



Pihlajalinna Plc: Notice of Annual General Meeting

Pihlajalinna Plc

Stock exchange release

17 March 2022 3:00 p.m.

Pihlajalinna Plc: Notice of Annual General Meeting

Pihlajalinna Plc's Annual General Meeting will be held on Wednesday 13 April 2022 at 2:00 p.m. The meeting will be held exceptionally without the presence of shareholders or their proxy representatives at Pihlajalinna's head office at Kehräsaari B, 33200 Tampere.

Shareholders and their proxy representatives may participate in the meeting and use their shareholders rights only by voting in advance and/or making counter-proposals and/or posing questions in advance. Instructions for shareholders can be found in section C of this notice. Neither shareholders nor their proxy representatives may attend the meeting in person. Shareholders who register for the Annual General Meeting will have the opportunity to follow the meeting directly by remote connection, but shareholders who follow the meeting in this way will not be considered as having attended the meeting solely on the basis of following it.

The Board of Directors of Pihlajalinna Plc has decided on exceptional arrangements by virtue of the Act on Temporary Deviation from the Finnish Companies Act and Certain Other Community Acts (375/2021) to prevent the spread of the COVID-19 pandemic and to ensure the health and safety of shareholders, employees and other stakeholders.

A. Agenda for the Annual General Meeting

The Annual General Meeting will handle the following matters:

1. Opening of the meeting

2. Calling the meeting to order

Attorney Ari Keinänen will chair the Annual General Meeting. If, for of compelling reason, Ari Keinänen is unable to act as Chair, the Board of Directors will appoint another person it deems most suitable to act as Chair. The chair may appoint a secretary for the meeting.

3. Electing someone to scrutinise the minutes and supervise the counting of votes

The company's General Counsel, Marko Savolainen, will scrutinise the minutes and supervise the counting of votes. If, for a compelling reason, Marko Savolainen is unable to scrutinise the minutes and supervise the counting of votes, the Board of Directors will appoint another person it deems most suitable to scrutinise the minutes and supervise the counting of votes.

4. Recording the legality of the meeting

5. Recording the attendance at the meeting and adoption of the list of votes

Shareholders who have voted in advance within the advance voting period and who have the right to participate in the meeting pursuant to Chapter 5 Sections 6 and 6 a of the Finnish Limited Liability Companies Act will be recorded as having attended the meeting. The list of votes will be adopted according to the information provided by Euroclear Finland Oy and Innovatics Oy.

6. Presentation of the financial statements, the consolidated financial statements, the report of the Board of Directors and the auditor's report for 2021

- Presentation of the CEO's review

The company's annual report, which includes the company's financial statements, consolidated financial statements, the report of the Board of Directors and the auditor's report, and which will be available on the company's website no later than three weeks before the Annual General Meeting, will be deemed to have been presented to the meeting in accordance with this paragraph.

7. Adoption of the financial statements and the consolidated financial statements

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

The Board of Directors proposes to the Annual General Meeting that, based on the balance sheet confirmed for the financial period ending 31 December 2021, EUR 0.30 per share will be distributed as a dividend. As the amount of the dividend proposed by the Board of Directors is lower than the minority dividend according to Chapter 13, Section 7 of the Limited Liability Companies Act, the shareholders are entitled to claim the minority dividend referred to above. The minority dividend shall be distributed if the claim is supported by shareholders holding at least one tenth of all the shares in the company in a preliminary vote. The amount of the minority dividend corresponds to half of the profit of the parent company for the financial year, i.e. EUR 0.307 per share. A shareholder requesting a minority dividend may vote in favour of the minority dividend in the advance vote, without having to make a separate request or counter-proposal.

The dividend will be paid to shareholders who, on the dividend payment record date of 19 April 2022, are registered in the company's shareholders' register maintained by Euroclear Finland Oy. The Board of Directors proposes that the dividend be paid on 26 April 2022.

9. Resolution on the discharge from liability of the members of the Board of Directors and the CEO

10. Advisory resolution on the acceptance of the Remuneration Report

As participation in the Annual General Meeting will be possible only through advance voting, the company's remuneration report for 2021, which will be available on the company's website three weeks before the Annual General Meeting at the latest, will be deemed to have been presented to the Annual General Meeting in accordance with this paragraph. The Annual General Meeting's resolution on the remuneration report for 2021 will be advisory.

