

DEMERGER PLAN

regarding
the partial demerger of
Elektrobit Corporation
into a company to be incorporated,
which will take the business name
Bittium Corporation

18 February 2015

Demerger Plan

Elektrobit Corporation (“Elektrobit Corporation” or the “Demerging Company”) shall be demerged in a partial demerger in accordance with Chapter 17, Section 2, Subsection 1, Item 2 of the Finnish Companies Act (624/2006, as amended), so that part of its assets and liabilities shall be transferred to the company to be incorporated in the demerger (“Bittium Corporation” or the “Acquiring Company”), as set forth in this demerger plan (the “Demerger Plan”) (the “Demerger”). The business name of the Acquiring Company shall be Bittium Corporation.

As demerger consideration the shareholders of Elektrobit Corporation shall receive shares of Bittium Corporation in proportion to their existing shareholding. Elektrobit Corporation shall not be dissolved as a result of the Demerger.

The Demerger shall be carried out in accordance with the regulations of Chapter 17 of the Finnish Companies Act and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

1. Demerger Companies

Demerging Company:

Business name:	Elektrobit Corporation
Business ID:	1004129-5
Address:	Tutkijantie 8, 90590 Oulu
Domicile:	Oulu

Elektrobit Corporation is a public limited liability company, the shares of which are publicly traded on the NASDAQ OMX Helsinki Ltd (the “Helsinki Stock Exchange”).

Acquiring Company:

Business name:	Bittium Corporation
Business ID:	To be issued after the registration of the Demerger Plan
Address:	Tutkijantie 8, 90590 Oulu
Domicile:	Oulu

Bittium Corporation is a public limited liability company to be incorporated in connection with the Demerger.

Elektrobit Corporation and Bittium Corporation referred to above are jointly the “Demerger Companies” and each individually a “Demerger Company”.

2. Description of the reasons for the Demerger

The purpose of the Demerger is to carry out the division of Elektrobit Group’s different businesses into independent groups so that the Group’s Wireless Business (wireless communication products and services) shall be formed as one group of companies and the Group’s Automotive Business (automotive software solutions and product

development) shall be formed as another group of companies. The demerger aims at better long-term value creation potential for shareholders, greater liquidity of shares and the possibility for shareholders to allocate their investments in a company focusing on one line of business as well as spreading their risk between two separate companies. In addition, the demerger may improve the business segments' financing and development opportunities as separate listed companies focusing on one line of business, as well as to clarify and simplify governance models. As of the date of this Demerger Plan, the business segments are already operating as independent units with separate customer bases and independent segment strategies.

Key assets to be divided in the Demerger are the shares of the parent companies of the sub-groups operating the business segments – Elektrobit Technologies Ltd, which operates the Wireless Business and Elektrobit Automotive GmbH, which operates the Automotive Business.

3. Proposal for the Articles of Association and appointment of the members of the administrative bodies of the Acquiring Company as well as proposal for amendment of the Articles of Association of the Demerging Company

3.1 Articles of Association of the Acquiring Company

A proposal for the Articles of Association of Bittium Corporation has been attached as [Appendix 1](#) of this Demerger Plan.

3.2 Board of Directors and Auditor of the Acquiring Company

According to the proposed Articles of Association of Bittium Corporation, Bittium Corporation shall have a Board of Directors consisting of a minimum of three (3) and a maximum of seven (7) ordinary members. According to the proposed Articles of Association, the Board of Directors may also have a maximum of three (3) deputy members. According to the proposed Articles of Association, the term of each member of the Board of Directors shall expire at the end of the next Annual General Meeting of Shareholders following the election.

The number of the members on the Board of Directors of Bittium Corporation shall be confirmed, and the members of the Board of Directors shall be elected, by the General Meeting of Elektrobit Corporation resolving on the Demerger.

According to the proposed Articles of Association of Bittium Corporation, Bittium Corporation shall have one Auditor that shall be an auditing firm approved by the Finland Chamber of Commerce. The Auditor of Bittium Corporation shall be elected by the General Meeting of Elektrobit Corporation resolving on the Demerger.

The Board of Directors of Elektrobit Corporation shall make a proposal for the General Meeting of Elektrobit Corporation resolving on the Demerger concerning the members of the Board of Directors and the Auditor of Bittium Corporation.

The above proposals shall not be binding on the General Meeting of Elektrobit Corporation resolving on the Demerger. A General Meeting of Shareholders, which may be convened as necessary after the General Meeting of Elektrobit Corporation resolving on the Demerger, may decide to supplement or amend the composition of the Board of Directors of Bittium Corporation or to replace the Auditor prior to the registration of the implementation of the Demerger, for example in case an elected member of the Board of Directors of Bittium Corporation dies, resigns or has to be replaced by another person for some other reason.

3.3 Managing Director of the Acquiring Company

The Managing Director of Bittium Corporation shall be appointed by the Board of Directors of Elektrobit Corporation prior to the registration of the implementation of the Demerger.

In the event the Managing Director resigns, is dismissed or otherwise becomes unable to carry out his/her duties prior to the registration of the implementation of the Demerger, the Board of Directors of Elektrobit Corporation shall have the right to appoint a new Managing Director until the registration of the implementation of the Demerger. Thereafter, the Board of Directors of Bittium Corporation shall have the right to appoint the Managing Director.

3.4 Articles of Association of the Demerging Company

Section 1 of the Articles of Association of Elektrobit Corporation concerning the domicile of the company is proposed to be amended in connection with the registration of the implementation of the Demerger so that the domicile of the company is changed to Helsinki instead of the current domicile of Oulu.

A proposal for the Articles of Association of Elektrobit Corporation following the amendment proposed above has been attached as **Appendix 2** of this Demerger Plan.

For the sake of clarity, this Demerger Plan does not prevent the General Meeting of Elektrobit Corporation from also making other possible amendments to Elektrobit Corporation's Articles of Association also before the registration of the implementation of the Demerger.

4. Demerger Consideration in shares

The shareholders of Elektrobit Corporation shall receive as demerger consideration one (1) share in Bittium Corporation for each share owned in Elektrobit Corporation (the "**Demerger Consideration**"), i.e. the Demerger Consideration shall be distributed to the shareholders of Elektrobit Corporation in proportion to their existing shareholding with an exchange ratio of 1:1. There is only one share class in Bittium Corporation, and the shares of Bittium Corporation do not have a nominal value.

In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be distributed to any treasury shares, if any, held by Elektrobit Corporation.

