

Stock Exchange Release
Talvivaara Mining Company Plc
24 May 2016

**Proposals of Talvivaara's Shareholders' Nomination Panel
on the remuneration and the composition of the Board of Directors**

The Shareholders' Nomination Panel of Talvivaara Mining Company Plc ("Talvivaara" or the "Company") makes the following proposals to the Annual General Meeting. Talvivaara's Board of Directors will include the proposals into the notice of the Annual General Meeting to be published separately.

Proposal on the remuneration of members of the Board of Directors

The Shareholders' Nomination Panel proposes that the annual fee payable to the members of the Board of Directors for the term until the close of the Annual General Meeting in 2017 will not be amended and therefore be as follows: Chairman of the Board of Directors: EUR 84,000/year and other Non-Executive Directors: EUR 48,000/year. The remuneration of the Executive Director is included in his base salary, and it is not paid out separately. No additional fees shall be paid for the Board Committee work, and there will be no separate meeting fees payable for the Board and Board Committee meetings. The traveling expenses shall be reimbursed in accordance with the Company's travel policy.

The Nomination Panel proposed to the 2015 AGM that the removal of the meeting fees would be a temporary measure and the remuneration of the Board of Directors shall be revisited as a whole by the Nomination Panel once more clarity is reached on the Company's future operations. The Nomination Panel considers that, at the time of making this proposal, the situation has not changed to the extent so as to merit such revisit. However, as the Nomination Panel is proposing the number of the members of the Board of Directors to be lowered as presented below, the overall cost for the Board remuneration will decrease.

Proposal on the number and the election of the members of the Board of Directors

The Nomination Panel considers that the number of members of the Company's Board of Directors can be lowered from five to four without jeopardizing the objective of adequate and efficient governance.

Based on the above, the Shareholders' Nomination Panel proposes at the Annual General Meeting of Shareholders that the number of Board members be four (previously five) and that Mr. Tapani Järvinen, Mr. Stuart Murray, Mr. Pekka Perä and Ms. Solveig Törnroos-Huhtamäki be re-elected as members of the Board of Directors.

While preparing these proposals the composition of the Nomination Panel has been the following:

- Mr. Kari Järvinen, CEO, nominated by Solidium Oy
- Mr. Kari Niskanen, a shareholder of the Company
- Mr. Olli Salo, nominated by Seppo Aho, a shareholder of the Company
- Mr. Pekka Perä, CEO of Talvivaara, a shareholder of the Company
- Mr. Tapani Järvinen, Chairman of the Board of Directors and
- Ms. Solveig Törnroos-Huhtamäki, a member of the Board of Directors

The Chairman of the Panel has been Mr. Kari Järvinen.

Enquiries

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