11. Resolution on the remuneration of the members of the Board of Directors

The shareholders' Nomination Board proposes to the Annual General Meeting that the remuneration of the Board of Directors be kept unchanged, except for the remuneration of the Chairman of the Audits Committee, and that the following annual remuneration be paid to the members of the Board of Directors to be elected at the General Meeting for the term of office ending at the close of the Annual General Meeting 2023: to the full-time Chairman of the Board of Directors EUR 250,000 per year, to the Vice-Chairman and the Chairman of the Audits Committee EUR 39,000 per year, and to the other members of the Board of Directors EUR 26,000 per year.

The proposal is that the annual remuneration be paid in company shares and money so that about 40% of the remuneration is used to procure company shares on the behalf of the members and the remaining share of the remuneration is paid in money. The remuneration can be paid either entirely or partially in money, if the member of the Board of Directors has on the day of the General Meeting, 13 April 2022, been in possession of over EUR 1,000,000 worth of company shares. The company is responsible for the expenses and transfer tax caused by the procurement of the shares. The remuneration to be paid in shares can be paid by transferring company shares in possession of the Company to the members of the Board of Directors or by procuring shares directly on the behalf of the Board members within three weeks after the interim report for the period of 1 January – 31 March 2022 has been published. If this is not, due to legal or other regulatory reasons, such as insider regulations, possible at the first available time after this, the alternative is to pay the remuneration in money. If the term of a Board member ends before the actual General Meeting of 2023, the Board is entitled to decide on the possible recovery of the remuneration in a manner it deems appropriate.

In addition, the Nomination Board proposes that each Board member be paid a meeting remuneration of EUR 500 for each Board and Committee meeting. In addition, reasonable travelling expenses would be reimbursed according to the Company travel rules.

12. Resolution on the number of members of the Board of Directors

The Shareholders Nomination Board proposes to the Annual General Meeting of Pihlajalinna Plc that the number of Board members be confirmed to be seven instead of the current six.

13. Election of members of the Board of Directors and the Chair and Vice-Chair of the Board of Directors

The Shareholders Nomination Board proposes to the Annual General Meeting that, of the present members of the Board of Directors, Hannu Juvonen, Mika Manninen, Leena Niemistö, Kati Sulin, Seija Turunen and Mikko Wirén be re-elected for a new term of office. The Nomination Board proposes that Heli Iisakka be elected as a new Board member.

The Shareholders' Nomination Board proposes to the Annual General Meeting that the meeting elect Mikko Wirén as Chair of the Board of Directors, and Leena Niemistö as Vice-Chair of the Board of Directors.

Further information about the proposed members and their independence is available on the company's website at https://investors.pihlajalinna.fi/?sc_lang=en.

With regard to the selection procedure for the members of the Board of Directors, the Shareholders' Nomination Board recommends that shareholders take a position on the proposal as a whole at the General Meeting. This recommendation is based on the fact that in Pihlajalinna, in line with a good Nordic governance model, the Shareholders' Nomination Board is separate from the Board of Directors. The Shareholders' Nomination Board, in addition to ensuring that individual nominees for membership of the Board of Directors possess the required competence, is also responsible for making sure that the proposed Board of Directors as a whole has the best possible expertise and experience for the company and that the composition of the Board of Directors also meets other requirements of the Finnish Corporate Governance Code for listed companies.

14. Resolution on the remuneration of the auditor

On the recommendation of the Audit Committee, the Board of Directors proposes to the Annual General Meeting that the auditor's fees be paid according to the auditor's invoice approved by the Board of Directors' Audit Committee.

15. Election of auditor

On the recommendation of the Audit Committee, the Board of Directors proposes to the Annual General Meeting that KPMG Oy Ab be re-elected as the company's auditor for the financial period 1 January – 31 December 2022. KPMG Oy Ab has notified that Lotta Nurminen, APA, will act as the principal auditor.

16. Authorising the Board of Directors to decide on the acquisition of the company's own shares

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorised to, in one or several instalments, decide on the acquisition of a total of no more than 2,061,314 of the company's own shares, which corresponds to approximately 9% of the company's present shares. The purchase of the company's own shares can be authorised only with unrestricted equity.

The company's own shares can be purchased at the price formed on trading on a regulated market on the date of purchase, or otherwise at the price formed on the market. Derivatives, among other things, may also be used in the purchase. The Board of Directors will decide how shares will be purchased. The company's own shares can be purchased other than in proportion to the shares held by shareholders (targeted purchase), if there is a compelling financial reason to do so from the company's perspective.