The Demerger Consideration shall be distributed to the shareholders of Elektrobit Corporation on the registration date of the implementation of the Demerger which is planned to be on 30 June 2015, or as soon as possible thereafter. The Demerger Consideration shall be distributed in the book-entry securities system maintained by Euroclear Finland Ltd, so that Bittium Corporation's shares shall be distributed using the exchange ratio specified in this Demerger Plan based on the number of shares in Elektrobit Corporation registered in the book-entry accounts of Elektrobit Corporation's shareholders on the registration date of the implementation of the Demerger. The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of Elektrobit Corporation in relation thereto.

The allocation of the Demerger Consideration is based on the shareholding in Elektrobit Corporation on the registration date of the implementation of the Demerger. The final aggregate number of shares in Bittium Corporation distributed as Demerger Consideration shall be determined on the basis of the number of shares in Elektrobit Corporation held by shareholders, other than Elektrobit Corporation itself, on the registration date of the implementation of the Demerger. On the date of this Demerger Plan, Elektrobit Corporation does not hold any treasury shares. According to the current situation, the number of shares distributed as Demerger Consideration is thus 131,588,510 shares. The final number of the shares distributed may also be influenced by the change in shares of Elektrobit Corporation referred to in Section 11 of this Demerger Plan, such as Elektrobit Corporation issuing new shares or acquiring its own shares prior to the registration of the implementation of the Demerger.

5. Other consideration

Notwithstanding the Demerger Consideration in the form of shares in Bittium Corporation, as set out in Section 4 above, no other consideration shall be given to the shareholders of Elektrobit Corporation.

6. Stock options and other special rights entitling to shares

In 2008 Elektrobit Corporation issued 1,400,000 series 2008A stock options, 1,400,000 series 2008B stock options and 1,400,000 series 2008C stock options. The share subscription period for stock options 2008A begun on 5 June 2013 and ended on 31 March 2014. The share subscription period for stock options 2008B begun on 2 April 2013 and ends on 31 March 2015. The share subscription period for stock options 2008C begun on 1 April 2014 and ends on 31 March 2016.

A total of 95,366 new shares were subscribed for between 15 December 2014 and 26 January 2015 pursuant to stock options 2008B and 2008C. The subscribed shares were registered with the Finnish Trade Register on 6 February 2015 and admitted to public trading on the Helsinki Stock Exchange on 9 February 2015 as an additional lot of Elektrobit Corporation's shares.

The schedule for listing shares subscribed with 2008B stock options is as follows for 2015:

Shares subscribed by March 31, 2015 including this day, will be listed on or around April 15, 2015

The schedule for listing shares subscribed with 2008C stock options is as follows for 2015:

Shares subscribed by March 31, 2015 including this day, will be listed on or about April 15, 2015

Shares subscribed by June 8, 2015 including this day, will be listed on or about June 24, 2015

Shares subscribed by August 17, 2015 including this day, will be listed on or about September 1, 2015

Shares subscribed by October 14, 2015 including this day, will be listed on or about October 29, 2015

Shares subscribed by November 30, 2015 including this day, will be listed on or about December 15, 2015

One option right will entitle to subscription for one share of Elektrobitt Corporation. By 31 March 2014, a total of 1,292,324 shares of Elektrobitt Corporation had been subscribed for pursuant to series 2008A stock options. By 26 January 2015, a total of 570,880 shares of Elektrobitt Corporation had been subscribed for pursuant to series 2008B stock options and by 26 January 2015 a total of 217,250 shares of Elektrobitt Corporation had been subscribed for pursuant to series 2008C stock options. As a result of the subscriptions pursuant to series 2008B–C stock options, the number of Elektrobitt Corporation's shares may be increased by a maximum of 2,011,870 shares in addition to the shares already registered in the Finnish Trade Register.

Pursuant to the terms and conditions of Elektrobitt Corporation's stock options 2008A–C, the Board of Directors of Elektrobitt Corporation resolves on the effects of a possible partial demerger on the option rights. Elektrobitt Corporation's Board of Directors has resolved that, should the Demerger materialise, the terms and conditions of 2008C stock options are amended so that the share subscription price pursuant to such stock option is reduced with the volume-weighted average trading price of Bittium Corporation's share during the ten trading days following the first day of Bittium Corporation's listing (excluding the day of listing). However, the subscription price per share shall be at least EUR 0.01. Should the subscription price per share fall below EUR 0.01 due to the reduced subscription price, the subscription price per share shall be EUR 0.01, in addition to which the number of shares granted pursuant to the option rights (subscription ratio) shall be adjusted in order to maintain the so-called intrinsic value of the stock options as unchanged as possible in situations where the subscription price can no longer be reduced. Such adjustment is made by multiplying the number of shares granted pursuant to the stock options (in principle, one) with the following factor:

$$(a-b)/(a-c-d)$$

, where

a = Volume-weighted average trading price of Elektrobitt Corporation's share during the last five trading days preceding the registration date of the implementation of the demerger;

b = Subscription price pursuant to the 2008C stock option immediately preceding the implementation of the demerger;

c = Volume-weighted average trading price of Bittium Corporation's share during the ten trading days following the first day of Bittium Corporation's listing (excluding the day of listing);

d = Subscription price pursuant to the 2008C stock option following the adjustment, i.e. EUR 0.01.

The adjusted subscription ratio for each stock option is rounded to the nearest four decimal places. The adjusted subscription ratio cannot be greater than two. As a result, the number of shares to be subscribed for pursuant to Elektrobit Corporation's option rights could, at the most, be doubled following the amendment to the terms and conditions of the stock options. The number of shares that may be subscribed for pursuant to the stock option rights is calculated by multiplying the number of stock options 2008C declared for subscription at one time by the holder of stock options 2008C with the subscription ratio and, if necessary, rounding down the number of shares to be subscribed for by using the above method to the nearest full share.

The adjustment to the subscription price and the possible adjustment to the subscription ratio shall enter into force when the Board of Directors of Elektrobit Corporation has approved the adjustments and such adjustments have been registered with the Finnish Trade Register, on or about the fifteenth trading day following Bittium Corporation's listing.

Elektrobit Corporation has not issued any other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. It is a condition precedent for the implementation of the Demerger that during the time period after the signing of this Demerger Plan and prior to the registration of the implementation of the Demerger, Elektrobit Corporation has not issued any such new special rights as the ones referred to in Chapter 10, Section 1 of the Finnish Companies Act, which do not exclude the possibility of demanding the redemption of the option rights in connection with the Demerger.

7. Share capital of the Acquiring Company

The share capital of Bittium Corporation shall be EUR 2,000,000.

