

STOCK EXCHANGE RELEASE

6 March 2020 at 02:30 pm

## **NOTICE TO THE ANNUAL GENERAL MEETING OF HARVIA PLC**

Notice is given to the shareholders of Harvia Plc. for the Annual General Meeting to be held on **2 April 2020** at 10.00 a.m. at the Helsinki Music Centre's Rehearsal Hall Paavo at Mannerheimintie 13 A, 00100 Helsinki. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 9.00 a.m.

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

The following matters will be discussed at the Annual General Meeting:

- 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 attendance at the meeting and adoption of the list of votes**
- 6. Presentation of the Financial Statements, the Report of the Board of Directors and the Auditor's Report for the year 2019**

Review by the CEO.

### **7. Adoption of the Financial Statements, including the adoption of the Consolidated Financial Statements**

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

The Board of Directors proposes to the Annual General Meeting that, based on the adopted balance sheet for the financial year 2019, no more than EUR 0.38 per share be paid as dividend and that the remainder of the distributable funds be transferred to shareholders' equity.

The Board of Directors proposes that the dividend is divided into two instalments so that the Annual General Meeting would decide on a dividend of EUR 0.19 per share that will be paid to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date of 6 April 2020. The Board of Directors proposes that the dividend be paid on 15 April 2020.

In addition, the Board of Directors proposes that the Annual General Meeting would authorise the Board of Directors to decide, at its discretion, on the payment of an extra dividend of no more than EUR 0.19 per share.

The Board of Directors expects to decide on the payment of a EUR 0.19 per share extra dividend at its meeting scheduled to be held on 16 October 2020, provided that the Annual General Meeting authorises the Board of Directors to decide on the extra dividend. At the same meeting, the Board of Directors expects to decide on the record and payment dates of the extra dividend in accordance with the rules of the Finnish book-entry securities system.

The extra dividend is estimated to be paid in October 2020 to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date decided by the Board of Directors.

It is proposed that the authorisation remain valid until the opening of the next Annual General Meeting.

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

#### **10. Handling of the remuneration policy for governing bodies**

#### **11. Resolution on the remuneration of the members of the Board of Directors**

The Board of Directors proposes that the monthly remuneration of the members of the Board of Directors elected for the term of office lasting until the Annual General Meeting of 2021 be paid as follows: The Chairman of the Board of Directors is paid EUR 3,500 and members of the Board of Directors are each paid EUR 2,000. Additionally, the Chairman of the Audit Committee is paid EUR 1,300 a month and members of the Audit Committee are paid EUR 750 a month. The travel expenses of the members of the Board of Directors are compensated in accordance with the company's travel rules.

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

The Board of Directors proposes that five (5) members are elected to the Board of Directors.

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

The Board of Directors proposes that Olli Liitola, Ia Adlercreutz and Ari Hiltunen be reappointed to the Board of Directors for the following term of office and Sanna Suvanto-Harsaae and Kalle Kekkonen be appointed as new members of the Board of Directors.

The term of the members of the Board of Directors will run until the end of the next Annual General Meeting. All nominated persons have given their consent to the appointment.

The presentation and shareholdings of the persons nominated for the Board of Directors is available at Harvia Plc's website: [www.harviagroup.com](http://www.harviagroup.com).

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

The Board of Directors proposes that the Auditor to be appointed will receive remuneration in accordance with a reasonable invoice approved by the company.

#### **15. Election of the Auditor**

The Board of Directors proposes that Authorised Public Accounting firm PricewaterhouseCoopers Oy be elected as the Auditor of the company for the following term of office. PricewaterhouseCoopers Oy has stated that Authorised Public Accountant Markku Launis will act as the Responsible Auditor should PricewaterhouseCoopers Oy be elected as the Auditor of the company.

#### **16. Authorisation to the Board of Directors to decide on the repurchase of own shares**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to resolve on the repurchase of a maximum of 934,711 shares in the company in one or several tranches.

The maximum amount of shares that can be repurchased corresponds to approximately 5% of all the shares in the Company on the date of this notice. However, a decision to acquire own shares shall not be made so that the treasury shares in the possession of the company and its subsidiaries would exceed one tenth of all shares. Only the unrestricted equity of the Company can be used to repurchase own shares on the basis of the authorisation.

The shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders in public trading arranged by Nasdaq Helsinki Oy for the market price formed at the moment of purchase or otherwise at a price formed on the market.

