

TELESTE CORPORATION: NOTICE TO THE ANNUAL GENERAL MEETING

The shareholders of Teleste Corporation (the "Company") are hereby invited to the Annual General Meeting to be held on Friday, 9 April 2010, at 3:00 p.m., in Finlandia Hall at the address of Mannerheimintie 13 e, 00100 Helsinki, Finland. The reception of persons who have registered for the meeting will commence at 2:00 p.m.

A. Agenda of the Annual General Meeting:

1 § Opening of the meeting

2 § Calling the meeting to order

3 § Election of persons to review 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 auditor's report and the report of the Board of Directors for year 2009 as well as the 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 payment of dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.08 per share be paid based on the adopted balance sheet for the financial period that ended on 31 December 2009 for shares other than those held by the Company. The dividend will be paid to a shareholder who on the record date 14 April 2010 is registered in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend will be paid on 21 April 2010.

9 § Resolution on the discharge of the members of the Board of Directors and the CEO from liability

10 § Resolution on the number of members of the Board of Directors

Company's shareholders who together represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the number of members of the Board of Directors be confirmed to be six (6).

11 § Resolution on the remuneration of the members of the Board of Directors

Company's shareholders who together represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors that they will propose to the Annual General Meeting that the annual remunerations to be paid to the members of the Board of Directors would remain unchanged and thus be the following: EUR 40,000 per year for the chairman and EUR 25,000 per year for each member. In addition, a meeting fee of EUR 250 per meeting is proposed to be paid. The annual remuneration is proposed to be paid so that 40 per cent of the annual remuneration will be used for purchasing the Company's shares for the members of the Board of Directors and the rest will be paid in cash.

12 § Election of members of the Board of Directors

Company's shareholders who together represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that all the current Board members Pertti Ervi, Tero Laaksonen, Marjo Miettinen, Pertti Raatikainen, Kai Telanne and Petteri Walldén be re-elected as Board members. Aforementioned persons have given their consent to the election.

13 § Election of the chairman of the Board of Directors

Company's shareholders who together represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that Marjo Miettinen be elected as the chairman of the Board of Directors.

14 § Resolution on the number of auditors

Company's shareholders who together represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the number of auditors shall be one (1).

15 § Resolution on the remuneration of the auditor

The Board of Directors proposes that the auditor's compensation is paid against an invoice approved by the Company.

16 § Election of the auditor

The Board of Directors has evaluated the operations and independence of the current auditor KPMG Oy Ab. The Board of Directors recommends the re-election of KPMG Oy Ab for the Company's auditor for the term that ends at the expiry of the next Annual General Meeting following the election. Company's shareholders who together represent more than 40 per cent of all the Company's shares and voting rights have notified the Company's Board of Directors that they are in favour of electing KPMG Oy Ab as the Company's auditor. KPMG Oy Ab has notified of the appointment of APA Esa Kailiala as principally responsible auditor of the Company.

17 § Proposal of the Board of Directors to amend Articles 4, 9, 10 and 11 of the Articles of Association

The Board of Directors proposes to the Annual General Meeting that the Articles 4 and 10 of the Articles of Association be amended so that the Board of Directors, instead of the General Meeting of the Shareholders, shall elect the chairman of the Board of Directors and that the Article 9 of the Articles of Association be amended so that the notice of the General Meeting of the Shareholders shall be announced on the Company's website instead of newspaper announcement and the time and place of the General Meeting of the Shareholders as well as the address of the Company's website shall be announced in at least one newspaper decided by the Board of Directors no later than three (3) weeks prior to the General Meeting of the Shareholders, however, at least nine (9) days prior to the record date of the General Meeting of the Shareholders. Additionally, the Board of Directors proposes that the Article 11 of the Articles of Association regarding redemption obligation be removed.

18 § Authorizing the Board of Directors to decide on the repurchase of the Company's own shares

The Board of Directors proposes that the Annual General Meeting would resolve on authorizing the Board of Directors to decide on repurchasing a maximum of 1,400,000 own shares of the Company ("Repurchase Authorization").

The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition.

