



## Notice of Loihde Plc's Annual General Meeting

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Loihde Plc Company Announcement 28 March 2023 at 16:00 EEST

### Notice of Loihde Plc's Annual General Meeting

Notice is given to the shareholders of Loihde Plc of the Annual General Meeting (below AGM) to be held on Thursday, 4 May 2023 at 2:00 p.m. (EEST) at the Frami auditorium at Frami B, Kampusranta 9, 60320 Seinäjoki, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at the meeting location at 1:00 p.m.

Shareholders can exercise their voting rights also by voting in advance. Shareholders have the opportunity to follow a webcast of the AGM as well. Instructions on how to vote in advance and how to follow the AGM webcast are available in section C. of this notice and at the company's website at [www.loihde.com/agm](http://www.loihde.com/agm). The webcast starts at 2:00 p.m. on 4 May 2023. It is not possible to pose questions, make proposals or vote via webcast. Following the webcast is not considered as participating in the AGM, nor is it considered as exercising one's rights as a shareholder.

#### A. MATTERS ON THE AGENDA OF THE GENERAL MEETING

At the AGM, the following matters will be considered:

- 1. Opening of the meeting**
- 2. Calling the meeting to order**
- 3. Election of persons to scrutinise the minutes and to 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, the Consolidated Financial Statements, the Report of the Board of Directors and the Auditor's Report for the year 2022**

Review by the CEO

- 7. Adoption of the Financial Statements and the Consolidated Financial Statements**
- 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.

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

#### **10. Non-binding discussion of the remuneration report for governing bodies**

The remuneration report for governing bodies is available on the company's website at [www.loihde.com/agm](http://www.loihde.com/agm). The resolution of the AGM is advisory under the Finnish Limited Liability Companies Act.

#### **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.

## **22. Closing of the meeting**

# **B. DOCUMENTS OF THE GENERAL MEETING**

The Financial Statements, the Report of the Board of Directors and the Auditor's Report as well as the Remuneration Policy and Remuneration Report and the above-mentioned proposals for the decisions on the matters of the AGM are available on the company's website at [www.loihde.com/agm](http://www.loihde.com/agm). The above-mentioned documents are also available at the meeting and copies of the documents will be sent to shareholders upon request. The minutes of the meeting will be available on the above-mentioned website as of 18 May 2023 at the latest.

# **C. INSTRUCTIONS FOR THE PARTICIPANTS IN THE GENERAL MEETING**

## **1. Shareholders registered in the shareholder register**

Each shareholder who is registered in Loihde Plc's shareholder register held by Euroclear Finland Oy on the record date of the AGM, i.e. on 21 April 2023, has the right to participate in the AGM. A shareholder whose shares are registered on his/her personal Finnish book-entry account is registered in the shareholder register of the company.

A shareholder who is registered in the shareholder register of the company and who wants to participate in the AGM shall register for the meeting no later than 27 April 2023 by 4:00 p.m. by giving a prior notice of participation, which shall be received by the company no later than on the above-mentioned time. Notice of participation and advance voting start on 31 March 2023 at 10:00 a.m.

Notice of participation can be given:

- a) on the company's website [www.loihde.com/agm](http://www.loihde.com/agm)
- b) by email to [osakeasiat@loihde.com](mailto:osakeasiat@loihde.com) or
- c) by regular mail to Euroclear Finland Oy, PL 1110, 00101 Helsinki, FINLAND.

In connection with the registration, a shareholder shall notify his/her name, personal identification number or business ID, address, telephone number and the name of a possible assistant or proxy representative and the personal identification number of a proxy representative. Registration on the company's website uses strong authentication with Finnish online banking ID. The personal data given to Loihde Plc or Euroclear Finland Oy is used only in connection with the AGM and the processing of related required registrations.

The shareholder, his/her authorised representative or proxy representative shall, where necessary, be able to prove his/her identity and/or right of representation.

## **2. Holders of nominee-registered shares**

A holder of nominee-registered shares has the right to participate in the AGM by virtue of such shares, based on which he/she on the record date of the AGM, i.e. on 21 April 2023, would be entitled to be registered in the shareholder register of the company held by Euroclear Finland Oy. The right to participate in the AGM requires, in addition, that the shareholder on the basis of such shares has been registered in the temporary shareholder register held by Euroclear Finland Oy by 10:00 a.m. on 28 April 2023 at the latest. As regards nominee-registered shares, this constitutes due registration for the AGM. Changes in shareholding after the record date of the AGM do not affect the right to participate in the meeting or the number of voting rights held in the meeting.

A holder of nominee-registered shares is advised to request without delay necessary instructions regarding the temporary registration in the shareholder register of the company, the issuing of proxy documents and voting instructions and the registration for the AGM from his/her custodian bank. The account operator of the custodian bank has to register a holder of nominee-registered shares who wants to participate in the AGM in the temporary shareholder register of the company by the time stated above at the latest, and if necessary ensure to vote in advance on behalf of the shareholder before the deadline for registration regarding holders of nominee-registered shares ends.

## **3. Proxy representative and powers of attorney**

A shareholder may participate in the AGM and exercise his/her rights at the meeting by way of proxy representation.

In addition to producing proxy documents (powers of attorney), the shareholder or his/her proxy shall register for the AGM in the way described in this notice. The duty to register also applies to shareholders that have given so-called long-term powers of attorney or their proxies.

