



Pihlajalinna Plc: Notice of the Annual General Meeting

Pihlajalinna Plc

Stock exchange release

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Shareholders of Pihlajalinna Plc are invited to the Annual General Meeting ("**AGM**"), held in Tampere-talo, Duetto 2 meeting room, located at Yliopistonkatu 55, 33100 Tampere, on Wednesday, 15 April 2020 at 10:30 am. The reception of participants who have registered for the meeting and the distribution of ballots will commence at 9:30 am at the venue of the meeting. Coffee will be served before the meeting.

The company is monitoring the progress of coronavirus to determine any effects the virus could have on the general meeting. The company is looking into alternative ways to attend the general meeting to ensure the safety of the attendees.

A. Agenda of the meeting

The following matters will be discussed at the General Meeting:

- 1. Opening the meeting**
 - 2. Calling the meeting to order**
 - 3. Election of persons 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**
 - 6. Presentation of the financial statements for 2019 and the consolidated financial statements, report of the Board of Directors and auditor's report included therein**
 - Presentation of the CEO's review
 - 7. Confirmation of the financial statements and the consolidated financial statements included therein**
 - 8. Deciding on the use of the profit shown on the balance sheet and payment of dividends**
- Due to the tender offer by Mehiläinen, the Board of Directors proposes no dividends to be paid for the financial year that ended on 31 December 2019. If the public tender offer does not realise, the Board of Directors will reconsider the matter.
- 9. Deciding on the discharge of the members of the Board of Directors and the CEO from liability**
 - 10. Deciding on the remuneration policy**
 - 11. Deciding on the remuneration of the Board of Directors**

The Shareholders' Nomination Board proposes to the AGM that the remuneration of the Board of Directors be kept unchanged, 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 2021: to the full-time Chairman of the Board of Directors EUR 250,000 per year, to the Vice-Chairman EUR 36,000 per year, and to the other members of the Board of Directors EUR 24,000 per year.

In addition, the Shareholders' Nomination Board proposes that each member of the Board of Directors be paid an attendance fee of EUR 500 per Board or Committee meeting. Reasonable travel expenses will also be reimbursed to the members of the Board in accordance with the company's travel policy.

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

The Shareholders' Nomination Board proposes to the AGM that the number of the members of the Board of Directors be confirmed as seven.

13. Electing the members, Chairman and Vice-Chairman of the Board of Directors

The Shareholders' Nomination Board proposes to the AGM that all current Board members Matti Jaakola, Hannu Juvonen, Mika Manninen, Leena Niemistö, Kati Sulin, Seija Turunen and Mikko Wirén be re-elected as member of the Board of Directors.

The Shareholders' Nomination Board proposes to the AGM that the General Meeting elect Mikko Wirén as the Chairman of the Board and Leena Niemistö as the Vice-Chairman.

Further information on the proposed members and their independence is available on the company's website at <http://investors.pihlajalinna.fi>.

14. Deciding on the remuneration of the auditor

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

15. Electing an auditor

On the recommendation of the Audit Committee, the Board of Directors proposes to the General Meeting that KPMG Oy Ab, authorised public accountants, be re-elected as the company's auditor for the financial year 1 January – 31 December, 2020, with Lotta Nurminen, authorised public accountant, as the principal auditor.

16. Authorising the Board to decide on purchasing the company's own shares

The Board of Directors proposes to the AGM that the Board of Directors be authorised to decide to repurchase an aggregate maximum of 2,061,314 of the company's own shares in one or more tranches, which corresponds to approximately 9 per cent of all existing shares in the company. Own shares may be repurchased on the basis of the authorisation only by using unrestricted equity.

Own shares may be repurchased at a price formed on a regulated market at the date of the repurchase or otherwise at a market price. Own shares may be repurchased using, inter alia, derivatives. The Board of Directors decides how shares are repurchased. Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase), provided that there is a weighty financial reason for the company to do so.

The authorisation revokes the authorisation given by the General Meeting on 4 April 2019 to decide on the repurchase of the company's own shares. The authorisation will remain in force until the end of the next AGM, however, no longer than until 30 June 2021.

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

The Board of Directors proposes to the AGM that the Board of Directors be authorised to decide on the issuance of shares and other special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, in one or more tranches as follows.

The number of shares issued pursuant to the authorisation may not exceed 3,091,971, which corresponds to approximately 14 per cent of all existing shares in the company. The authorisation concerns both the issuance of new shares and the transfer of the company's own shares.