8. Description of the assets, liabilities and equity of the Demerging Company and the circumstances relevant to their valuation

The assets, liabilities and equity of Elektrobit Corporation as per 31 December 2014 are presented in the audited financial statements, attached hereto as **Appendix 3**, which have been signed by the Board of Directors of Elektrobit Corporation but have not yet been adopted by the General Meeting of Elektrobit Corporation as of the date of this Demerger Plan. In the financial statements the assets and liabilities of Elektrobit Corporation have been booked and valued in compliance with the Finnish Accounting Act (1336/1997, as amended). Between the date of the financial statements and the

date of this Demerger Plan there have been no substantial changes in the financial status or the liabilities of Elektrobit Corporation.

9. Proposal on the division of the Demerging Company's assets and liabilities between the Demerger Companies, the intended effect of the Demerger on the balance sheet of the Acquiring Company and the accounting methods applied to the Demerger

9.1 Assets and liabilities transferred to the Acquiring Company

In the Demerger, all assets, liabilities and responsibilities (including known, unknown and conditional assets, liabilities and responsibilities) of Elektrobit Corporation existing on the registration date of the implementation of the Demerger related to Elektrobit Corporation's Wireless business segment (wireless communication products and services, "Wireless Business") shall be transferred to Bittium Corporation. These transferred assets, liabilities and responsibilities include at least the following items:

- (a) shares in the subsidiaries owned by Elektrobit Corporation related to the Wireless Business, i.e. the following limited liability company:
 - Elektrobit Technologies Oy
- (b) Any potential agreements, given and received undertakings, offers and offer requests and the rights and obligations pertaining thereto that are related to the Wireless Business and entered into by Elektrobit Corporation (including the agreements containing a provision setting forth that they are related to the Wireless Business or that they shall be transferred to Bittium Corporation in connection with the Demerger);
- (c) Leasing and rental agreements related to the Wireless Business entered into in the name of Elektrobit Corporation. These include, without limitation, leasing agreements entered into with 3 Step IT Oy and TeliaSonera AB (publ), which relate to the renting of tools used by subsidiaries owned directly or indirectly by Bittium Corporation, or subsidiaries which are to be transferred to Bittium Corporation;
- (d) Such currency forward agreements and other derivative agreements that serve a purpose of hedging the indirectly or directly owned subsidiaries of companies to be transferred to Bittium Corporation from currency and other risks;
- (e) Possible real properties and properties comparable thereto under the Finnish Code of Real Estate (540/1995, as amended) related to the Wireless Business. As of the date of signing of this Demerger Plan, Elektrobit Corporation is not aware of any such real properties;
- (f) Elektrobit Corporation's guarantee liabilities and the liabilities arising out of counterindemnities given to the guarantors related to the Wireless Business. For the sake of clarity, it is noted that the total amount of such guarantee

liabilities and liabilities arising out of counterindemnities given to the guarantors related to the Wireless Business was approximately EUR 5 million as per 31 December 2014;

- (g) Receivables of Elektrobit Corporation from the subsidiaries transferred to Bittium Corporation and their direct or indirect subsidiaries related to the cash pool agreements and arrangements between Elektrobit Corporation and its subsidiaries to the extent that the assets relating to such receivables are used by the Wireless Business, as well as Elektrobit Corporation's liabilities to such entities.

Bittium Corporation receives the proportion of Elektrobit Corporation's cash and cash equivalents as well as mutual fund units and other investments treated as liquid asset securities in the Company's bookkeeping ("**Liquid Asset Securities**") that equals the portion of intra-group account liabilities transferred to Bittium Corporation compared to the entire intra-group account liabilities to all Elektrobit Corporation's direct and indirect subsidiaries. The intra-group account liabilities means the balance of the intra-group account liabilities as calculated in Elektrobit Corporation's bookkeeping in accordance with Elektrobit Corporation's accounting principles.

However, if Elektrobit Corporation has immediately prior to the implementation of the Demerger more cash, cash equivalents and Liquid Asset Securities than intra-group account liabilities, Bittium Corporation shall receive of the amount in excess of such intra-group liabilities an amount resolved on by the Board of Directors of Elektrobit Corporation before the implementation of the Demerger, which Elektrobit Corporation deems necessary in order for Bittium Corporation to carry out its operations. The monthly cash flow of the Wireless Business has historically fluctuated significantly, which will be taken into account when considering such amount.

The bank account balances shall be recorded based on the final account balances on the business day immediately preceding the registration date of the implementation of the Demerger. As regards to the assets and liabilities related to the cash pool arrangements in currency other than euro, when calculating the amounts referred to in this Subsection, such items shall be converted to euro by using the latest reference rate of the European Central Bank preceding the registration date of the implementation of the Demerger.

Elektrobit Corporation and Bittium Corporation are both obligated to refund to each other any cash, cash equivalents and/or Liquid Asset Securities transferred in excess, as the case may be, immediately after the other party has presented a written calculation and its claim for the refund. Furthermore, if (i) assets are transferred from Elektrobit Corporation's cash and cash equivalents to the transferring subsidiaries or their direct or indirect subsidiaries as a result of the dissolution of the cash pool, or (ii) the balance of the Intra-group account liabilities of the transferring subsidiaries or their direct or indirect subsidiaries is partly or entirely revoked as a result of the dissolution of the cash pool, then such assets shall be taken into account when calculating the amount of cash, cash equivalents and/or Liquid Asset Securities to be refunded. The written calculation and claim referred to herein shall be presented without undue delay after the party presenting the claim has become aware of the mistake in the transfer referred to herein and in any event within one (1) year after the

registration date of the implementation of the Demerger. In the calculation concerning the refund, any other currencies shall be converted to euro by using the reference rate of the European Central Bank preceding the registration date of the implementation of the Demerger;

In so far as Elektrobit Corporation has both cash, cash equivalents and Liquid Asset Securities during the time of implementation of the Demerger, Bittium Corporation shall in first instance receive cash and cash equivalents an amount described here in subparagraph (g), secondarily Bittium Corporation shall receive Liquid Asset Securities owned by Elektrobit Corporation only for the amount for which the amount of cash and cash equivalents is below that of the whole amount to be transferred to Bittium Corporation as resolved on by the Board of Directors before the implementation of the Demerger according to the third chapter of this subparagraph (g);