The shares shall be repurchased for use as consideration in future acquisitions or other arrangements related to the Company's business, as financing for investments or as part of the Company's incentive program or to be held by the Company, to be conveyed by other means or to be cancelled.

The Repurchase Authorization shall be valid until the Annual General Meeting for year 2011.

19 § Authorizing the Board of Directors to decide on the issuance of shares and special rights entitling to shares

The Board of Directors proposes that the Annual General Meeting would resolve on authorizing the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company and/or granting special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act.

The new shares may be issued and the Company's own shares held by the Company may be conveyed to the Company's shareholders in proportion to their current shareholdings in the Company or by waiving the shareholder's pre-emption right, through a directed share issue if the Company has a weighty financial reason to do so, such as using the shares as consideration in future acquisitions or other arrangements related to the Company's business, as financing for investments or using the shares as part of the Company's incentive program.

The new shares may be issued and the Company's own shares held by the Company may be conveyed either against payment ("Share Issue Against Payment") or for free ("Free Share Issue"). A directed share issue may be a Free Share Issue only if there is an especially weighty financial reason both for the Company and with regard to the interests of all shareholders in the Company.

The new shares may also be issued in a Free Share Issue to the Company itself.

A maximum of 10,000,000 new shares may be issued. A maximum of 1,779,985 of the Company's own shares held by the Company or its group company may be conveyed. The number of shares to be issued to the Company itself together with the shares repurchased to the Company on basis of the Repurchase Authorization shall be at the maximum of 1,400,000 shares. The maximum number of new shares that may be subscribed and own shares held by the Company that may be conveyed by virtue of the special rights granted by the Company is 5,000,000 shares in total which number shall be included in the above maximum numbers of new shares and own shares held by the Company.

The authorizations shall be valid until the Annual General Meeting for year 2011.

#### B. Documents of the Annual General Meeting

The proposals of the Board of Directors on the agenda of the Annual General Meeting referred to above as well as this notice of meeting are available on Teleste Corporation's website at [www.teleste.com/Investors/CorporateGovernance/Annual General Meeting](http://www.teleste.com/Investors/CorporateGovernance/AnnualGeneralMeeting) and at the Company's headquarter at the address Seponkatu 1, 20660 Littoinen, Finland. The annual report of Teleste Corporation, including the Company's financial statements, the report of the Board of Directors and the auditor's report, is available on the aforementioned website on 19 March 2010 at the latest. The proposals of the Board of Directors as well as the financial statements are also available at the Annual General Meeting and copies of these documents and of this notice of meeting will be sent to shareholders upon request. The minutes of the Annual General Meeting will be available for inspection on the website as from 23 April 2010.

#### C. Instructions for the participants in the Annual General Meeting

##### 1. The right to participate and registration

Each shareholder, who is registered on Friday, 26 March 2010 in the shareholders' register of the Company maintained 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.

A shareholder, who wants to participate in the Annual General Meeting, should register for the meeting no later than Wednesday 31 March 2010 at 4 p.m. by giving a prior notice of participation to the Company. Such notice can be given

- a) by email [investor.relations@teleste.com](mailto:investor.relations@teleste.com);
- b) by telephone +358 (0)2 2605 611;
- c) by telefax +358 (0)2 2605 812; or
- d) by regular mail to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland.

The notice should be delivered to the Company before the deadline for registration. In connection with the registration, a shareholder should notify his/her name, personal identification number, address, telephone number and the name and personal identification number of a possible assistant or authorized representative. The personal data given to Teleste Corporation is used only in connection with the Annual General Meeting and with the processing of thereto related necessary registrations.

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

## 2. Use of an authorized representative and powers of attorney

A shareholder may participate in the Annual General Meeting and thereby use his/her rights via an authorized representative.

An authorized representative shall produce a dated power of attorney or otherwise in reliable manner demonstrate his/her right to represent the shareholder. Should a shareholder participate in the meeting by means of several authorized representatives representing the shareholder with shares in different book-entry accounts, the shares by which each authorized representative represents the shareholder shall be identified in connection with the registration.