The Board of Directors decides on all other terms and conditions applicable to the issuance of shares and other special rights entitling to shares. The authorisation includes a right to deviate from the shareholder's pre-emptive right to subscription (directed issue), provided that there is a weighty financial reason for the company to do so. The authorisation may be used, for example, to finance acquisitions or other business arrangements and investments or the implementation of the company's share-based incentive schemes, as well as other purposes determined by the company's Board of Directors.

The authorisation revokes the authorisation given by the General Meeting on 4 April 2019 to decide on the issuance of shares and special rights entitling to shares. The authorisation will remain in force until the end of the next AGM, however, no longer than until 30 June 2021.

18. Closing the meeting

B. General Meeting documents

The above-mentioned proposals for resolutions on the agenda of the General Meeting and this notice are available on the website of Pihlajalinna Plc at <http://investors.pihlajalinna.fi>. Pihlajalinna's financial statements, the Board of Directors' report, the auditor's report and the remuneration policy are also available on the said website as of 19 March 2020 at the latest. The proposals for resolutions and other documents mentioned above are also available at the General Meeting, and copies of these and this notice will be sent to shareholders upon request. The minutes of the General Meeting will be available to shareholders on the above-mentioned website no later than 29 April 2020.

C. Instructions for participants

1. Shareholders registered in the shareholders' register

A shareholder entered in the list of the company's shareholders maintained by Euroclear Finland Ltd on the record date of the General Meeting, 1 April 2020, has the right to participate in the General Meeting. A shareholder whose shares are registered in his/her personal Finnish book-entry account is registered in the company's shareholder register.

A shareholder who is registered in the shareholders' register and wants to participate in the General Meeting, shall register for the meeting no later than 6 April 2020 at 10:00 am. Registration for the meeting is possible via an online registration link at <http://investors.pihlajalinna.fi>,

by letter to Pihlajalinna Oyj, Yhtiökokous 2020, Kehräsaari B, 33200 Tampere, by e-mail to yhtiokokous@pihlajalinna.fi or by telephone on +358 (0)20 770 6896 (Mon-Fri 9:00 am to 16:00 pm).

The following information shall be given upon registration: the shareholder's name, personal identity code/business ID number, address, telephone number, as well as the name of any assistant or proxy, and the personal identity code of the proxy. Personal data will only be used in connection with the General Meeting and the processing of the necessary registrations.

If necessary, the shareholders, their representatives or their proxies must be able to prove their identity and/or representation rights at the meeting place.

2. Owners of nominee-registered shares

Owners of nominee-registered shares have the right to attend the General Meeting on the basis of the shares on the basis of which they would be entitled to be entered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date of the General Meeting, 1 April 2020. Attendance is also subject to the shareholder being temporarily registered, on the basis of the said shares, in the company's shareholder register maintained by Euroclear Finland Ltd by 10:00 am on 8 April 2020 at the latest. For nominee-registered shares, this is considered to be a registration for the General Meeting.

Owners of nominee-registered shares are advised to ask their asset manager, in good time, for the necessary instructions concerning the registration in the temporary shareholder register, issuance of letters of attorney and registration for the General Meeting. The asset manager's account manager shall register the owner of nominee-registered shares who wishes to attend the Annual General Meeting to be temporarily entered in the company's shareholder register by the above date at the latest.

3. Attendance by proxy and letters of attorney

A shareholder may participate in the General Meeting and exercise his/her rights there through an agent. A shareholder's agent must present a dated letter of attorney or otherwise demonstrate in a reliable manner that he or she is entitled to represent the shareholder.

If a shareholder participates in the General Meeting through several agents representing the shareholder on the basis of shares in different book-entry accounts, the shares on the basis of which each agent represents the shareholder must be reported in connection with the registration.

The letters of attorney shall be delivered in originals before the end of the registration period to Pihlajalinna Oyj, Yhtiökokous 2020, Kehräsaari B, 33200 Tampere, Finland.

4. Other information

Shareholders present at the General Meeting have the right to request information on matters to be discussed at the meeting in accordance with Chapter 5, Section 25 of the Limited Liability Companies Act.

On the date of the Notice of the General Meeting, 13 March 2020, Pihlajalinna Plc has a total of 22,620,135 shares and votes. The company or its subsidiaries do not own the company's own shares.

Tampere, 13 March 2020

Pihlajalinna Plc

Board of Directors