- (h) Other receivables of Elektrobit Corporation from the subsidiaries transferred to Bittium Corporation and their direct and indirect subsidiaries, including any dividend receivables as well as other Elektrobit Corporation's liabilities to such subsidiaries, all for the amount for which the basis of the receivable is related to the Wireless Business.
- (i) Liabilities, allocation of which to Bittium Corporation has been agreed on with creditors. As of the date of signing of this Demerger Plan, Elektrobit Corporation is not aware of any such agreements;
- (j) Obligations under such other loan agreements, if any, wherein it is stated that the purpose of the use of the loan is related to the business transferred to Bittium Corporation or the business of the direct or indirect subsidiaries transferred to Bittium Corporation. As of the date of signing of this Demerger Plan, Elektrobit Corporation is not aware of any such loan agreements;
- (k) Trademarks and other intellectual property rights owned by Elektrobit Corporation related to the Wireless Business, regardless of whether or not these rights can be or have been registered. As of the date of signing of this Demerger Plan, Elektrobit Corporation is not aware of any such rights. For the sake of clarity, it is stated that all trademarks and intellectual property rights registered or otherwise acquired by Elektrobit Corporation, which contain the name Bittium, are rights related to the Wireless Business being referred to here;
- (l) All obligations and liabilities related to the registration document, the securities note and the summary drafted in connection with the Demerger as set out in the Finnish Securities Market Act (746/2012, as amended), as well as other obligations and liabilities related to the registration of the shares in Bittium Corporation and listing of the shares in public trading;
- (m) Rights and obligations of Elektrobit Corporation related to and arising from the incentive scheme concerning the employees of Elektrobit Corporation and its group, including the special remunerations possibly to be paid in connection with the demerger and agreement relating thereto, insofar as they are related to persons who are transferred to the service of Bittium Corporation in

accordance with Section 17 or who, on the registration date of the implementation of the Demerger, have a valid employment or service relationship with a subsidiary transferred to Bittium Corporation in accordance with Subsection (a) above or with a directly or indirectly owned subsidiary of such transferred subsidiary. This Demerger Plan shall not restrict in any way the right of Elektrobit Corporation's Board of Directors' to decide on the effects of the Demerger on such remunerations and their terms. The treatment of Elektrobit Corporation's option rights is laid down in Section 6 of the Demerger Plan and option rights are not included in the incentive schemes referred to in this section;

- (n) Potential tax receivables, tax payables and tax liabilities of Elektrobit Corporation related to the Wireless Business and its assets and liabilities;
- (o) Items that have replaced the aforementioned assets, liabilities and responsibilities (insofar as these replacement items have not been specifically allocated to Elektrobit Corporation under this Section 9) as well as the assets, liabilities and responsibilities created or otherwise appointed to Elektrobit Corporation after the date of this Demerger Plan, which are related to the Wireless Business (including potential new agreements, offers, offer requests and undertakings); and
- (p) Potential other known and unknown assets, liabilities and responsibilities related to the Wireless Business (including agreements, offers, offer requests and undertakings).

Elektrobit Corporation shall only be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for all known, unknown and conditional liabilities and responsibilities (including agreements, offers, offer requests and undertakings) transferred to Bittium Corporation, except where there is an agreement or will be an agreement with a creditor also regarding the limitation of secondary liability (including elimination thereof), in which case such agreed limitation of liability shall be applied to Elektrobit Corporation's liability towards the creditor in question.

9.2 Assets and liabilities that remain the property of the Demerging Company in the Demerger

In the Demerger, all (including known, unknown and conditional) assets, liabilities and responsibilities (including agreements, offers, offer requests and undertakings) of Elektrobit Corporation existing on the registration date of the implementation of the Demerger related to Elektrobit Corporation's other operations than the Wireless Business set out above shall remain with Elektrobit Corporation, including at least the following assets, liabilities and responsibilities:

- (a) Known or unknown assets, liabilities and responsibilities related to the Automotive business segment (automotive software solutions and product development, "**Automotive Business**");

- (b) All shares or other participations in subsidiaries directly owned by Elektrobit Corporation that are not related to the Wireless Business, including, without limitation, the following limited liability company:
 - Elektrobit Automotive GmbH
- (c) Any agreements, given and received undertakings, offers and offer requests and the rights and obligations pertaining thereto related to the Automotive Business (including, inter alia, the agreements containing a provision setting forth that they are related to the Automotive Business or that they shall remain with Elektrobit Corporation in connection with the Demerger), including Premium Member Agreements entered into with Autosar GbR;
- (d) All derivative agreements made by Elektrobit Corporation and the rights and obligations pertaining thereto, insofar as they have not been specified to be transferred to Bittium Corporation in Section 9.1 above;
- (e) All real properties and properties comparable thereto under the Finnish Code of Real Estate (540/1995, as amended) owned by Elektrobit Corporation which are not related to the Wireless Business. As of the date of signing of this Demerger Plan, Elektrobit Corporation is not aware of such real properties;
- (f) Guarantee liabilities and the liabilities arising out of counterindemnities given to the guarantors insofar as they have not been allocated to Bittium Corporation as set out in Section 9.1 above as well as such new guarantee liabilities and liabilities arising out of counterindemnities given to the guarantors Elektrobit Corporation will undertake or has undertaken related to the Automotive Business;
- (g) All loan agreements made with financial institutions and pension insurance companies, which agreements are not related to the Wireless Business and are thus not allocated to Bittium Corporation under Section 9.1 above;
- (h) Elektrobit Corporation's receivables from the subsidiaries that remain in its ownership, and from their direct and indirect subsidiaries, including any dividend receivables as well as Elektrobit Corporation's liabilities to such subsidiaries insofar as they have not been specified to be transferred to Bittium Corporation in Section 9.1 above;
- (i) Trademarks and other intellectual property rights owned by Elektrobit Corporation other than those related to the Wireless Business defined in Section 9.1 above;
- (j) Known and unknown assets, liabilities and responsibilities (including agreements, offers, offer requests and undertakings) not related to the Wireless Business or the Automotive Business; and
- (k) Items that have replaced the aforementioned assets, liabilities and responsibilities (including agreements, offers, offer requests and undertakings) (insofar as these replacement items are not related to the Wireless Business and have not been specifically allocated to Bittium Corporation under Section

9.1) as well as the assets, liabilities and responsibilities created or otherwise appointed to Elektrobit Corporation after the date of this Demerger Plan, which are not related to the Wireless Business.

Bittium Corporation shall only be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for all known, unknown and conditional liabilities and responsibilities (including agreements, offers, offer requests and undertakings) remaining with Elektrobit Corporation, except where there is an agreement or will be an agreement with a creditor also regarding the limitation of secondary liability (including elimination thereof), in which case such agreed limitation of liability shall be applied to Bittium Corporation's liability towards the creditor in question.

