THE COMPANY'S OWN SHARES (ITEM 16 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021 that the Board of Directors be authorized to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows.

The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in the Company. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company.

Own shares can be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets.

The Board of Directors decides on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

This authorization cancels previous unused authorizations to repurchase the Company's own shares and/or to accept the Company's own shares as pledge. The authorization is effective until the next Annual General Meeting, however, no longer than until 21 July 2022.

In Helsinki, 28 December 2020

The Board of Directors

8. PROPOSAL BY THE BOARD OF DIRECTORS REGARDING AUTHORIZATION BY THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES (ITEM 17 ON THE AGENDA OF THE GENERAL MEETING)

The Board of Directors proposes to the Annual General Meeting to be held on 21 January 2021 that the Board of Directors be authorized to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows.

The amount of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 per cent of all of the shares in the Company. The authorization covers both the issuance of new shares as well as the transfer of own shares held by the Company.

The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

This authorization cancels previous unused authorizations to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. The authorization is effective until the next Annual General Meeting, however, no longer than until 21 July 2022.

In Helsinki, 28 December 2020

The Board of Directors