



PROPOSALS OF ELEKTROBIT CORPORATION'S BOARD OF DIRECTORS TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 11 JUNE 2016 REGARDING RESOLUTION ON A PARTIAL DEMERGER, AUTHORIZING BITTIUM CORPORATION'S BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF OWN SHARES AND AUTHORIZING BITTIUM CORPORATION'S BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES

The below presented proposals of Elektrobit Corporation's Board of Directors pertain to sections 6, 12 and 13 of the meeting agenda included in the notice to the Extraordinary General Meeting of Shareholders to be held on June 11, 2015. The other proposals mentioned in the meeting agenda will be announced at a later date (sections 7, 8, 9, 10, 11 and 14).

Resolution on a partial demerger

(section 6 of the meeting agenda)

The Board of Directors of Elektrobit Corporation has on 18 February 2015 approved a demerger plan which has been registered with the Trade Register of the Finnish Patent and Registration Office on 19 February 2015. Elektrobit Corporation intends to implement a partial demerger in which part of its assets, debts and obligations will be transferred in a manner set forth in the demerger plan to Bittium Corporation, a company to be established in the demerger.

The Board of Directors of Elektrobit Corporation proposes that the General Meeting resolve on the partial demerger of Elektrobit Corporation in accordance with the demerger plan. The shares in Elektrobit group subsidiaries engaged in the Wireless business as well as other assets, debts and liabilities relating to this business will be transferred to Bittium Corporation in the manner described in the demerger plan. For each share owned in Elektrobit Corporation, shareholders of Elektrobit Corporation will receive one (1) share in Bittium Corporation as demerger consideration. Bittium Corporation's Articles of Association, which are attached as an appendix to the demerger plan, will be approved as part of the demerger resolution. After the partial demerger, Elektrobit Corporation will continue the Automotive business.

In accordance with the demerger plan as a part of the demerger, Article 1 of Elektrobit Corporation's Articles of Association concerning the company's domicile is to be amended so that the domicile of the company is changed to Helsinki instead of the current domicile of Oulu and Elektrobit Corporation's share capital will be decreased by EUR 2,000,000 in order to distribute funds to Bittium Corporation and by EUR 7,941,269 in order to transfer funds to Elektrobit Corporation's fund for invested unrestricted equity. The amendment of the Articles of Association and the decrease of share capital will come into effect when the implementation of the demerger is registered.

Authorizing Bittium Corporation's Board of Directors to decide on the repurchase of own shares

(section 12 of the meeting agenda)

Elektrobit Corporation's Board of Directors proposes to the General Meeting that Bittium Corporation's Board of Directors is authorized to decide on the repurchase of the Bittium Corporation's own shares as follows:

A maximum of 12,500,000 shares may be repurchased, which is estimated to correspond to approximately 9.45 per cent of all the shares in Bittium Corporation after the implementation of the demerger. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization.



Own shares can be repurchased at a price formed in the public trading on the date of the repurchase or otherwise at a price formed on the market.

Bittium Corporation's Board of Directors decides how own shares will be repurchased. 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).

The authorization is effective until 30 June 2016.

Bittium Corporation's Board of Directors is permitted to make a decision based on this authorization only after the implementation of the demerger.

Authorizing Bittium Corporation's Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

(section 13 of the meeting agenda)

Elektrobit Corporation's Board of Directors proposes to the General Meeting that Bittium Corporation's Board of Directors be authorized to decide on the issuance of shares as well as the issuance of other special rights entitling to shares referred to in chapter 10, section 1 of the Companies Act as follows:

The maximum number of Bittium Corporation shares to be issued based on the authorization is 25,000,000, which is estimated to correspond to approximately 18.90 per cent of all the shares in Bittium Corporation after the implementation of the demerger.

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

The authorization is effective until 30 June 2016.

Bittium Corporation's Board of Directors is permitted to make a decision based on this authorization only after the implementation of the demerger.

Oulu, April 29, 2015

Elektrobit Corporation
Board of Directors