

## **PROPOSALS TO THE ANNUAL GENERAL MEETING 2022**

### **Resolution of the the use of the profit shown on the balance sheet and payment of dividend (Item 8 of AGM)**

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.

### **Resolution on the remuneration of the members of the Board of Directors (Item 11 of AGM)**

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.

**Resolution on the number of members of the Board of Directors  
(Item 12 of AGM)**

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.

**Election of members of the Board of Directors and the Chair and Vice-Chair of the Board of Directors  
(Item 13 of AGM)**

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](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.

**Resolution on the remuneration of the auditor  
(Item 14 of AGM)**

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.

**Election of auditor  
(Item 15 of AGM)**

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.

**Authorising the board of directors to decide on acquisition the company's own shares  
(Item 16 of AGM)**

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.

**Authorising the Board of Directors to decide on share issues and the issuance of other special rights to shares  
(Item 17 of AGM)**

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.