

**PROPOSALS OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING TO BE HELD ON MARCH 26, 2020**

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

The Board of Directors proposes to the General Meeting that no dividend is distributed on the basis of the adopted balance sheet for the financial year 2019.

**Adoption of remuneration policy**

The Board of Directors proposes that the general meeting adopts the remuneration policy. The remuneration policy will be published by a stock exchange release and will be available on the corporate website at [www.rapalavmc.com](http://www.rapalavmc.com) on March 4, 2020.

**Resolution on the remuneration of the Auditor**

The Board of Directors proposes to the General Meeting that the Auditor's fees be paid against an invoice approved by the company.

**Election of Auditor**

The Board of Directors proposes to the General Meeting that Ernst & Young Oy, corporation of Authorized Public Accountants, be appointed as the company's Auditor for the term expiring at the close of the next Annual General Meeting.

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

The Board of Directors proposes to the General Meeting that the Annual General Meeting authorize the Board of Directors to resolve on the repurchase of up to 2 000 000 company's own shares with assets pertaining to the unrestricted equity in one or more tranches taking into account, however, the provisions of the Finnish Companies Act on the maximum amount of own shares held by a company. The proposed maximum amount of shares corresponds to approximately 5.1 per cent of all shares in the company.

The shares may be repurchased to develop the company's capital structure. In addition, the shares may be repurchased to finance or carry out business acquisitions or other arrangements, to settle the company's equity-based incentive plans, to be transferred for other purposes or to be cancelled. The shares may be repurchased in deviation from the proportion of the shares held by the shareholders. The shares will be repurchased through public trading arranged by NASDAQ OMX Helsinki Oy at the market price quoted at the time of the repurchase. The shares will be repurchased and paid in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The Board of Directors would decide upon other terms related to repurchase of shares. It is proposed that the authorization be effective until the close of the next Annual General Meeting, however, no longer than until June 30, 2021. The authorization would cancel the repurchase authorization granted by the Annual General Meeting to the Board of Directors on March 28, 2019.

Helsinki, March 4, 2020

RAPALA VMC CORPORATION  
Board of Directors