Possible powers of attorney should be delivered in originals to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland by Wednesday 31 March 2010 at 4 p.m. at the latest.

## 3. A Holder of nominee registered shares

A holder of nominee registered shares is advised without delay to request necessary instructions regarding the registration in the shareholders' register of the Company, the issuing of powers of attorney and the registration for the Annual General Meeting from his/her custodian bank. The account management organization of the custodian bank will register a holder of nominee registered shares, who wants to participate in the Annual General Meeting, to be temporarily entered in the shareholders' register of the Company at the latest 6 April 2010 at 10:00 a.m. Further information on these matters can also be found on the Company's website [www.teleste.com/Investors/Corporate Governance/Annual General Meeting](http://www.teleste.com/Investors/Corporate%20Governance/Annual%20General%20Meeting).

## 4. Other information

On the date of this notice of meeting, the total number of shares and votes in Teleste Corporation is 17,805,590.

In Helsinki, 2 March 2010

Teleste Corporation  
The Board of Directors

ENCLOSURES:

PROPOSAL OF THE BOARD OF DIRECTORS TO AMEND ARTICLES 4, 9, 10 AND 11 OF THE ARTICLES OF ASSOCIATION

The Board of Directors of Teleste Corporation (the "Company") proposes to the Annual General Meeting to be held on 9 April 2010 that the Articles of Association be amended as follows:

Article 4 Board of Directors

The Board of Directors proposes that the Article 4 of the Articles of Association be amended so that the Board of Directors, instead of the General Meeting of the Shareholders, shall elect the chairman of the Board of Directors. After the amendment the Article 4 of the Articles of Association reads as follows:

"4 §  
Board of Directors

The Company shall have a Board of Directors with a minimum of three (3) and a maximum of eight (8) members elected at the Annual General Meeting of Shareholders; their term of office shall expire at the end of the following Annual General Meeting of Shareholders. The Board of Directors shall elect the Chairman of the Board of Directors among themselves."

#### Article 9 Notice of Meeting

The Board of Directors proposes that the first paragraph of Article 9 of the Articles of Association be amended so that the notice of the General Meeting of the Shareholders shall be announced on the Company's website instead of newspaper announcement and the time and place of the General Meeting of the Shareholders as well as the address of the Company's website shall be announced in at least one newspaper decided by the Board of Directors, and due to the Companies Act entered into force on 31 December 2009, the notice of the General Meeting of the Shareholders shall be announced no later than three (3) weeks prior to the General Meeting of the Shareholders, however, at least nine (9) days prior to the record date of the General Meeting of the Shareholders. After the amendment Article 9 of the Articles of Association reads as follows:

"9 §  
Notice of Meeting

Notice of the General Meeting of Shareholders shall be announced on Company's website no earlier than two (2) months and no later than three (3) weeks prior to the General Meeting of Shareholders, however, at least nine (9) days prior to the record date of the General Meeting of Shareholders. Within the same time the Company shall announce the time and place of the General Meeting of Shareholders as well as the address of the Company's website in at least one newspaper decided by the Board of Directors.

A shareholder wishing to participate in the General Meeting of Shareholders shall notify the Company at the latest on date stated in the notice of the meeting, which date shall be no earlier than ten (10) days prior to the meeting."

#### Article 10 Annual General Meeting

The Board of Directors proposes that the Article 10 of the Articles of Association shall be amended so that instead of the General Meeting the Board of Directors shall elect the chairman of the Board of Directors. After the amendment the Article 10 of the Articles of Association reads as follows:

"10 §  
Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders shall be held annually on the date decided by the Board of Directors by the end of June in Kaarina, Turku or Helsinki.

At the meeting, following shall be presented:

1. the financial statements, which include the consolidated financial statements, and the report of the Board of Directors;
  2. the Auditor's Report;
- resolved upon

3. the adaption of the financial statements and consolidated financial statements;
4. use of the profit shown in the balance sheet;
5. discharging the members of the Board of Directors and the Managing Director from liability;
6. the number of, and the fee payable to, the members of the Board of Directors;
7. the number of, and the fee payable, to the auditors; elected
8. the members of the Board of Directors;
9. auditors; as well as considered
10. any other matters stated in the notice of the meeting."