9.3 Valuation of assets and liabilities in the Demerger

On the registration date of the implementation of the Demerger, Elektrobit Corporation's assets, liabilities and responsibilities allocated to Bittium Corporation in this Demerger Plan and its appendices and related to the Wireless Business shall be transferred to Bittium Corporation. The assets and liabilities of Elektrobit Corporation have been booked and valued in accordance with the Finnish Accounting Act (1336/1997, as amended). In the Demerger, Bittium Corporation shall enter the transferred assets and liabilities to its balance sheet at the book value used by Elektrobit Corporation on the registration date of the implementation of the Demerger in compliance with the provisions of the Finnish Accounting Act.

The equity formed in Bittium Corporation in the Demerger shall be entered, insofar it exceeds the amount to be entered as share capital in accordance with Section 7, up to the maximum amount of EUR 14 million to the reserve for invested unrestricted equity and for the amount exceeding this, as an increase in retained earnings. If any items have been entered in the revaluation reserves or current value reserve of Elektrobit Corporation based on the revaluation of the assets transferred to Bittium Corporation, a corresponding item shall also be entered under the corresponding reserve of Bittium Corporation.

The reduction of Elektrobit Corporation's net book assets caused by the Demerger shall be entered as a reduction in Elektrobit Corporation's reserve for invested unrestricted equity up to the amount which corresponds to the increase in Elektrobit Corporation's reserve for invested unrestricted equity mentioned above in this section, and as Elektrobit Corporation's retained earnings up to the amount that corresponds to the amount entered in the balance sheet of Bittium Corporation as an increase of share capital and retained earnings in accordance with Sections 7 and 9. Insofar as assets, based on which items have been entered in Elektrobit Corporation's revaluation reserves or current value reserve, are transferred to Bittium Corporation, the relevant reserve of Elektrobit Corporation shall be reduced by an amount corresponding to such entry. The rules on the reduction of Elektrobit Corporation's share capital and the effects of such reduction on the Company's balance sheet are laid down in Section 10.

The proposal on the effects of the proposed division of Elektrobit Corporation's assets and liabilities in accordance with this Demerger Plan to the balance sheets of Elektrobit

Corporation and Bittium Corporation, and the accounting methods applied to the Demerger, has been described in the preliminary presentation of the balance sheets of Elektrobit Corporation and Bittium Corporation attached hereto as **Appendix 4**. These figures are based on the audited financial statements of Elektrobit Corporation, dated 31 December 2014, set out under Section 8, and as presented in Appendix 4. The effects of the Demerger on the balance sheets of the Demerger Companies will, however, be determined according to the situation as per the registration date of the implementation of the Demerger.

10. Share capital of the Demerging Company

On the date of this Demerger Plan, the share capital of Elektrobit Corporation is EUR 12,941,269. The share capital of Elektrobit Corporation is proposed to be decreased in connection with the implementation of the Demerger 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 reserve for invested unrestricted equity, i.e. by an aggregate of EUR 9,941,269. Based on the situation as at the signing of this Demerger Plan, the share capital of Elektrobit Corporation would be EUR 3,000,000 following the implementation of the Demerger.

11. Proposal for the right of the Demerger Companies to decide on arrangements beyond their ordinary business operations

The provisions of Section 6 limit Elektrobit Corporation's right to decide on the issue of stock options or other special rights under Chapter 10, Section 1 of the Finnish Companies Act during the Demerger process. The Demerger process shall not limit in any other way Elektrobit Corporation's right to decide on the matters of Elektrobit Corporation and/or Bittium Corporation (regardless of whether such matters are ordinary or unordinary), including, without limitation, sale and purchase of shares and businesses, corporate reorganizations, payment of dividend and other distribution of unrestricted equity, share issues, acquisition or transfer of own shares, redemption, changes in the amount of share capital, making revaluations, internal group transactions and reorganizations, listing of the shares in Bittium Corporation in the Helsinki Stock Exchange and other preparatory actions in relation to the Demerger as referred to in Section 17 of this Demerger Plan as well as other similar actions.

12. Capital loans

Elektrobit Corporation has not issued any capital loans, as defined in Chapter 17, Section 3, Subsection 2, Item 12 of the Finnish Companies Act.

13. Cross ownership and treasury shares

On the date of this Demerger Plan, Elektrobit Corporation or its subsidiaries do not hold any shares in Bittium Corporation, because Bittium Corporation shall be incorporated upon the registration of the implementation of the Demerger. Hence, Bittium Corporation does not have a parent company either.

On the date of this Demerger Plan, Elektrobit Corporation does not hold any treasury shares. The subsidiaries of Elektrobit Corporation do not also hold any of the shares in Elektrobit Corporation.

14. Business mortgages

On the date of this Demerger Plan, the business mortgages, as referred to in the Finnish Business Mortgages Act (634/1984, as amended), listed in **Appendix 5** pertain to the assets of Elektrobit Corporation. On the date of this Demerger Plan, all such business mortgages are held by Elektrobit Corporation itself. Elektrobit Corporation shall procure the rearrangement or writing-off of the business mortgages prior to the registration of the implementation of the Demerger.

15. Description of special advantages and rights

No special advantages or rights shall be granted in connection with the Demerger to the members of the Board of Directors, Managing Directors or Auditors of either Elektrobit Corporation or Bittium Corporation. No statement referred to in Chapter 17, Section 4 of the Finnish Companies Act will be issued on the Demerger Plan.

The resolution on the remuneration of Bittium Corporation's Board of Directors and Auditor shall be passed in the General Meeting of Elektrobit Corporation resolving on the Demerger. Bittium Corporation shall be solely responsible for paying the remunerations of Bittium Corporation's Board of Directors and Auditor and other costs and responsibilities related thereto also as regards to the remuneration, cost or responsibility that may potentially pertain to the time period preceding the registration of the implementation of the Demerger.

A managing director's agreement, which will be consistent with common practice, shall be entered into with the person appointed as the Managing Director of Bittium Corporation. Such managing director's agreement shall become effective on the registration date of the implementation of the Demerger. The said managing director's agreement, together with all of its rights and obligations, shall be transferred to Bittium Corporation on the registration date of the implementation of the Demerger. Bittium Corporation shall be solely responsible for paying the remunerations set out in the managing director's agreement and any other costs and responsibilities arising out of the Managing Director, including his/her appointment and dismissal, also as regards to the remuneration, cost or responsibility that may potentially pertain to the time period preceding the registration of the implementation of the Demerger.

