



Resolutions of Pihlajalinna Plc's Annual General Meeting of Shareholders

Pihlajalinna Plc

Stock exchange release

15 April 2021 at 2.45 p.m.

Resolutions of Pihlajalinna Plc's Annual General Meeting of Shareholders

The Annual General Meeting of Pihlajalinna Plc was held in Tampere on 15 April 2021. The meeting approved the company's financial statements and the included consolidated financial statements for 2020, and discharged the members of the Board of Directors and the CEO who served during the 2020 financial year from liability.

Dividend

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.20 per share be paid on the basis of the balance sheet adopted for the financial year ended 31 December 2020. The dividend will be paid to shareholders entered in the shareholder register maintained by Euroclear Finland Ltd on the record date of the dividend payment, 19 April 2021. The dividend will be paid on 26 April 2021.

Remuneration Report

The Annual General Meeting approved the Remuneration Report concerning the remuneration of the members of the Board of Directors, CEO and deputy CEO of Pihlajalinna in 2020. The resolution of the Annual General Meeting on the Remuneration Report is advisory.

Remuneration of the members of the Board of Directors

The Annual General Meeting resolved that the remuneration of members of the Board of Directors other than the Chairman of the Audit Committee will remain unchanged, and that the following annual remuneration will be paid to the members of the Board of Directors elected for the term of office ending at the 2022 Annual General Meeting: EUR 250,000 per year to the full-time Chairman of the Board of Directors, EUR 36,000 per year to the Vice Chairman and to the Chairman of the Audit Committee, and EUR 24,000 per year to the other members.

The annual remuneration shall be paid in company shares and in cash, with approximately 40% of the remuneration used to acquire shares in the name and on behalf of the members of the Board of Directors, and the remainder paid in cash. Remuneration may be paid entirely or partly in cash if a member of the Board of Directors held shares in the company to a value exceeding EUR 1,000,000 on the day of the Annual General Meeting, 15 April 2021. The company shall be liable for the costs of acquiring the shares and for any transfer tax. 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 2021 has been published. If this is not possible for legal or other regulatory reasons, such as in view of insider regulations, then remuneration may alternatively

be paid in cash at the earliest opportunity thereafter. The Board of Directors shall be entitled to decide on possible recovery of annual remuneration in the manner that it deems appropriate if the term of office of a member of the Board of Directors ends before the 2022 Annual General Meeting.

The Annual General Meeting further resolved that a meeting fee of EUR 500 shall be paid in cash to each member of the Board of Directors for each meeting of the Board of Directors and of its committees. Reasonable travelling expenses of the members of the Board of Directors shall also be reimbursed in accordance with Group travel policy.

Composition of the Board of Directors

The Annual General Meeting resolved that the number of members of the Board of Directors shall be fixed at six members instead of the previous seven. Hannu Juvonen, Mika Manninen, Leena Niemistö, Kati Sulin, Seija Turunen and Mikko Wirén were re-elected to serve as members of the Board of Directors until the next Annual General Meeting.

The Annual General Meeting elected Mikko Wirén as the Chairman of the Board and Leena Niemistö as the Vice Chairman of the Board.

Auditor

The auditing corporation KPMG Oy Ab was elected as the company's auditor for the financial year 1 January–31 December 2021. The principal auditor will be Lotta Nurminen, APA. The auditor's remuneration will be paid against an invoice approved by the Audit Committee of the Board of Directors.

Authorising the Board of Directors to decide on the acquisition of the Company's own shares

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of no more than 2,061,314 of the Company's own shares in one or more instalments, corresponding to approximately 9% of current 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 determined in trading on a regulated market on the date of the repurchase, or otherwise at a price determined on a market. The repurchase may also use derivatives and other instruments. The Board of Directors shall decide on how shares are repurchased. Own shares may be repurchased in a proportion other than that of shares held by 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 15 April 2020 to decide on the repurchase of the Company's own shares. The authorisation shall remain in force until the end of the next Annual General Meeting, but for no longer than until 30 June 2022.

Authorising the Board of Directors to decide on the issuance of shares and other special rights conferring entitlement to shares

The Annual General Meeting authorised the Board of Directors to decide on the issuance of shares, and other special rights conferring entitlement to shares within the meaning of section 1 of chapter 10 of the 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 shall decide all other terms and conditions concerning the issuance of shares and other special rights conferring entitlement to shares, and shall be entitled to set

aside the pre-emptive subscription right of a shareholder (directed issue) if there are pressing financial reasons for the company to do so. Possible uses of the authorisation include financing acquisitions or other business arrangements and investments, implementing the company's share-based incentive schemes, and other purposes decided by the Board of Directors.

The authorisation revokes the authorisation to decide on the issuance of shares and other special rights conferring entitlement to shares that was granted by the Annual General Meeting of 15 April 2020. The authorisation shall remain in force until the end of the next Annual General Meeting, but for no longer than until 30 June 2022.

The constitutive meeting of Pihlajalinna Plc's Board of Directors

The Board decided to change the name of its Remuneration Committee into People Committee. The Board of Directors of Pihlajalinna Plc elected the following members to committees at its constitutive meeting held on 15 April 2021:

Audit Committee: Seija Turunen (chairman), Mika Manninen and Hannu Juvonen
People Committee: Mikko Wirén (chairman), Leena Niemistö ja Kati Sulin

It was agreed that all members of the Board of Directors may join any of the committee meetings.

The Chairman of the Annual General Meeting was attorney Ari Keinänen.

The minutes of the Annual General Meeting will be available as of no later than 29 April 2021 on the Pihlajalinna Plc investor website at <http://investors.pihlajalinna.fi>

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