

## PROPOSALS TO THE ANNUAL GENERAL MEETING

### **8. Resolution on the use of the profit shown on the balance sheet and the distribution of dividend**

The parent company's distributable funds amount to EUR 110,881,942.35 and the parent company's profit for the period is EUR 57,178.31. The Board of Directors proposes to the AGM that a dividend of EUR 0.15 per share be paid from distributable funds based on the company's operating profit. In addition to this, the Board of Directors proposes that an additional dividend of EUR 0.65 per share be paid based on capital gains from the divestment of fibre networks. Based on the situation on the date of the notice, the dividend and additional dividend would correspond to EUR 4,593,678.40 in total. No dividend is paid on treasury shares. The dividend is paid to shareholders who on the dividend record date 8 May 2023 are registered in the company's shareholder register held by Euroclear Finland Oy. The Board of Directors proposes that the dividend be paid on 16 May 2023.

In addition to the above-mentioned dividend distribution, the Board of Directors proposes that the AGM authorises the Board to, at its discretion, decide on the distribution of an additional dividend of a maximum of EUR 1.00 per share from the parent company's distributable funds, and that the authorisation in question is valid until the beginning of the following AGM. Based on the situation on the date of the notice, the authorisation would correspond to EUR 5,742,098.00 in total. The company will publish such a decision separately and will at the same time confirm the final record and payment dates.

Whether the authorisation of the Board of Directors will be used to pay an additional dividend or not depends on the capital requirements of the following strategy period (2024–2027), which the company strives to announce by the end of 2023.

## **11. Resolution on the remuneration of the members and the Chairperson of the Board of Directors and the reimbursement of their travel expenses**

The Shareholders' Nomination Board proposes to keep the remuneration of the members of the Board of Directors unchanged:

- The Chairperson of the Board of Directors shall be paid an annual fee of EUR 39,600 and a meeting fee of EUR 700 per meeting.
- Each member of the Board of Directors shall be paid an annual fee of EUR 16,500 and a meeting fee of EUR 600 per meeting.
- The meeting fee shall be EUR 700 per meeting for the Chairperson of a committee and EUR 600 per meeting for the members of a committee.

The travel expenses of the members of the Board of Directors shall according to the proposal be reimbursed in accordance with the company's travel rules.

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

The Shareholders' Nomination Board proposes that seven members shall be elected to the Board of Directors (five members in 2022).

## **13. Election of members and the Chairperson of the Board of Directors**

The Shareholders' Nomination Board proposes that the following current members of the Board of Directors shall be re-elected: Kaj Hagros, Timo Kotilainen, Matti Piri and Stefan Wikman and that Juha Murtopuro, Anni Ronkainen and Matti Vikkula shall be elected as new members.

All the proposed members of the Board of Directors are independent of the company and its major shareholders and they have given their consent to the position.

In addition, the Shareholders' Nomination Board proposes to the AGM that Timo Kotilainen shall be elected Chairperson of the Board of Directors.

Further information about the persons proposed to become members of the Board of Directors can be found on the company's website at [www.loihde.com/agm](http://www.loihde.com/agm).

## **14. Resolution on the remuneration of the auditor**

The Board of Directors proposes to the AGM that the remuneration to the auditor be paid in accordance with the auditor's reasonable invoice approved by the company.

## **15. Election of auditor**

The Board of Directors proposes to the AGM that the audit firm Ernst & Young Oy shall be elected as the company's auditor for the term that ends with the conclusion of the 2024 AGM. Ernst & Young has informed the company that the auditor with principal responsibility would be Maria Onniselkä, auditor approved by the Finnish Central Chamber of Commerce.

## 16. Changes to the Articles of Association

The Board of Directors proposes to the AGM that the Articles of Association shall be changed in order to enable organising the general meetings as virtual meetings without a meeting location as an alternative to physical meetings or hybrid meetings. The reason for the change is to enable organising the general meetings remotely in order to facilitate the participation and attendance of the company's shareholders, especially in unforeseen or exceptional circumstances, but not limited to such circumstances. The Finnish Limited Liability Companies Act requires that shareholders shall be able to exercise their rights in full in remote meetings so that they have the same rights as in general meetings that are held at a meeting location. The change does not prevent general meetings from being held as physical or hybrid meetings.

According to the proposal by the Board of Directors, section 9, paragraph 1 of the Articles of Association is to read as follows after the change:

“The Ordinary General Meeting shall be held annually on a date decided by the Board of Directors, before the end of June, in Seinäjoki or Vaasa. An Extraordinary General Meeting shall be held in Seinäjoki or Vaasa. The Board of Directors may also decide that the General Meeting shall be held without a meeting location so that the shareholders exercise their power of decision during the meeting in full and in real time by telecommunications and other technical means (remote meeting).”

## **17. Authorising the Board of Directors to decide on the acquisition of own shares**

The Board of Directors proposes that the AGM decides to authorise the Board to resolve on a share buyback programme where at most 350,000 of the company's shares will be acquired, in one or more instalments, using the company's unrestricted equity. The maximum number of shares would correspond to approximately 6% of all shares in the company. The authorisation gives the Board of Directors the right to decide on the acquisition of shares otherwise than in proportion to the shareholdings of the shareholders (directed acquisition). The authorisation covers the acquisition of shares either on the First North Growth Market in accordance with its rules and guidelines, in which case the purchase price will be determined by the share price at the time of acquisition, or by means of a purchase offer to the shareholders, in which case the purchase price must be the same for all shareholders.

The company's own shares will be purchased to be used for carrying out acquisitions or other arrangements related to the company's business, to improve the company's financing structure, as part of the implementation of the company's incentive schemes or otherwise transferred or cancelled. The authorisation gives the Board of Directors the right to decide on all other terms and conditions pertaining to the acquisition of the company's own shares. According to the proposal, the authorisation would be valid until the end of the next AGM, but until 30 June 2024 at the latest.