Elektrobit Corporation has implemented variable pay systems for the management and key personnel of the Group's Automotive Business and Wireless Business corresponding to the Salary and Remuneration Report published on the Company's internet site. The Board of Directors of Elektrobit Corporation shall decide, in accordance with the terms of the incentive schemes, on the effects of the Demerger on the schemes prior to the registration of the implementation of the Demerger. The Board of Directors of Elektrobit Corporation may make such decisions also concerning the employees being transferred to the service of Bittium Corporation or its group. Such decisions shall be binding upon both Elektrobit Corporation and Bittium Corporation as well as the persons included in the incentive scheme.

The Demerger does not immediately affect the remuneration of the Board of Directors, Auditor or Managing Director of Elektrobit Corporation. The Demerger may, however, have an indirect effect on the compensation of the members of the above groups, inter alia, through the decrease in the size of the auditable entity for the Auditor or through the possible changes in personnel caused by the Demerger.

The remuneration of the Auditor issuing a certification on the registration notification of the implementation of the Demerger is proposed to be paid in accordance with the invoice accepted by Elektrobit Corporation's Board of Directors. Elektrobit Corporation shall be solely responsible for the remuneration to be paid for the issuance of such certification.

16. Planned registration date for the implementation of the Demerger

The planned date of registration of the implementation of the Demerger is 30 June 2015. The registration date of the implementation of the Demerger may change, for example if the circumstances relating to the Demerger require changes with respect to the time schedule or if the Board of Directors of Bittium Corporation otherwise decides to file the Demerger to be registered prior to, or after, the planned registration date.

17. Other matters

17.1 Listing of the shares

The shares in Bittium Corporation are intended to be applied for public trading on the Helsinki Stock Exchange. The shares are planned to be admitted for public trading as soon as possible after the registration of the implementation of the Demerger. The Demerger will not affect the listing of Elektrobit Corporation on the Helsinki Stock Exchange or the trading of Elektrobit Corporation's shares, which will continue after the registration of the implementation of the Demerger.

The Board of Directors of Elektrobit Corporation has the right to make the decisions relating to the listing and to take the measures necessary for the listing, including entering into agreements concerning the listing.

17.2 Transfer of employees

Such personnel in the administration and service operations of Elektrobit Corporation whose work is related to the Wireless Business, shall be transferred to the service of Bittium Corporation on the registration date of the implementation of the Demerger or during a transition period thereafter in accordance with the decisions of Elektrobit Corporation's Board of Directors or Managing Director made prior to the registration of the implementation of the Demerger. Bittium Corporation shall assume the obligations arising out of the employment and service contracts of the transferred personnel and the contracts relating to personnel fringe benefits. The personnel shall transfer to the service of Bittium Corporation as so-called veteran staff (Fi: "vanhoina työntekijöinä").

The obligations of the occupational health service agreements binding on Elektrobit Corporation shall be transferred to Bittium Corporation insofar as they concern the employees of Bittium Corporation or its directly or indirectly owned subsidiaries.

Bittium Corporation shall be responsible for all obligations relating to the personnel transferred to it, including without limitation, the unpaid wages, tax withholding, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent the obligations are based on a time period preceding the registration of the implementation of the Demerger, but are unfulfilled at the time of the registration.

17.3 Preparatory actions

The Board of Directors and the Managing Director of Elektrobit Corporation may make any decisions that fall within their competence under the applicable law and concern the business activities of Elektrobit Corporation and the business transferred in the Demerger as well as take care of the actions in relation to the implementation of the Demerger until the implementation of the Demerger has been registered.

17.4 Right of the Board of Directors and Managing Director of the Demerging Company to act on behalf of the Acquiring Company

As set out in Section 17.3 above, prior to the registration of the implementation of the Demerger the Managing Director of Elektrobit Corporation may enter into agreements facilitating the separation and activation of the business transferred to Bittium Corporation, including for example agreements concerning the supply of any necessary services and factors of production during and after a potentially necessary transition period after the implementation of the Demerger (transitional service agreements, which – for the sake of clarity – can among other things cover services provided by Elektrobit Corporation to Bittium Corporation and services provided by Bittium Corporation to Elektrobit Corporation), license and lease agreements and other similar agreements, and may also make any decisions and take actions concerning the business transferred to Bittium Corporation that fall within the general competence of a Managing Director.

The Managing Director of Elektrobit Corporation may make decisions, enter into agreements and take other actions referred to above also on behalf of Bittium Corporation. However, the decisions, agreements and actions which, as a result of the registration of the implementation of the Demerger, involve both Elektrobit Corporation and Bittium Corporation as parties require the consent of the Chairman of Elektrobit Corporation's Board of Directors. The rights and obligations of Bittium Corporation based on the aforementioned decisions, agreements and other actions shall be transferred to Bittium Corporation on the registration date of the implementation of the Demerger.

The Board of Directors of Elektrobit Corporation may also make decisions, enter into agreements and take actions falling to the Managing Director under this Section as well as make all such decisions, enter into agreements and take actions concerning the business transferred to Bittium Corporation that fall within its competence under the applicable law.

17.5 Capacity and competence of the Acquiring Company's Board of Directors and Managing Director prior to the implementation of the Demerger

Prior to the registration of the implementation of the Demerger, the Board of Directors or the Managing Director of Bittium Corporation may make only such decisions that are separately assigned in this Demerger Plan to be made by the Board of Directors or the Managing Director of Bittium Corporation or such decisions as the Board of Directors of Elektrobit Corporation designates to them.

Prior to the registration of the implementation of the Demerger, the Board of Directors of Bittium Corporation may make, without separate designation from the Board of Directors of Elektrobit Corporation, such decisions, which concern the rights to represent Bittium Corporation (authorizations to sign for the company, rights of representation per procuram and other authorizations), bank accounts and the necessary agreements and documents relating to the administration of a listed company, such as the rules of procedure of the Board of Directors and the insider guidelines. Also the Board of Directors of Elektrobit Corporation may make these decisions prior to the registration of the implementation of the Demerger. The rights and obligations under these decisions shall be transferred to Bittium Corporation on the registration date of the implementation of the Demerger.