A shareholder's proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the AGM. When a shareholder participates in the AGM by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the AGM. The form for the proxy document and voting instructions is available on Loihde's website at [www.loihde.com/agm](http://www.loihde.com/agm).

The signed proxy document shall be delivered by email to [osakeasiat@loihde.com](mailto:osakeasiat@loihde.com) or by regular mail to Euroclear Finland Oy, PL 1110, 00101 Helsinki, FINLAND. The proxy document shall be received by the company no later than 27 April 2023 by 4:00 p.m.

A shareholder who is a natural person can instead of the traditional proxy document deliver a proxy document in the online service used for giving notice of participation in the meeting.

A shareholder who is an organisation can also use the [Suomi.fi](https://suomi.fi) e-authorisation service instead of a traditional proxy document. In this case, the organisation authorises a proxy that they nominate in the [Suomi.fi](https://suomi.fi) authorisation service at [suomi.fi/e-authorizations](https://suomi.fi/e-authorizations) using the mandate theme "Representation at the General Meeting". In connection with Euroclear Finland Oy's general meeting service, the proxy so authorised must identify himself/herself with strong electronic authentication in connection with the registration, after which the electronic authorisation will be checked automatically. Strong electronic authentication works with online banking ID or mobile certificate. More information is available on the website [suomi.fi/e-authorizations](https://suomi.fi/e-authorizations).

## **4. Advance voting**

A shareholder who has a Finnish book-entry account may vote in advance on certain items of the agenda of the AGM through the company's website during the time period starting on 31 March 2023 at 10:00 a.m. and ending on 27 April

2023 at 4:00 p.m.

In order to be able to vote in advance, the shareholder shall first give notice of participation in the AGM.

A shareholder voting in advance may not be able to use his/her right according to the Finnish Limited Liability Companies Act to request information or a vote, unless he/she participates in the AGM on location in person or by way of proxy representation.

A proxy representative appointed by the shareholder cannot vote in advance on behalf of the shareholder.

For holders of nominee-registered shares, the advance voting occurs via the account operator. The account operator can vote in advance on behalf of the holders of nominee-registered shares that the account operator represents in accordance with their voting instructions before the deadline for registration of nominee-registered shares ends.

A draft resolution that is subject to advance voting is considered to have been presented unchanged at the AGM. The terms and conditions and instructions related to the electronic advance voting can be found on the company's website at [www.loihde.com/agm](http://www.loihde.com/agm).

## **5. Asking questions in advance**

Shareholders may ask questions in advance on topics included in the meeting agenda. The questions shall be sent by email to [viestinta@loihde.com](mailto:viestinta@loihde.com) and they shall be received by the company by 27 April 2023 at 4:00 p.m. at the latest. The company strives to, if possible, answer the questions at the meeting.

The advance questions are not questions pursuant to chapter 5, section 25 of the Finnish Limited Liability Companies Act. Questions asked by virtue of the right to request information based on the law shall be asked at the AGM.

## **6. Following the meeting online via webcast**

Shareholders have the opportunity to follow the AGM online via webcast. Following the AGM by webcast is not considered participating in the AGM, nor is it possible via webcast to exercise the right to request information pursuant to the Finnish Limited Liability Companies Act or other shareholders rights at the AGM.

In order to be able to follow the meeting via webcast, the shareholder shall register to follow the video stream on the company's website at [www.loihde.com/agm](http://www.loihde.com/agm). Further information and instructions on following the meeting via webcast are available on the company's website at the above-mentioned address.

## **7. Other instructions and information**

Pursuant to chapter 5, section 25 of the Finnish Limited Liability Companies Act, a shareholder who is present at the AGM has the right to request information with respect to the matters to be dealt with by the meeting.

Changes in shareholding after the record date of the AGM do not affect the right to participate in the meeting or the number of voting rights held in the meeting.

On the date of this notice of the General Meeting, 28 March 2023, the total number of shares in Loihde Plc and votes represented by such shares is 5,729,709 shares and votes. On 28 March 2023, the company's Board of Directors has based on an authorisation decided to issue an additional 12,389 shares. The Loihde Group holds 400 treasury shares without voting rights at the AGM.

28 March 2023

LOIHDE PLC

Board of Directors

## **APPENDICES:**

1. Terms of the long-term share-based incentive scheme for the Board of Directors (in Finnish)
2. Terms of the directed share issue against payment related to the long-term share-based incentive scheme for the Board of Directors and division of shares between subscribers (in Finnish)

## Further information

CEO Samu Konttinen,

media contact Director of Communications Tiina Nieminen, tel. +358 44 411 3480, [tiina.nieminen@loihde.com](mailto:tiina.nieminen@loihde.com)

Certified Adviser Alexander Corporate Finance Oy, tel. +358 50 520 4098

*Loihde enables business continuity. We help our customers to create growth and competitiveness through digitalisation and to protect themselves from physical and cyber threats. Loihde consists of two business areas: security solutions with the brand Loihde Trust and digital development with the brands Loihde Advance, Loihde Factor and Loihde Cloudon. The Group has approximately 885 employees and its revenue in 2022 amounted to EUR 123.0 million.*

## Attachments

- [Download announcement as PDF.pdf](#)
- [Loihde Oyj Hallituksen palkkiojärjestelmän ehdot nimitystoimikunnan ehdotus.pdf](#)
- [Loihde Oyj Hallituksen osakepalkkiojärjestelmä Osakeantiehdot 2023 nimitystoimikunnan ehdotus.pdf](#)