



PROPOSALS OF THE BOARD OF DIRECTORS OF MUNKSJÖ OYJ TO THE EXTRAORDINARY GENERAL MEETING CONVENING ON 11 JANUARY 2017

Resolutions relating to the Combination

Munksjö announced on 7 November 2016 the combination of Munksjö's and Ahlstrom Corporation's ("**Ahlstrom**") business operations through a statutory absorption merger of Ahlstrom into Munksjö pursuant to the Finnish Companies Act (624/2006, as amended) (the "**Companies Act**"). As a result of the merger, all assets and liabilities of Ahlstrom will be transferred without a liquidation procedure to Munksjö, and Ahlstrom will be dissolved (the "**Combination**"). The shareholders of Ahlstrom will receive new shares in Munksjö as merger consideration in proportion to their existing shareholdings.

The purpose of the Combination is to create a global leader in sustainable and innovative fiber-based solutions, with leading global positions in the main product areas decor, filtration and release liners. The combined company will be better positioned to serve customers and will have a strengthened position in the value chain through increased size. Through the Combination, a strong and well-established platform will be created with multiple growth opportunities through a broadened customer base, a widened geographical footprint and expanded product and service offerings. Together, the companies will be able to serve a broad range of end-market segments with complementary product and service offerings, which creates potential for innovation within new customer-focused solutions. The two companies have complementary geographical footprints, as Munksjö has strong market positions in Europe and South America and Ahlstrom has strong market positions in Europe, North America and Asia, which opens up new geographical growth opportunities through coordination of the product portfolios and distribution and logistics networks. The combined company will have a more diversified revenue and earnings base through this wider geographic footprint and broader product offering and is expected to have a strong financial position and cash flow to support the combined company's strategic growth ambitions. The increased size and strengthened capital base also gives potential for increased financing options and lower cost of debt. Furthermore, the Combination offers employees enhanced career opportunities, supporting the combined company's ability to attract and retain top talent. The Combination is expected to create significant value for the stakeholders in the combined company through synergies resulting from the coordination of the operations of the two companies.

In order to complete the Combination, the Board of Directors of Munksjö proposes that the Extraordinary General Meeting would (i) resolve on the statutory absorption merger of Ahlstrom into Munksjö, including the approval of the merger plan and the amended Articles of Association of Munksjö in the form appended to the merger plan, (ii) authorise the Board of Directors of Munksjö to resolve on the payment of funds from the Company's reserve for invested unrestricted equity as a return of equity in the total amount of maximum EUR 0.45 per each outstanding share in the Company (representing a maximum total amount of approximately EUR 22,842,711 after excluding the treasury



shares held by the Company) to the shareholders of Munksjö prior to the completion of the Combination and, further, after consultation with the Shareholders' Nomination Boards of Munksjö and Ahlstrom, that the Extraordinary General Meeting would (iii) resolve on the number, remuneration and election of the members of the Board of Directors of Munksjö, all as further set out below.

Existing shareholders of Munksjö representing in the aggregate approximately 39.6 percent of all the shares and votes in the Company have undertaken that they will attend the Extraordinary General Meeting and vote for the proposals of the Board of Directors.

The following proposals of the Board of Directors of Munksjö form an entirety that requires the adoption of all its individual items by a single resolution.

The proposed changes to the Articles of Association of Munksjö, the number of members of the Board of Directors of Munksjö, the composition of the Board of Directors of Munksjö and the remuneration of the Board of Directors of Munksjö will become effective upon the registration of the execution of the merger.

a) Resolution on the merger

For the purpose of the completion of the Combination, the Board of Directors of Munksjö and Ahlstrom approved on 7 November 2016 a merger plan, which was registered with the Trade Register of the Finnish Patent and Registration Office on 7 November 2016. Pursuant to the merger plan, Ahlstrom shall be merged into Munksjö through an absorption merger, so that all assets and liabilities of Ahlstrom shall be transferred without a liquidation procedure to Munksjö in a manner described in more detail in the merger plan.

The Board of Directors of Munksjö proposes that the Extraordinary General Meeting resolves on the merger of Ahlstrom into Munksjö in accordance with the merger plan and approves the merger plan. The amendments to Munksjö's Articles of Association, as set out in the merger plan and below, will be approved as a part of the merger.

Section 1, the first sentence of Section 2, Section 4 and Section 6 of the Articles of Association of Munksjö are proposed to be amended to read as follows:

"1 § The name of the Company is Ahlstrom-Munksjö Oyj. The domicile of the Company is Helsinki.";

"2 § The Company's field of business is to engage in the manufacture, converting and sale of fiber-based solutions and products and in other related or supporting activities.";

"4 § The Board of Directors of the Company shall comprise a minimum of four (4) and a maximum of twelve (12) ordinary members."; and



“6 § The Company shall have one (1) auditor, which shall be an audit firm authorised by the Finnish Patent and Registration Office.”