The authorisation is proposed to be used e.g. for the purposes of the company's share-based incentive systems or for other purposes decided by the Board of Directors.

Shares purchased by the company may be held by it, cancelled or transferred. The Board of Directors decides on other matters related to the repurchasing of own shares.

The Board of Directors proposes that the authorisation replaces the authorisation of the Board of Directors to resolve on the repurchase of own shares granted by the shareholders of the company on 4 April 2019.

It is proposed that the authorisation remain valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2021.

### **17. Authorisation of the Board of Directors to resolve on a share issue and an issue of special rights entitling to shares**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act in one or several parts, either against payment or without payment.

The aggregate amount of shares to be issued, including the shares to be received based on special rights, must not exceed 1,869,423 shares. The Board of the Directors may resolve to issue new shares or to transfer own shares possibly held by the company.

The Board of Directors is authorised to decide on all other matters related to the issuance of shares and special rights entitling to shares, including the right to deviate from the pre-emptive right of shareholders to subscribe to shares to be issued. The authorisation is proposed to be used for the purposes of strengthening the balance sheet and financing position of the company or for other purposes decided by the Board of Directors.

It is proposed that the authorisation remain valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2021. The authorisation replaces and revokes all previous unused authorisations of the Board of Directors to resolve on the issuance of shares, share options and other special rights entitling to shares.

### **18. Establishing the shareholders' nomination board**

The Board of Directors proposes that the Annual General Meeting decide on establishing a shareholders' nomination board to prepare proposals concerning the election and remuneration of the Board Members as well as the remuneration of the members of the various Board committees that will be submitted to future Annual General Meetings and to any Extraordinary General Meetings where necessary. In addition, the Board of Directors proposes that the Annual General Meeting approve the charter of the shareholders' nomination board, which is appended hereto as Appendix 2.

Pursuant to the Board's proposal, the shareholders' nomination board would be comprised of representatives appointed by the company's four largest shareholders.

Each year, those four shareholders that hold the largest share of the votes conferred by all shares in the company on the first working day of the September preceding the applicable Annual General Meeting pursuant to the shareholders' register maintained by Euroclear Finland Ltd will be entitled to appoint members that represent the shareholders. The Chairman of the Board of Directors will request the four largest shareholders, which will be determined as stated above, to each appoint one member to the

shareholders' nomination board. In the event that a shareholder has divided its holdings e.g. between several funds or its holdings are registered in several registers and the shareholder is obliged, under the Finnish Securities Markets Act, to take these holdings into consideration when disclosing any changes in its ownership shares (flagging obligation), all of the holdings of such a shareholder will be taken into consideration when calculating its share of all votes in order to determine whether the said shareholder is entitled to appoint a member to the shareholders' nomination board if the shareholder submits a written request to the Chairman of the Board of Directors to that effect on the 31st day of the August preceding the applicable Annual General Meeting.

In the event that two or more shareholders hold equal ownership shares and the representative of both or all shareholders cannot be appointed to serve on the shareholders' nomination board, the right to appoint a representative to the shareholders' nomination board will be decided by drawing lots.

If a shareholder does not wish to exercise its right of appointment, the right will be transferred to the next largest shareholder that would otherwise not have the right of appointment.

The Chairman of the Board of Directors will convene the first meeting of each term of office of the shareholders' nomination board, and the representative of the largest shareholder will be appointed as the chairman of the shareholders' nomination board, unless the shareholders' nomination board specifically decides otherwise. In the event that the representative of one of the largest shareholders simultaneously serves as the Chairman of the company's Board of Directors, they cannot be appointed as the chairman of the shareholders' nomination board, but they can serve as a member thereof as a representative of the relevant shareholder. Once the shareholders' nomination board has been elected, the company will publish a stock exchange release to announce the composition thereof.

The shareholders' nomination board must submit its proposal to the company's Board of Directors on an annual basis and at the latest on the 31st day of the January preceding the applicable Annual General Meeting. The shareholders' nomination board must keep all proposals confidential until the company has published them. All inside information that the members of the shareholders' nomination board become aware of is subject to the provisions of the Finnish Securities Markets Act.

The shareholders' nomination board that will be established will operate until further notice, i.e. until the General Meeting decides otherwise. The term of office of the members of the shareholders' nomination board will end upon the appointment of the members of the new shareholders' nomination board. The members of the shareholders' nomination board will not receive any compensation for acting as a member thereof. The members will be compensated for their travel costs in accordance with the company's travel policy. In order to carry out its duties and where necessary, the shareholders' nomination board may retain the services of external experts whose costs are subject to the approval of the company.

