

Exel Composites' Shareholders' Nomination Board's proposal to the Annual General Meeting

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The Shareholders' Nomination Board elected by the Annual General Meeting of Exel Composites Plc presents the following proposals to the Annual General Meeting to be held on 20 March 2020:

Number of members and composition of the Board of Directors

The Nomination Board proposes that the number of members of the Board of Directors shall be confirmed to be five (5) and that Mr Petri Helsky, Mr Reima Kerttula, Ms Helena Nordman-Knutson and Mr Jouko Peussa be re-elected as members of the Board of Directors for the term ending at the closure of the Annual General Meeting of 2021. The Nomination Board also proposes that Ms Kirsi Sormunen be elected as new member of the Board of Directors. Of the current Board of Directors' members, Ms Maija Strandberg (member since 2019) has informed that she is not available for re-election.

Kirsi Sormunen (born 1957) is a member of the Board of Directors of VR Group, DNA and Finnish Innovation Fund Sitra, among others. Ms Sormunen has a long career at Nokia and has previously held several leadership positions in Finance, Control and Sustainability at Nokia Corporation. She holds a Master's degree in Economics.

The Nomination Board further proposes Reima Kerttula to be elected as Chairman of the Board of Directors for the term ending at the closure of the Annual General Meeting of 2021.

All nominees are independent of the Company and its major shareholders, and have given their consent for the election.

Remuneration of the Board of Directors

The Nomination Board proposes to the Annual General Meeting of 20 March 2020 that the annual remuneration for the Board members shall be as follows:

- Chairman: Annual remuneration of EUR 43,000 (previous year EUR 41,000) and additionally EUR 1,500 (1,500) for attendance at Board and committee meetings and other similar all-day Board assignments.
- Board member: Annual remuneration of EUR 20,000 (19,000) and additionally EUR 1,000 (1,000) for attendance at Board and committee meetings and other similar all-day Board assignments. For committee meetings, the meeting fee for the committee chairman shall be EUR 1,500.
- Travel expenses and other out-of-pocket expenses due to Board work shall be compensated in accordance with the Company's established practice and travel rules.

Out of the yearly remuneration 60% would be paid in cash and 40% in Exel Composites Plc shares, which would be acquired directly for and on behalf of the members of the Board of Directors during 23 March - 14 April 2020 from the stock exchange market in amounts corresponding to EUR 17,200 for the Chairman and EUR 8,000 for each of the other members. The annual remuneration shall encompass the full term of office of the Board of Directors. If the required amount of shares cannot be acquired during the specified period in accordance with applicable rules and regulations, the part of yearly remuneration to be paid in shares which could not be acquired can be paid in cash. Should the term of any member of the Board of Directors come to an end for whatever reason before the next Annual General Meeting, such member of the Board of Directors will have to return to the Company the remuneration or equivalent amount in cash already received but not yet earned at that point in time.

More information on the Shareholders' Nomination Board's proposed members of the Board of Directors and its full proposal on the remuneration will be made available on Exel Composites' website www.exelcomposites.com. The Nomination Board's proposals will be included in the invitation to the Annual General Meeting.

Revised Charter of the Shareholders' Nomination Board

The Nomination Board proposes updates the Charter of the Shareholders' Nomination Board. The proposed main changes are:

- The tasks of the Nomination Board to include, in addition to current tasks, the successor planning of the Board of Directors' members.
- At least one member of the Board of Directors shall have expertise in accounting or audit.

In addition, the Shareholders' Nomination Board proposes some technical adjustments to the Charter.

The composition of the Nomination Board preparing the proposal for the Annual General Meeting 2020 was the following:

- Mr Kalle Saariaho, OP Fund Management Company, as Chairman of the Nomination Board
- Ms Malin Björkmo, Handelsbanken Fonder
- Rami Hakola, Danske Invest Fund Management
- Mr Magnus Skåninger, Swedbank Robur Fonder
- Mr Reima Kerttula, Chairman of the Board of Directors, as expert member

Vantaa, 29 January 2020

Exel Composites Plc
Riku Kytömäki, President and CEO

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Exel Composites in brief

Exel Composites, a global technology company headquartered in Finland, is the world's largest manufacturer of pultruded and pull-wound composite products. Our global manufacturing, R&D, and sales footprint serves customers across a broad range of industries and applications. With 60 years of composites experience and engineering expertise, we work closely with our customers to design and manufacture high quality composite products using carbon fiber, fiberglass, and other high-performance materials. Our composites help reduce weight, improve performance, and decrease total life cycle costs, all while helping increase energy efficiencies and supporting environmental sustainability.

Exel Composites employs approximately 650 innovative and customer-focused employees around the world and is listed on the Nasdaq Helsinki exchange. To find out more about our offering and company please visit www.exelcomposites.com.