## 18. Authorising the Board of Directors to decide on the issuance of shares

The Board of Directors proposes that the AGM authorises the Board to decide on the issuance of shares in one or more tranches in accordance with the following terms and conditions:

- The authorisation concerns issuing new shares as well as transferring treasury shares held by the company (share issue).
- The Board of Directors is authorised to decide on the issuance of a maximum of 583,000 shares, which corresponds to 10.2% of all shares in the company.
- The Board of Directors is authorised to decide on to whom and in which order shares are issued. The Board of Directors may decide to issue shares otherwise than in proportion to the shareholdings of the shareholders (directed share issue).
- The Board of Directors may use the shares in financing acquisitions or restructuring, a maximum of 483,000 shares (8.4% of all the shares in the company), as part of the personnel's incentive schemes, a maximum of 100,000 shares (1.7% of all the shares in the company), or for other purposes in the way and to the extent decided by the Board of Directors.
- The authorisation entitles the Board of Directors to decide on all other terms of the issuance of shares.
- The authorisation of the Board with regard to shares used for acquisitions and restructuring is valid until the end of the next AGM, but until 30 June 2024 at the latest, while the authorisation with regard to shares related to incentive schemes for the company's personnel is valid for four years from the decision of the AGM.
- The authorisation does not revoke the previous authorisations granted by the AGM to the Board of Directors on 25 June 2020, 6 May 2021 and 5 May 2022 to the extent that the previous authorisations concern shares issued as part of the personnel incentive schemes. Of the authorisations in question, the first is valid until 25 June 2024 and based on the authorisation, the Board of Directors may still issue a maximum of 65,153 shares, the second is valid until 6 May 2025 and based on the authorisation, the Board may still issue a maximum of 80,000 shares, and the third is valid until 5 May 2026 and based on the authorisation, the Board may still issue a maximum of 149,792 shares.

## **19. Changes to the terms of the long-term share-based incentive scheme for the Board of Directors and resolution on the remuneration for the vesting period 2020–2022**

The 2020 AGM decided to approve and introduce a long-term share-based incentive scheme for the members of the company's Board of Directors (below "Scheme"). The purpose of the scheme is to align the goals of the shareholders and the Board of Directors in order to increase the value of the company and implement the business strategy in the long term as well as to commit the members of the Board of Directors to the company and offer them a competitive incentive scheme that is based on earning shares in the company and on the value development of those shares. The AGM decided that the first vesting period of the Scheme was 26 June 2020–31 December 2022.

The Shareholders' Nomination Board proposes that the AGM decides to change sections 4 and 7 of the terms of the Scheme so that in order to receive commitment shares, the person has to be a member of the Board when the vesting period ends (according to the current terms, the person has to be a member of the Board at the time of payment of the commitment shares) and that the AGM accepts the changed terms of the Scheme as presented in Appendix 1.

In accordance with the terms of the Scheme, the AGM may decide that after the vesting period has ended a person is entitled to receive one commitment share free of charge for each four shares that he/she has subscribed for in the share issue and still hold at the time of payment of the commitment shares, from which the potential cash component of the bonus is deducted.

The Shareholders' Nomination Board proposes that the AGM decides on a directed share issue without payment to Timo Kotilainen and Elina Piispanen for the Scheme's first vesting period 26 June 2020–31 December 2022 in order to pay the earned commitment shares. The bonus is paid entirely in shares. The shares issued in the directed share issue without payment would amount to 240 shares in total, with Timo Kotilainen and Elina Piispanen each receiving one new share free of charge for each four shares they subscribed for in the share issue and still hold in accordance with the terms of the Scheme, i.e. each would receive 120 new shares.

## **20. Resolution on the persons entitled to participate in the 2023–2025 vesting period of the long-term share-based incentive scheme for the Board of Directors and on a related directed share issue against payment**

The Shareholders' Nomination Board proposes that the AGM confirms that in accordance with the terms of the long-term share-based incentive scheme for the Board of Directors, the third vesting period is 5 May 2023 to 31 December 2025, and that the AGM also confirms that the following proposed members of the Board of Directors of Loihde Plc shall be entitled to participate in the vesting period: Kaj Hagros, Timo Kotilainen, Juha Murtopuro, Matti Piri, Anni Ronkainen, Matti Vikkula and Stefan Wikman.

In addition, the Shareholders' Nomination Board proposes to the AGM that a directed share issue against payment to the members of the Board of Directors of Loihde Plc shall be decided on based on the long-term share-based incentive scheme.

The proposed terms and conditions to be applied to the share issue and the proposed persons to be entitled to participate in the share issue and their maximum subscription rights are shown in Appendix 2 that consist of the proposed terms of the share issue and in the separate list of subscription rights that is enclosed with the terms of the share issue.

Since the subscription price of the shares, according to the proposed terms of the share issue, is determined based on the average price of the company's share in April 2023, the final subscription price and the maximum number of shares that each person that is entitled to subscribe for shares is entitled to subscribe for will be confirmed on the day of the AGM at the latest and will be announced on the company's website at [www.loihde.com/agm](http://www.loihde.com/agm) and at the AGM.

## **21. Authorisation to decide on donations**

The Board of Directors proposes that the AGM authorises the Board of Directors to decide on donations of at most EUR 50,000 in total to training and research activities that support the company's business or non-profit or comparable causes, and that the AGM authorises the Board of Directors to decide on the receivers, the purpose of use, the timetable and other terms of the donations. The Board of Directors finds the authorisation of donations reasonable considering the company's financial situation and the amount of unrestricted equity.