

## Annual General Meeting of Bittium Corporation

**Time:** April 19, 2016 at 1.00 p.m.

**Place:** University of Oulu, Saalastinsali, Pentti Kaiteran katu 1, 90570 Oulu, Finland

**Present:** The shareholders set out in the list of votes (Appendix 1) adopted at the meeting were present at the meeting, in person or represented, along with their assistants.

Present at the meeting were, in addition, the members of the Board of with the exception of Staffan Simberg, the CEO Hannu Huttunen, the company's auditor with principal responsibility, representatives of the company's senior management as well as technical personnel.

### 1 §

#### OPENING OF THE MEETING

The Chairman of the Board of Directors Mr. Erkki Veikkolainen opened the meeting.

### 2 §

#### CALLING THE MEETING TO ORDER

Mr. Manne Airaksinen, Attorney-at-Law, was elected Chairman of the General Meeting and he called Chief Legal Officer Mr. Kari Jokela to act as secretary.

The Chairman explained the procedures for considering the items on the agenda of the meeting.

It was recorded that the meeting was conducted in Finnish.

The Chairman noted that certain nominee registered shareholders had provided the company with voting instructions prior to the meeting and gave a description of the voting instructions that these nominee registered shareholders had provided.

A summary list of the voting instructions of the above-mentioned nominee registered shareholders was attached to the minutes (Appendix 2).

### 3 §

#### ELECTION OF PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES

Mr. Jarmo Hintsala and Mr. Jarkko Kaippio were elected to scrutinize the minutes and supervise the counting of votes.

4 §

**RECORDING THE LEGALITY OF THE MEETING**

It was recorded that the notice to the meeting had been published on the company's website and as a stock exchange release on February 18, 2016.

It was recorded that the General Meeting had been convened in accordance with the articles of association and the Companies Act and that the meeting therefore constituted a quorum.

The notice to the meeting was attached to the minutes ([Appendix 3](#)).

5 §

**RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES**

The list recording the attendance at the beginning of the meeting and the corresponding list of votes, according to which 95 shareholders were present either in person, by statutory representative or by proxy, was presented ([Appendix 1](#)). 7,763,987 shares were represented at the beginning of the meeting, representing 7,763,987 votes in total.

It was recorded that the list of votes would be adjusted to correspond to the attendance at the beginning of a possible vote.

6 §

**PRESENTATION OF THE ANNUAL ACCOUNTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2015**

The CEO Mr. Hannu Huttunen gave a presentation on the company's activities in 2015.

The annual accounts for the financial year January 1, 2015 – December 31, 2015 and the report by the Board of Directors were presented.

It was recorded that the annual accounts had been available on the company's website prior to the meeting for the period required by the Companies Act.

The annual accounts were attached to the minutes ([Appendix 4](#)).

The auditor's report was presented and attached to the minutes ([Appendix 5](#)).

7 §

**ADOPTION OF THE ANNUAL ACCOUNTS**

The General Meeting approved the annual accounts for the financial year January 1, 2015 – December 31, 2015.

8 §

**RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND**

It was recorded that the Board of Directors had proposed that the Annual General Meeting resolve to pay EUR 0.05 per share as dividend based on the adopted balance sheet for the financial period January 1, 2015 – December 31, 2015 and EUR 0.25 per share as additional dividend. The dividend will be paid to the shareholders who are registered as shareholders in the company's register of shareholders as maintained by Euroclear Finland Ltd on the dividend record date, Thursday, April 21, 2016. The Board of Directors had proposed that the dividend be paid on Thursday, April 28, 2016 (Appendix 6).

The Annual General Meeting decided to pay dividend based on the adopted balance sheet for the financial period January 1, 2015 – December 31, 2015 in accordance with the proposal of the Board of Directors.

9 §

**RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY**

The General Meeting decided to discharge the members of the Board of Directors and the CEO from liability for the financial year January 1, 2015 – December 31, 2015.

10 §

**RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that the three largest shareholders who represented approximately 13.8 per cent of the shares in the company on the date of the notice to the Annual General Meeting had proposed to the General Meeting that to the members of the Board of Directors to be elected be paid remuneration in accordance with the proposal attached to the minutes (Appendix 6).

The General Meeting decided in accordance with the proposal of the above-mentioned shareholders that to the members of the Board of Directors to be elected be paid monthly remuneration for the term of office ending at the end of the next Annual General Meeting as follows:

to the chairman of the Board of Directors EUR 3,500 and

to the other members of the Board of Directors EUR 2,000 each.

In addition, the General Meeting decided in accordance with the proposal of the above-mentioned shareholders that the members of the Board of Directors are entitled to compensation for attending Board Committee meetings as follows: the chairman of the Committee EUR 600 for each meeting and other Committee members EUR 400 for each meeting.

In accordance with the proposal of the above-mentioned shareholders, the General Meeting also decided that 40 per cent of the total amount of the monthly remuneration will be paid as a lump sum in Bittium Corporation's shares acquired at a price formed in public trading. The shares will be acquired according to a share purchase program prepared by the company. If the remuneration cannot be paid as shares due to insider regulation, conclusion of the membership in the Board of Directors, or another reason related to the company or the member of the Board of Directors, the remuneration will be paid in money. The member of the Board of Directors may not transfer the shares received as remuneration before his/her membership in the Board of Directors has ended.

