

Proposals of the Board of Directors of Tikkurila Oyj to the Annual General Meeting to be held on June 9, 2020

The proposals of the Nomination Board of Tikkurila Oyj to the Annual General Meeting concerning the number, election, and remuneration of the members of the Board of Directors have been published on January 30, 2020. Nomination Board's new proposal for the Members of the Board's yearly remuneration was published May 11, 2020.

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

The Board of Directors proposes to the Annual General Meeting that a dividend of a maximum of EUR 0,50 per share will be paid for the year ended on December 31, 2019. Half of the proposed maximum dividend, i.e. EUR 0.25 per share, will be paid to a shareholder who is recorded on the record date for the dividend payment on June 11, 2020 in the Company's shareholders' register maintained by Euroclear Finland Ltd. The proposed date of the payment for this instalment is June 18, 2020.

In addition, the Board of Directors proposes that the Annual General Meeting would authorize the Board of Directors to decide, in its discretion, on a dividend payment of a maximum of EUR 0.25 per share to be distributed at a later stage when it is possible to make a more reliable estimate on the impacts of the coronavirus pandemic to the company's business. The authorization would be valid until the beginning of the next Annual General Meeting.

The Company will publish the possible decisions on dividend payment, and simultaneously confirm the dividend record and payment dates. Dividends decided on the basis of this authorization will be paid to shareholders who on the applicable record date for such dividend payment are recorded in the shareholders' register held by Euroclear Finland Oy.

Adoption of the Remuneration Policy for governing bodies

The Board of Directors proposes to the Annual General Meeting that the Remuneration Policy for the governing bodies be adopted.

Resolution on the remuneration of the Auditor

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that the Auditor's remuneration be paid against an invoice approved by the Company.

Election of the Auditor

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that authorized public accountant firm Ernst & Young Oy be re-elected as the Company's auditor for the term that ends at the end of the Annual General Meeting following the

appointment. Ernst & Young Oy has informed that APA Antti Suominen will act as the principal auditor.

The Audit Committee states that its recommendation is free from any third-party influence, and the Audit Committee is not subject to compliance with any such clauses referred to in Article 16(6) of the Audit Regulation that restrict the election of a statutory auditor or audit firm.

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

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide upon the repurchase of a maximum 4,400,000 of the Company's own shares with assets pertaining to the Company's unrestricted equity in one or several tranches. The proposed maximum aggregate amount of the authorization corresponds to approximately 10 percent of all the shares in the Company at the time of the proposal.

The authorization for repurchases of the Company's own shares is proposed to be carried out at the share's market price on Nasdaq Helsinki Ltd or in another marketplace the rules of which allow company to trade with its own shares. The authorization entitles the Board of Directors to repurchase the shares in a proportion other than that of the shares held by the current shareholders (directed repurchase). In repurchasing the Company's own shares, the Company may enter into derivative, stock lending, or other arrangements customary in capital market practice within the limits set by law and other regulations. In the repurchases, the Company will follow the rules and guidelines of the marketplace in which the repurchase is carried out regarding, among other factors, the determination of the repurchase price and the settlement and disclosure of trades.

The consideration payable for the repurchase of the shares shall be based on the market price of the Company's share on the securities market. The minimum consideration for the repurchase of the Company's own shares is the lowest market price of the share quoted during the authorization period and, correspondingly, the maximum price is the highest market price of the share quoted during the authorization period.

The shares may be repurchased to be used for financing or implementing possible mergers and acquisitions, developing the Company's equity structure, improving the liquidity of the Company's shares, or to be used for the payment of the annual fees payable to the members of the Board of Directors, or for implementing the share-based incentive programs of the Company. For the aforementioned purposes, the Company may retain, transfer, or cancel the shares. The Board of Directors would decide upon any other terms related to the repurchase of shares.

The repurchase authorization would be valid until the end of the next Annual General Meeting, however, no longer than until June 30, 2021.

This authorization would revoke the repurchase authorization granted by the Annual General Meeting to the Board of Directors on April 11, 2019.

Authorizing the Board of Directors to decide on the issuance of shares

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide to transfer the Company's own shares held by the Company or to issue new shares in one or several tranches limited to a maximum of 4,400,000 shares. The proposed maximum aggregate amount of the authorization corresponds to approximately 10 percent of all the shares in the Company at the time of the proposal.

The Company's own shares held by the Company may be transferred and the new shares may be issued either against payment or without payment. New shares may be issued and the Company's own shares held by the Company may be transferred to the Company's shareholders in proportion to their current shareholdings in the Company or in deviation from the shareholders' pre-emptive subscription right through a directed share issue, if the Company has a weighty financial reason for this, such as financing or implementing mergers and acquisitions, developing the Company's equity structure, improving the liquidity of the Company's shares, settling the payment of the annual fees payable to the members of the Board of Directors, or implementing the share-based incentive programs of the Company. Upon the issuance of new shares, the subscription price of the new shares shall be recorded in the invested unrestricted equity reserves. In the case of a transfer of the Company's own shares, the price payable for the shares shall be recorded to the invested unrestricted equity reserves.

The Board of Directors would decide upon any other terms and conditions related to the share issues. The authorization would be valid until the end of the next Annual General Meeting, however, no longer than until June 30, 2021.

This authorization would revoke the share issue authorization granted by the Annual General Meeting to the Board of Directors on April 11, 2019.

Vantaa, May 15, 2020

TIKKURILA OYJ

THE BOARD OF DIRECTORS