The shareholders of Ahlstrom shall receive as merger consideration 0.9738 new shares of Munksjö for each share owned in Ahlstrom, that is, the merger consideration shall be issued to the shareholders of Ahlstrom in proportion to their existing shareholding with a ratio of 0.9738:1. In case the number of shares received by a shareholder of Ahlstrom as merger consideration would be a fractional number, the fractions shall be rounded down to the nearest whole number. Fractional entitlements to new shares of Munksjö shall be aggregated and sold in the market and the proceeds will be distributed *pro rata* to Ahlstrom's shareholders being entitled to receive fractional entitlements. Any costs related to the sale and distribution of fractional entitlements shall be borne by Munksjö.

Based on the number of issued and outstanding shares in Ahlstrom on the date of this notice, a total of 45,376,992 new shares in Munksjö would be issued to shareholders of Ahlstrom as merger consideration.

b) Resolution on the number of members of the Board of Directors

The Board of Directors of Munksjö, after consultation with the Shareholders' Nomination Boards of Munksjö and Ahlstrom, proposes that the number of members of the Board of Directors shall be eleven (11).

c) Resolution on the remuneration of members of the Board of Directors

The Board of Directors of Munksjö, after consultation with the Shareholders' Nomination Boards of Munksjö and Ahlstrom, proposes that the members of the Board of Directors of Munksjö to be elected for a term of office commencing on the date of registration of the execution of the merger and expiring at the end of the first Annual General Meeting of Munksjö following the date of registration of the execution of the merger be paid the following remuneration: to the Chairman of the Board of Directors EUR 80,000 per year; to the Vice Chairman of the Board of Directors EUR 50,000 per year and EUR 40,000 per year for the other members of the Board of Directors. The Chairman of the Audit Committee shall receive EUR 12,000 per year and the ordinary members of the Audit Committee EUR 6,000 per year each. The Chairman of the Remuneration Committee shall receive EUR 6,000 per year and the ordinary members of the Remuneration Committee EUR 3,000 per year each.

Travel expenses are proposed to be reimbursed in accordance with the Company's travel policy.

The annual remuneration of the members elected hereunder shall be paid in proportion to the length of their term of office.



d) Election of members of the Board of Directors

The Board of Directors of Munksjö, after consultation with the Shareholders' Nomination Boards of Munksjö and Ahlstrom, proposes that Peter Seligson, Elisabet Salander Björklund, Sebastian Bondestam, Alexander Ehrnrooth, Hannele Jakosuo-Jansson, Mats Lindstrand and Anna Ohlsson-Leijon, current members of the Board of Directors of Munksjö, be conditionally elected to continue to serve on the Board of Directors of Munksjö and that Hans Sohlström, Jan Inborr, Johannes Gullichsen and Harri-Pekka Kaukonen, current members of the Board of Directors of Ahlstrom, be conditionally elected as members of the Board of Directors of Munksjö for the term commencing on the date of registration of the execution of the merger and expiring at the end of the next Annual General Meeting of Munksjö following the date of registration of the execution of the merger.

All the nominees are considered independent of the Company and of the significant shareholders of the Company, except for Alexander Ehrnrooth, Peter Seligson and Hans Sohlström. The nominees have given their consent to the election. The nominees have indicated that if elected they will elect Hans Sohlström as the Chairman of the Board of Directors and Peter Seligson and Elisabet Salander Björklund as the Vice Chairmen of the Board of Directors. CVs of the proposed Board members are available on the Company's website at www.munksjo.com/egm.

e) Authorisation of the Board of Directors to resolve on the payment of funds from the reserve for invested unrestricted equity

The Board of Directors proposes that the Extraordinary General Meeting authorises the Board of Directors of Munksjö to resolve, based on the audited financial statements of the Company for 2015, by one or several resolutions, on an extra payment of funds from the Company's reserve for invested unrestricted equity as return of equity in the total amount of maximum EUR 0.45 per each outstanding share in the Company (representing a maximum total amount of approximately EUR 22,842,711 after excluding the treasury shares held by the Company after excluding any treasury shares held by the Company) to the shareholders of Munksjö prior to the completion of the Combination. The return of equity shall be paid prior to the registration of the execution of the merger. The authorization shall be valid until the close of the next Annual General Meeting of Munksjö.

Stockholm, 14 November 2016

The Board of Directors