This authorisation revokes the authorisation issued by the Annual General Meeting on 15 April 2021 to decide on the acquisition of the company's own shares. The authorisation will be valid until the end of the next Annual General Meeting, however no later than 30 June 2023.

17. Authorising the Board of Directors to decide on share issues and the issuance of other special rights to shares

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorised to decide on the issuance of shares and of other special rights to shares referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act, in one or more instalments as follows:

The number of shares to be issued based on this authorisation may in total amount to a maximum of 3,091,971, which corresponds to approximately 14% of the company's present shares. The authorisation concerns both the issuance of new shares and the surrender of the company's own shares.

The Board of Directors will decide on all other terms and conditions of the share issue and other special rights to shares and will have the right to deviate from the shareholder's pre-emptive subscription right (targeted issue) if there is a compelling financial reason to do so. The authorisation may be used, for example, to finance corporate acquisitions or other business arrangements and investments, or for the execution of the company's share-based incentive schemes and for other purposes to be decided upon by the company's Board of Directors.

This authorisation revokes that issued by the Annual General Meeting on 15 April 2021 to decide on share issues and the issuance of special rights to shares. The authorisation will be valid until the end of the next Annual General Meeting, however no later than 30 June 2023.

18. Closing of the meeting

B. Documents of the Annual General Meeting

The aforementioned proposals of the Board of Directors relating to the agenda of the Annual General Meeting and this notice are available on the company's website at https://investors.pihlajalinna.fi/?sc_lang=en. Pihlajalinna Plc's financial statements, the report of the Board of Directors, auditor's report and remuneration report for operating bodies will be available on the company's website as of 21 March 2022 at the latest. Upon request, copies of the above-mentioned documents will be sent to shareholders. The minutes of the Annual General Meeting will be available to shareholders on the above-mentioned website by no later than 27 April 2022.

C. Instructions for participants in the Annual General Meeting

In order to contain the spread of the COVID-19 pandemic, the Annual General Meeting will be held so that neither shareholders nor their proxy representatives may be present at the venue. Shareholders and their proxies may participate in the meeting and use their shareholders' rights only by voting in advance and/or making counter-proposals and/or posing questions in advance, in accordance with the instructions given below.

Neither shareholders nor proxy representatives may participate in the meeting in real time via a data connection, but shareholders registering for the Annual General Meeting may follow the Annual General Meeting after the registration and record dates via a personal link that will be sent to them. Shareholders following the meeting in this way will not be deemed to have attended the meeting based merely on following it in this way, and decisions made at the meeting will be based solely on advanced voting.

1. Shareholders registered in the shareholders' register

The right to participate in the Annual General Meeting will rest with shareholders who, on the Annual General Meeting record date of 1 April 2022, are registered in the company's shareholders' register maintained by Euroclear Finland Oy. Shareholders whose shares have been registered in their personal Finnish book-entry account are registered in the company's shareholders' register. Shareholders may participate in the meeting only by voting in advance in accordance with the instructions given below, and by sending their counter-proposals and/or questions in advance.

2. Registration and advance voting

Registration for the meeting and advance voting will begin on 25 March 2022 at 1:00 p.m. when the deadline for submitting counter-proposals subject to voting on has passed and the company has published the counter-proposals to the voting on its website. A shareholder who is registered in the company's shareholders' register and who wants to participate in the meeting by voting in advance must register and vote in advance by 7 April 2022 at 3:00 p.m. at the latest, by which time the registration will be completed and votes must have been received.

Shareholders who have a personal Finnish book-entry account may register and vote in advance on certain items on the agenda of the Annual General Meeting from 25 March 2022 at 1:00 p.m. until 7 April 2022 at 3:00 p.m. by the following means:

a) At Pihlajalinna's website https://investors.pihlajalinna.fi/corporate-governance/general-meeting/2022.aspx?sc_lang=en

Online registration and advance voting require proof of identity by means of strong electronic identification with Finnish banking credentials or mobile ID.

b) By post or email

A shareholder may submit the advance voting form available on Pihlajalinna's Annual General Meeting webpages as of 25 March 2022, or equivalent information, to Innovatics Oy by email to the address agm@innovatics.fi or by post to the address Innovatics Oy, Annual General Meeting/Pihlajalinna Plc, Ratamestarinkatu 13 A, 00520 Helsinki.

