

GLASTON CORPORATION'S BOARD OF DIRECTORS' PROPOSALS TO THE ANNUAL GENERAL MEETING TO BE HELD ON 10 APRIL 2018

1. Resolution on the use of profits shown on the balance sheet and the return of capital

The distributable funds of Glaston Corporation are EUR 16,247,313, of which EUR 6,150 represents the net profit for the financial year. The Company does not have distributable funds to be used for paying dividend.

The Board of Directors proposes to the Annual General Meeting to be held on 10 April 2018 that the net profit of the financial year 2017 be added to the retained earnings and that no dividend be paid.

The Board of Directors proposes to the Annual General Meeting that, based on the balance sheet adopted for the financial year 2017, a return of capital of EUR 0.01 per share be paid. The return of capital will be paid from the reserve for invested unrestricted equity to a shareholder who is registered in the Company's shareholders' register, held by Euroclear Finland Ltd, on the record date for payment, 12 April 2018. The Board of Directors proposes to the General Meeting that the return of capital shall be paid on 26 April 2018.

2. Resolution on the remuneration of the auditor

The Board of Directors proposes that the remuneration of the auditor be paid based on the reasonable invoice approved by the Company.

3. Election of auditor

The Board of Directors proposes that authorised public accounting firm Ernst & Young Oy would be re-elected as the Company's auditor. The auditing firm has announced that the auditor in charge of the audit is Authorised Public Accountant Mrs. Kristina Sandin.

4. Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of options and other rights entitling to shares

The Board of Directors proposes that the General Meeting would authorise the Board of Directors to resolve on one or more issuances of shares which contain the right to issue new shares or dispose of the shares in the possession of the Company and to issue options or other rights entitling to shares pursuant to Chapter 10 of the Finnish Companies Act. The authorisation would consist of up to 20,000,000 shares in the aggregate representing approximately 10 per cent of the number of shares in the Company.

The authorisation would not exclude the Board of Directors' right to decide on a directed issue of shares. The authorisation is proposed to be used for material arrangements from the Company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares, options or other rights and possibly directing a share issue would exist.

The Board of Directors would be authorised to resolve on all terms and conditions of the issuance of shares, options and other rights entitling to shares as referred to in Chapter 10 of the Companies Act, including the payment period, grounds for the determination of the

subscription price and subscription price or allocation of shares, option or other rights free of charge or that the subscription price may be paid besides in cash also by other assets either partially or entirely (contribution in kind).

The authorisation would be effective until 30 June 2019. The Board of Directors proposes that the authorisation would supersede earlier authorisations.

5. **Resolution on the forfeiture of the shares in the joint book-entry account and the rights carried by the shares**

Background

Kyro Oyj Abp performed a full demerger to two companies in 2001. The shareholders of the demerged company received as a demerger consideration the shares of the new Kyro Oyj Abp (current Glaston Oyj Abp). The old Kyro Oyj Abp had at that time few shareholders that did not present their share certificates nor requested their shareholdings to be recorded in to the book-entry system (the old Kyro Oyj Abp joined to the book-entry system in 1995). On behalf of the said shareholders of the old Kyro Oyj Abp a joint book-entry account had been opened in to the Finnish Central Securities Depository in accordance with the Finnish Companies Act. In connection with the demerger in 2001, the shares of the new Kyro Oyj Abp, which were received as a demerger compensation for the shares that were on the joint book-entry account, were transferred to a joint book-entry account opened by the new company. The new Kyro Oyj Abp changed its name to Glaston Oyj Abp in 2007. Apart from changing the name, the company remained the same.

If the General Meeting resolves on the forfeiture of the shareholder rights in question, the provisions regarding treasury shares will be applied to the forfeited shares. The company's Board of Directors would cancel the treasury shares to be held by the company as a result of the forfeiture.

Proposal

The Board of Directors proposes the Annual General Meeting to resolve in accordance with Chapter 3, Section 14 a, Sub-section 3 of the Finnish Companies Act, that all rights to shares recorded on the joint book-entry account of Glaston Corporation whose registration has not been requested in accordance with Chapter 6, Section 3 of the Act on the Book-Entry System and Clearance Activity (in Finnish: *Laki arvo-osuuksijärjestelmästä ja selvitystoiminnasta*) prior to the resolution of the General Meeting on 10 April 2018 at 4 p.m. would be forfeited. In addition to the shares, all rights based on those shares such as e.g. dividend that have not been expired, shall be also forfeited. On the basis of the proposal of the Board of Directors, the Company's Board of Directors should cancel the treasury shares to be held by the Company as a result of the forfeiture.

On 30 January 2018, the number of Glaston Corporation's shares in the joint book-entry account was 75,200 corresponding 0.039 per cent of the shares and the voting rights carried by the shares. The number of shares whose transfer into the book-entry system has been validly declared by the time of the resolution of the General Meeting, at the latest, and whose request for conversion has been finalised by 31 May 2018, at the latest, will be deducted from the number of shares referred to above.

Helsinki, 8 March 2018

GLASTON CORPORATION
Board of Directors