17.6 Agreements and Undertakings and cooperation in the transfer of rights and obligations

All agreements and undertakings, given and received offers and offer requests and the rights and obligations pertaining thereto related to the Wireless Business (the "Agreements and/or Undertakings") shall be transferred to Bittium Corporation in accordance with this Demerger Plan on the registration date of the implementation of the Demerger. If the transfer of a certain Agreement and/or Undertaking is subject to the consent of the contracting party or a third party, the Demerger Companies shall use their best efforts to obtain such consent. If the consent is not obtained within a reasonable time from the registration of the implementation of the Demerger, Elektrobit Corporation remains as the party to the Agreement and/or Undertaking, but Bittium Corporation shall fulfill the obligations related to such Agreement and/or Undertaking on its own behalf, at its own responsibility and at its own risk in Elektrobit Corporation's name and correspondingly Bittium Corporation gets the benefits related to such Agreement and/or Undertaking.

If a directly or indirectly owned subsidiary to be transferred to Bittium Corporation in the Demerger has given a guarantee or a security to Elektrobit Corporation or its direct or indirect subsidiary, or on such company's behalf, and the debt or liability for which the guarantee or security has been given for does not transfer to Bittium Corporation or a directly or indirectly owned subsidiary of Bittium Corporation, Elektrobit Corporation, will to the best of its abilities, make efforts to release Bittium Corporation or its subsidiary from guarantee liability or the guarantee before the implementation of Demerger. If the guarantee or security cannot be released in a reasonable time from the registration of the implementation of the Demerger, Elektrobit Corporation commits to compensate Bittium Corporation or its subsidiary of all the expenses that might incur from the guarantee or security, including the possible guarantee liability or loss of value incurred from the realization of the security

Elektrobit Corporation and Bittium Corporation are both obligated to provide to each other all the reports and confirmations, as requested by the other company, which are necessary for the confirmation and recordation of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, liabilities and responsibilities potentially required by the authorities or financial institutions.

17.7 Intellectual property rights of the Subsidiaries

Bittium Corporation shall procure that its directly or indirectly owned subsidiaries are not using any trade names, trademarks or other intellectual property rights, which include Elektrobit or which may be confused to Elektrobit Corporation's trade name and trademarks, and that the subsidiaries procure the amendment of such registered trademarks so that such elements are removed without delay following the implementation of the Demerger and in any event no later than 31 December 2015.

Elektrobit Corporation shall procure that its directly or indirectly owned subsidiaries are not using any trade names, trademarks or other intellectual property rights, which include Bittium or which may be confused to Bittium Corporation's trade name and trademarks, and that the subsidiaries procure the amendment of such registered trademarks so that such elements are removed without delay and transfer any possible such rights to Bittium Corporation or any entity designated by it following the implementation of the Demerger, and in any event no later than 15 July 2015. Elektrobit Corporation and its subsidiaries may, where appropriate, only acquire or register such rights in order to secure the implementation of the demerger and rights to the name Bittium, or rights pertaining to securing access to the name for the Bittium Group.

17.8 Costs

Unless the Demerger Companies separately agree otherwise or unless it is stipulated otherwise in this Demerger Plan (including Section 9 concerning the distribution of the assets and liabilities), the following principles shall be applied for the allocation of costs attributable to external service providers between the Demerger Companies:

- (a) Elektrobit Corporation shall be responsible for the costs and remunerations directly relating to the Demerger process and implementation. Such costs and remunerations resulting from the Demerger process include, for example the costs of holding Elektrobit Corporation's General Meeting resolving on the Demerger, the costs of filing the Trade Register notifications directly related to the Demerger, the fees for advisors participating in the Demerger process as well as the remuneration of the Auditor issuing a statement on the Demerger Plan.
- (b) Bittium Corporation shall be responsible for the costs relating to the listing of Bittium Corporation and the recording of its shares in the book-entry system during the implementation of the Demerger (for example costs resulting from drafting a prospectus, costs and fees charged by the Financial Supervisory Authority, the Helsinki Stock Exchange and Euroclear Finland Ltd.), regardless of when the cost may arise. If such costs arise prior to the registration of the

Demerger, Elektrobit Corporation shall invoice this cost from Bittium Corporation after the implementation of the Demerger.

- (c) Bittium Corporation shall be responsible for the costs related to the start-up of Bittium Corporation's operations regardless of when the costs may arise. If such costs arise prior to the registration of the Demerger, Elektrobit Corporation shall invoice such costs from Bittium Corporation after the implementation of the Demerger. Such costs arising from the activation of operations may include, for example costs arising out of setting up of the IT systems and creating and changing the visual image as well as costs relating to the financing arranged for Bittium Corporation.
- (d) Elektrobit Corporation shall be responsible for all of the costs and remunerations incurring from the Demerger which cannot be allocated based on subsections (a)-(c) above or which are not directly related to the operations of either of the companies.

17.9 Accounting material

The accounting material of Elektrobit Corporation shall remain in the ownership of Elektrobit Corporation. However, Bittium Corporation has the right to get access to the said accounting material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, within the ordinary office hours insofar as the request concerns the business of Bittium Corporation.

17.10 Language of the Demerger Plan

This Demerger Plan has primarily been made in the Finnish language. Any translations of the Demerger Plan have been made for information purposes only and the Finnish language version shall prevail in all situations.

17.11 Dispute resolution

Any dispute, controversy or claim between the Demerger Companies arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the Finland Chamber of Commerce by one arbitrator. The place of arbitration is Helsinki. For the sake of clarity, it is noted that this arbitration clause has been made also on behalf of, and is binding upon, Bittium Corporation.

17.12 Other issues

The Board of Directors of Elektrobit Corporation is authorized to decide on technical amendments to this Demerger Plan or its appendices as may be required by the authorities or otherwise considered appropriate by the Board of Directors. The Board of Directors of Elektrobit Corporation may decide not to implement the demerger, if material grounds for this exist, including after the General Meeting resolving upon the Demerger.

* * *

This Demerger Plan has been made in three (3) identical counterparts, one (1) for each of the Demerger Companies and one (1) for the authorities.

In Helsinki, on 18 February 2015

Elektrobit Corporation

Authorised by the Board of Directors

Seppo Laine

Juha Hulkko

Appendices to the Demerger Plan:

- Appendix 1 Proposal for the Articles of Association of Bittium Corporation
- Appendix 2 Proposals for the Articles of Association of Elektrobit Corporation following the changes proposed in the Demerger Plan
- Appendix 3 Audited financial statements of Elektrobit Corporation as per 31 December 2014
- Appendix 4 Preliminary description of the division of Elektrobit Corporation's balance sheet between Elektrobit Corporation and Bittium Corporation in accordance with the situation of 31 December 2014, taking into account the adjustments set out in the description
- Appendix 5 Business mortgages pertaining to the assets of Elektrobit Corporation, as referred to in the Finnish Business Mortgages Act

ARTICLES OF ASSOCIATION OF BITTIUM CORPORATION**1. Company Name and Domicile**

The name of the company is Bittium Oyj, in English Bittium Corporation, and its domicile is Oulu.