If a shareholder participates in the meeting by submitting his/her advance votes to Innovatics Oy by post or email prior to the deadline for registration and advance voting, this will be deemed to constitute due registration for the Annual General Meeting, provided that it includes all information required for the registration and advance voting as set out above.

The instructions concerning advanced voting are also available on Pihlajalinna's Annual General Meeting webpages. Additional information about registration and advance voting is also available during the registration period by calling the number +358 10 2818 909 on weekdays from 9:00 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m.

When registering for the Annual General Meeting, the requested information must be given, such as shareholder's name, personal-/business ID and contact information. The personal information submitted to Pihlajalinna Plc or Innovatics Oy will be used only in connection with the Annual General Meeting and to process the registration necessary for it.

3. Proxy representative and powers of attorney

A shareholder may participate in the Annual General Meeting and exercise his/her rights by way of proxy representation. A shareholder's proxy representative may also participate in the Annual General Meeting only by voting in advance as instructed in this notice. A proxy representative must provide a dated power of attorney, or otherwise in a reliable manner, demonstrate his/her right to represent the shareholder at the Annual General Meeting. Should a shareholder participate in the Annual General Meeting by means of several proxy representatives who are representing him/her with respect to shares in several different book-entry accounts, the shares based on which each proxy representative represents the shareholder must be identified at the time of registration.

Possible powers of attorney must be submitted either at the time of online registration and advance voting or by email to the address agm@pihlajalinna.fi, or by post to the address Pihlajalinna Plc/AGM, PL Kehräsaari B, 33200 Tampere before the end of the registration period and voting period, by which time the above-mentioned powers of attorney must have been received.

4. Holders of nominee-registered shares

A holder of nominee-registered shares has the right to participate in the Annual General Meeting by virtue of the shares based on which he/she, on the record date of the meeting, 1 April 2022, would be entitled to be registered in the company's shareholders' register held by Euroclear Finland Oy. Participation also requires that the shareholder has, by virtue of such shares, been temporarily registered in the shareholders' register of the company held by Euroclear Finland Oy. at the latest by 8 April 2022 at 10:00 a.m. As regards nominee-registered shares, this constitutes due registration for the Annual General Meeting.

Holders of nominee-registered shares are advised in good time to request necessary instructions from their custodian bank regarding the temporary registration in the shareholder's register of the company, the issuing of powers of attorney and registration for the Annual General Meeting. The account manager of the custodian bank must register a holder of nominee-registered shares, who wants to participate in the Annual General Meeting, temporarily into the shareholders' register of the company at the latest by the time stated above. The account manager of the custodian bank must also take care of advance voting on behalf of the nominee-registered shareholder within the registration period for nominee-registered shares.

5. Other information

Shareholders holding at least one hundredth of all shares of the company have the right to make counter-proposals to the resolution proposals on the agenda, and have them voted upon. Such counter-proposals must be delivered to Pihlajalinna by e-mail to the address agm@pihlajalinna.fi no later than by 22 March 2022 at 12:00 noon.

When delivering their counter-proposal, shareholders must present sufficient evidence of their shareholding. The counter-proposal will be considered at the Annual General Meeting provided that the respective shareholder has the right to participate in the Annual General Meeting and the shareholder holds shares corresponding to at least one hundredth of all shares in the company on the record date of the Annual General Meeting. If the counterproposal is not taken up for consideration at the Annual General Meeting, the votes given in favour of the counterproposal will be disregarded. Pihlajalinna will publish possible counter-proposals eligible for voting on on the company's website by no later than 25 March 2022.

A shareholder may present questions on the matters on the agenda of the meeting pursuant to Chapter 5, Section 25 of the Finnish Limited Liability Companies Act. Such questions must be delivered by e-mail to the address agm@pihlajalinna.fi no later than 28 March 2021 at 2:00 p.m. Such questions from shareholders, answers to them from company management and counter-proposals other than those eligible for voting on will be available on the company's website by 4 April 2022 at 2.00 p.m. at the latest. When asking questions, shareholders are required to provide adequate evidence of their shareholding.

On the date of the notice of the Annual General Meeting, 17 March 2022, Pihlajalinna Plc has a total of 22,620,135 shares and votes. The company is in possession of 25,900 of its own shares. The company's subsidiary organisations do not own shares in the company.

Changes in share ownership occurring after the record date of the Annual General Meeting will affect neither the right to participate in the meeting nor the number of votes of shareholders.

Tampere, 17 March 2022
PIHLAJALINNA PLC
Board of Directors