

## **THE BOARD OF DIRECTORS' PROPOSALS FOR THE AGM 2020**

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

On 31 December 2019, the parent company's distributable funds totalled approximately EUR 533.7 million, of which EUR 41.1 million was profit for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.13 per share (corresponding to approximately EUR 16.6 million calculated with the current number of shares) be distributed by a resolution of the Annual General Meeting. If a minority dividend pursuant to Chapter 13 Section 7 of the Finnish Limited Liability Companies Act would become payable, no dividend shall be distributed in accordance with this proposal.

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide in its discretion the dividend record and payment dates so that the dividend would be paid on 15 July 2020 at the latest. The Company will separately publish the dividend record and payment dates decided by the Board of Directors. The dividend would be paid to a shareholder registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date.

As the Board of Directors has proposed a dividend less than the minimum amount of minority dividend, the shareholders have the right to demand minority dividend pursuant to Chapter 13 Section 7 of the Finnish Limited Liability Companies Act. The minority dividend must be distributed, if a demand to this effect is made by shareholders who have at least one tenth of all shares. The amount of minority dividend is 20,551,525.5 euros, which corresponds half of the profit of the financial year. A shareholder demanding minority dividend may vote for the minority dividend in advance voting, and no separate demand or counterproposal is required.

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

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that the auditor's fees be paid against an invoice approved by the Company.

### **15. Election of the auditor**

The Audit Committee has prepared its recommendation in accordance with the EU Audit Regulation (No. 537/2014) and organized a statutory audit firm selection procedure.

In accordance with the Article 16(2) of the EU Audit Regulation the Audit Committee shall submit a recommendation to the Board of Directors of Terveystalo Plc for the appointment of statutory auditor. The recommendation of the Audit Committee shall contain at least two choices and the Audit Committee shall express a duly justified preference for one of them.

The Audit Committee has assessed and considered several auditor candidates and identified KPMG Oy Ab and Deloitte Oy as the best candidates. Candidates have been comprehensively assessed against a variety of selection criteria such as price, experience, and expertise in the field. After careful consideration based on the selection criteria, KPMG Oy Ab is the preference and recommendation of the Audit Committee as the

auditor of the company for the term of office ending at the end of the Annual General Meeting of the year 2021.

The Audit Committee confirms that its recommendation is free from influence of any third party and that the Audit Committee has not been obligated to follow the clause set out in Article 16(6) of the EU Audit Regulation.

In accordance with the Audit Committee's recommendation, the Board of Directors proposes that KPMG Oy Ab, a firm of authorised public accountants, be elected as the auditor of the company for the term of office ending at the end of the Annual General Meeting of the year 2021. KPMG Oy Ab has announced that Henrik Holmbom, APA, would be acting as the principal auditor.

## **16. Authorizing the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares as follows:

The number of own shares to be repurchased shall not exceed 12,803,653 shares, which corresponds to approximately 10 per cent of all shares in the Company. Only the unrestricted equity of the Company can be used to repurchase own shares on the basis of the authorization.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.

The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the existing shareholders (directed repurchase).

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2021.

## **17. Authorizing the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on the issuance of shares and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows:

The number of shares to be issued shall not exceed 12,803,653 shares, which corresponds to approximately 10 per cent of all shares in the Company.

The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2021.

## **18. Resolution on authorizing the Board of Directors to resolve on donations for charitable purposes**

The Board of Directors proposes that the Annual General Meeting resolve to authorize the Board of Directors to decide on donations in a total maximum of EUR 150,000 for charitable or corresponding purposes and to authorize the Board of Directors to decide on the donation recipients, purposes of use and other terms of the donations. The authorization is proposed to remain effective until the end of the Annual General Meeting 2021 and in any event no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

In Helsinki, 6 May 2020

TERVEYSTALO PLC

**The Board of Directors**