## **19. Closing of the meeting**

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

The proposals for the resolutions on the matters on the agenda of the Annual General Meeting set out above as well as this notice are available on Harvia Plc's website at [www.harviagroup.com](http://www.harviagroup.com). The Financial Statements, the Report of the Board of Directors and the Auditor's Report of Harvia Plc. will be made available on the abovementioned website no later than on 12 March 2020. The proposals for the resolutions and the other documents referred to above will also be available at the Annual General Meeting. Copies of these documents and of this notice will be sent to shareholders upon request.

The minutes of the Annual General Meeting will be available on the abovementioned website as from 16 April 2020.

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

#### **1. Shareholders registered in the shareholders' register**

Each shareholder, who is registered on **23 March 2020** (the record date of the Annual General Meeting) in the shareholders' register of the company held by Euroclear Finland Ltd., has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the shareholders' register of the company.

Changes in shareholdings occurring after the record date of the Annual General Meeting will not affect the right to attend the Annual General Meeting or the number of votes of the shareholder.

A shareholder, who is registered in the shareholders' register of the company and who wants to participate in the Annual General Meeting, must register for the meeting no later than at 10.00 am on 23 March 2020 by giving prior notice of participation, which the company must receive no later than at the above-mentioned time.

Such notice can be given:

- through the company's website: <https://harviagroup.com/investor-relations/corporate-governance/general-meetings/annual-general-meeting-2020/>
- by email: [ir@harvia.fi](mailto:ir@harvia.fi)
- by telephone to the number +358 20 746 4082 (on weekdays between 9.00 a.m. and 4.00 p.m.)

The personal data provided to Harvia Plc. will only be used in connection with the Annual General Meeting and with the processing of related registrations.

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

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

A holder of nominee registered shares has the right to participate in the Annual General Meeting by virtue of such shares based on which he/she would be entitled to be registered in the shareholders' register of the company held by Euroclear Finland Ltd on 23 March 2020 (the record date of the Annual General Meeting). The right to participate in the Annual General Meeting requires, in addition, that the shareholder has been registered into the temporary shareholders' register held by Euroclear Finland Ltd on the basis of such shares at the latest by 30 March 2020 at 10.00 a.m. As regards nominee registered shares, this constitutes due registration for the Annual General Meeting.

A holder of nominee registered shares is advised to request all necessary instructions regarding the registration in the temporary shareholders' register of the company, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank without delay. The account management organisation of the custodian bank has to register a holder of nominee registered shares, who wants to participate in the Annual General Meeting, into the temporary shareholders' register of the company at the latest by the time stated above.

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

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

A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder. When a shareholder participates in the Annual General Meeting 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 Annual General Meeting.

Possible proxy documents should be delivered in originals to Harvia Plc, Katariina Vuorela, P.O. Box 12, FI-40951 Muurame, Finland, before the end of the registration period.

#### **4. Other instructions and information**

Pursuant to Chapter 5 Section 25 of the Finnish Limited Liability Companies Act, a shareholder who is present at the Annual General Meeting has the right to request information with respect to the matters to be considered at the meeting.

On the date of this notice to the Annual General Meeting, the total number of shares and votes in Harvia Plc is 18,694,236.

Muurame, 6 March 2020

#### **HARVIA PLC**

Board of Directors

#### **ADDITIONAL INFORMATION**

CEO Tapio Pajuharju, tel. +358 50 577 4200

CFO Ari Vesterinen, tel. +358 40 505 0440

#### **Distribution:**

Nasdaq Helsinki Ltd

Main Media

[www.harviagroup.com](http://www.harviagroup.com)

#### **Appendices**

Appendix 1: Harvia Plc's remuneration policy 2020

Appendix 2: Charter of the Shareholders' Nomination Board

#### **Harvia in short**

Harvia is one of the leading companies operating in the sauna and spa market globally, as measured by revenue. Harvia's brands and product portfolio are well-known in the market and the company's comprehensive product portfolio strives to meet the needs of the international sauna and spa market of both private and professional customers.

Harvia's revenue totaled EUR 74.1 million in 2019, its operating profit was EUR 13.3 million and adjusted operating profit EUR 13.9 million during the same period. The company employs some 400 professionals in Finland, China and Hong Kong, Romania, Austria, United States, Germany and Estonia. The company is headquartered in Muurame, Finland, adjacent to its largest sauna and sauna component manufacturing facility.