2. Objects of the Company

The company's field of activities is the development, production and selling of software, equipment and other products for the electronics industry, the production of R&D services and other services as well as other industrial operations. The company may administer product and other rights and conduct research- and development operations, hold and trade securities and real-estate and conduct other investment activities.

3. Board of Directors

The Board of Directors accounts for the administration of company and the proper organization of its operations. The Board of Directors shall have no less than three (3) and no more than seven (7) members and may have one to three (1-3) deputy members.

The term of office of the members of the Board of Directors expires at the end of the following Annual General Meeting.

4. Chief Executive Officer

The company has a Chief Executive Officer appointed by the Board of Directors.

5. Representing

Persons representing the company are the Chairman of the Board and the Chief Executive Officer, separately, and any two members of the Board of Directors together.

6. Auditors

The company shall have one (1) auditor that has qualified as Certified Public Accountant and if the auditor is not an auditing company as defined by the law, one (1) deputy auditor shall be elected.

The term of office of the auditor expires at the end of the following Annual General Meeting.

7. Notice to the Meeting and Registration

The notice convening a General Meeting shall be delivered not earlier than three months and not later than three weeks before the meeting, however no less than 9

days prior to the record date of the General Meeting, by publishing it on the company's website or in one or more newspapers decided by the Board of Directors or by delivering the notice to each shareholder by a letter posted to the address reported by the shareholder in the shareholders register.

A shareholder has the right to participate in the General Meeting when he/she has signed in for the meeting to the company not later than the day mentioned in the notice, which day may not be earlier than ten (10) days before the meeting.

8. Annual General Shareholders' Meeting

The annual general meeting of the shareholders shall be held annually on the date appointed by the Board of Directors before the end of June.

At the meeting shall be:

presented

1. the financial statement of the company and
2. auditor's report,

decided

3. upon the adoption of the financial statement,
4. upon measures to which the profit of the adopted balance sheet may give cause,
5. upon granting of the discharge from liability to the Board members and the Chief Executive Officer,
6. upon the number of the Board members,
7. upon the remuneration and the grounds of compensation of travel costs of the Board members,

elected

8. the Board members and, when needed, deputy members and,
9. the company's auditor and, when needed, deputy for the auditor.

9. Financial Period

The financial period of the company is a calendar year.

10. Book-entry System

The shares of the company are recorded into the book-entry system.

ARTICLES OF ASSOCIATION OF ELEKTROBIT CORPORATION

1. Company Name and Domicile

The name of the company is Elektrobit Oyj, in English Elektrobit Corporation, and its domicile is Helsinki.

2. Objects of the Company

The company's field of activities is the development, production and selling of software, equipment and other products for the automotive and electronics industry, the production of R&D services and other services as well as other industrial operations. The company may administer product and other rights and conduct research- and development operations, hold and trade securities and real-estate and conduct other investment activities.

3. Board of Directors

The Board of Directors accounts for the administration of company and the proper organization of its operations. The Board of Directors shall have no less than three (3) and no more than seven (7) members and may have one to three (1-3) deputy members.

The term of office of the members of the Board of Directors expires at the end of the following Annual General Meeting.

4. Chief Executive Officer

The company has a Chief Executive Officer appointed by the Board of Directors.

5. Representing

Persons representing the company are the Chairman of the Board and the Chief Executive Officer, separately, and any two members of the Board of Directors together.

6. Auditors

The company shall have one (1) auditor that has qualified as Certified Public Accountant and if the auditor is not an auditing company as defined by the law, one (1) deputy auditor shall be elected.

The term of office of the auditor expires at the end of the following Annual General Meeting.

7. Notice to the Meeting and Registration

The notice convening a General Meeting shall be delivered not earlier than three months and not later than three weeks before the meeting, however no less than 9

days prior to the record date of the General Meeting, by publishing it on the company's website or in one or more newspapers decided by the Board of Directors or by delivering the notice to each shareholder by a letter posted to the address reported by the shareholder in the shareholders register.

A shareholder has the right to participate in the General Meeting when he/she has signed in for the meeting to the company not later than the day mentioned in the notice, which day may not be earlier than ten (10) days before the meeting.

8. Annual General Shareholders' Meeting

The annual general meeting of the shareholders shall be held annually on the date appointed by the Board of Directors before the end of June.

At the meeting shall be:

presented

1. the financial statement of the company and
2. auditor's report,

decided

3. upon the adoption of the financial statement,
4. upon measures to which the profit of the adopted balance sheet may give cause,
5. upon granting of the discharge from liability to the Board members and the Chief Executive Officer,
6. upon the number of the Board members,
7. upon the remuneration and the grounds of compensation of travel costs of the Board members,

elected

8. the Board members and, when needed, deputy members and,
9. the company's auditor and, when needed, deputy for the auditor.

9. Financial Period

The financial period of the company is a calendar year.

10. Book-entry System

The shares of the company are recorded into the book-entry system.

Elektrobit Corporation Preliminary description of the division of the balance sheet, 1000 Eur	Demerging Company Elektrobit Corporation	Elektrobit Corporation after the Demerger	Bittium Corporation after the Demerger
	31 December 2014	31 December 2014	31 December 2014
Intangible assets	101	101	0
Tangible assets	72	1	71
Shares of subsidiaries	86 470	46 721	39 749
Other investments	1	0	1
Receivables from Group companies	2 414	2 036	378
Other receivables and cash	21 995	18 332	3 663
Total assets	111 054	67 192	43 862
Equity	102 732	61 197	41 535
Loans from financial institutions	3 000	3 000	0
Accounts payable	124	124	0
Liabilities to Group companies	4 247	2 045	2 203
Other liabilities	951	826	124
Total liabilities	111 054	67 192	43 862

The basis for this preliminary description is the audited balance sheet as per 31 December 2014 of the parent company Elektrobit Corporation, on the basis of which the assets and liabilities have been divided between the remaining company in the demerger, Elektrobit Corporation, and the company being established in the demerger, Bittium Corporation, in accordance with the matching principle. The amount of equity has been derived from historical, currently non-audited carve-out calculations.

The final division will take place based on the book values of the registration date of the implementation of the demerger and, as a result, the presented figures are subject to change and are only indicative. The presented figures have not been audited.