#### Article 11 Redemption obligation

The Board of Directors proposes that due to public bid obligation included in the Securities Market Act in force, the Article 11 of the Articles of Association regarding redemption obligation be removed as unnecessary.

#### PROPOSAL TO GRANT SHARE REPURCHASE AUTHORIZATION TO THE BOARD OF DIRECTORS

The Board of Directors of Teleste Corporation (the "Company") proposes to Annual General Meeting to be held on 9 April 2010 that the Board of Directors be authorized to decide on the repurchase of the Company's own shares ("Repurchase Authorization") on the following terms and conditions:

1. Maximum number of shares to be repurchased

By virtue of authorization, the Board of Directors is entitled to decide on repurchasing a maximum of 1,400,000 Company's own shares.

2. Directed repurchase and consideration to be paid for shares

The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition.

The shares shall be repurchased and paid in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd.

3. Holding, cancelling and conveying of shares

The shares shall be repurchased for use as consideration in future acquisitions or other arrangements related to the Company's business, as financing for investments or as part of the Company's incentive program or to be held by the Company, to be conveyed by other means or to be cancelled.

4. Other terms and validity

The Board of Directors shall decide on other terms and conditions related to the repurchase of the Company's own shares.

The Repurchase Authorization shall be valid until the Annual General Meeting for year 2011.

#### PROPOSAL TO GRANT SHARE ISSUE AUTHORIZATION AND AUTHORIZATION TO GRANT SPECIAL RIGHTS ENTITLING TO SHARES TO THE BOARD OF DIRECTORS

The Board of Directors of Teleste Corporation (the "Company") proposes to the Annual General Meeting to be held on 9 April 2010 that the Board of Directors be authorized to decide on

- (i) issuing new shares and/or
- (ii) conveying the Company's own shares held by the Company and/or
- (iii) granting special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act on the following terms and conditions:

#### 1. Right to shares

New shares may be issued and the Company's own shares may be conveyed

- to the Company's shareholders in proportion to their current shareholdings in the Company; or
- by waiving the shareholder's pre-emption right, through a directed share issue if the Company has a weighty financial reason to do so, such as using the shares as consideration in future acquisitions or other arrangements related to the Company's business, as financing for investments or using the shares as part of the Company's incentive program.

The new shares may also be issued in a Free Share Issue to the Company itself.

#### 2. Share issue against payment and for free

New shares may be issued and the Company's own shares held by the Company may be conveyed either against payment ("Share Issue Against Payment") or for free ("Free Share Issue"). A directed share issue may be a Free Share Issue only if there is an especially weighty financial reason both for the Company and with regard to the interests of all shareholders in the Company

#### 3. Maximum number of shares

A maximum of 10,000,000 new shares may be issued.

A maximum of 1,779,985 of the Company's own shares held by the Company and its group company may be conveyed.

The number of shares to be issued to the Company itself together with the shares repurchased to the Company on basis of the Repurchase Authorization shall be at the maximum of 1,400,000 shares. The said maximum number of shares shall include the Company's own shares held by the Company itself or its subsidiary as stated in Chapter 15, Section 11, Paragraph 1 of the Finnish Companies Act.

#### 4. Granting of special rights

The Board of Directors may grant special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive against payment new shares or own shares held by the Company. The right may also be granted to the Company's creditor in such a manner that the right is granted on condition that the creditor's receivable is used to set off the subscription price ("Convertible Bond").

The maximum number of new shares that may be subscribed and own shares held by the Company that may be conveyed by virtue of the special rights granted by the Company is 5,000,000 shares in total which number is included in the maximum numbers stated in section 3.

#### 5. Recording of the subscription price

The subscription price of the new shares and the consideration payable for the Company's own shares shall be recorded under the invested non-restricted equity fund.

#### 6. Other terms and validity

The Board of Directors shall decide on other terms and conditions related to the authorizations.

The authorizations shall be valid until the Annual General Meeting for year 2011.