Furthermore, the General Meeting decided in accordance with the proposal of the above-mentioned shareholders that the travel expenses of the members of the Board of Directors be compensated in accordance with the company's travel compensation policy.

## **11 §**

### **RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that according to the articles of association the number of members of the Board of Directors shall be between three (3) and seven (7).

It was recorded that the three largest shareholders who represented approximately 13.8 per cent of the shares in the company on the date of the notice to the General Meeting had proposed to the General Meeting that the number of members of the Board of Directors shall be five (5) (Appendix 6).

The General Meeting decided in accordance with the proposal of the above-mentioned shareholders that the number of members of the Board of Directors shall be five (5).

## **12 §**

### **ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that according to the articles of association the term of the members of the Board of Directors shall expire at the end of the next Annual General Meeting following their election.

It was recorded that the three largest shareholders who represented approximately 13.8 per cent of the shares in the company on the date of the notice to the General Meeting had proposed to the General Meeting that for a term of office expiring at the end of the next Annual General Meeting, the Board members would be elected in accordance with the proposal attached to the minutes (Appendix 6).

It was recorded that all the Board member candidates had given their consent to the election.

The General Meeting decided in accordance with the proposal of the above-mentioned shareholders that the following individuals shall be re-elected members of the Board of Directors for a term of office ending at the end of the next Annual General Meeting:

Ms. Kirsi Komi  
Mr. Seppo Mäkinen  
Mr. Juha Putkiranta  
Mr. Staffan Simberg and  
Mr. Erkki Veikkolainen.

**13 §**

**RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

It was recorded that based on the proposal of the Audit and Financial Committee the Board of Directors had proposed to the General Meeting that the remuneration to the auditor to be elected would be paid against the auditor's reasonable invoice (Appendix 6).

The General Meeting decided in accordance with the proposal of the Board of Directors that the remuneration to the auditor to be elected shall be paid against the auditor's reasonable invoice.

**14 §**

**ELECTION OF AUDITOR**

It was recorded that according to the articles of association the company has one (1) auditor qualified as authorized public accountant and if the auditor is not an audit firm as defined by law, a deputy auditor shall be elected.

It was recorded that based on the proposal of the Audit and Financial Committee the Board of Directors had proposed to the General Meeting that, for a term of office expiring at the end of the next Annual General Meeting, the auditor would be elected in accordance with the proposal attached to the minutes (Appendix 6).

It was recorded that the auditor had given its consent to the election.

The General Meeting decided in accordance with the proposal of the Board of Directors that Ernst & Young Oy, authorized public accountants, be re-elected auditor of the company for a term of office ending at the end of the next Annual General Meeting. It was recorded that Ernst & Young Oy had notified that Mr. Juhani Rönkkö, authorized public accountant, would act as responsible auditor.

**15 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES**

It was recorded that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorized to decide on the repurchase of the company's own shares in accordance with the proposal attached to the minutes (Appendix 6).

The General Meeting decided in accordance with the proposal of the Board of Directors that the Board of Directors be authorized to decide on the repurchase of the company's own shares as follows.

The amount of own shares to be repurchased shall not exceed 3,500,000 shares, which corresponds to approximately 9.83 per cent of all the shares in the company. 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 public trading on the date of the repurchase or otherwise at a price formed on the market.

The 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 cancels the authorization given by the General Meeting on April 15, 2015 to decide on the repurchase of the company's own shares.

The authorization is effective until June 30, 2017.

## 16 §

### **AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

It was recorded that the Board of Directors had proposed to the General Meeting 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 Companies Act in accordance with the proposal attached to the minutes ([Appendix 6](#)).

The General Meeting decided in accordance with the proposal of the Board of Directors 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 Companies Act as follows.

The amount of shares to be issued shall not exceed 7,000,000 shares, which corresponds to approximately 19.66 per cent of all of the shares in the company.

The Board of Directors decides on all the 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 cancels the authorization given by the General Meeting on April 15, 2015 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 Companies Act.

The authorization is effective until June 30, 2017.

It was recorded that a shareholder holding 2,881 shares had notified that it opposes the proposal without demanding a vote under this agenda item.

**17 §**

**DECISION MAKING ORDER**

It was recorded that all decisions of the General Meeting were unanimous unless otherwise indicated in the minutes.

**18 §**

**CLOSING OF THE MEETING**

The Chairman stated that all items on the agenda had been considered and that the minutes of the meeting would be available on the company's website as from May 3, 2016 at the latest.

The Chairman closed the meeting at 1.52 p.m.

*[Signature page to follow]*

Chairman of the General Meeting:

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Manne Airaksinen

In fidem:

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Kari Jokela

Minutes reviewed and approved:

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Jarmo Hintsala

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Jarkko Kaippio

**Appendices**

<u>Appendix 1</u>	List of votes
<u>Appendix 2</u>	Voting instructions of nominee registered shareholders delivered to the company
<u>Appendix 3</u>	Notice to the General Meeting
<u>Appendix 4</u>	Annual accounts
<u>Appendix 5</u>	Auditor's report
<u>Appendix 6</u>	Proposals to the General Meeting by the Board of Directors and the shareholders