

## 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 Thursday, 4 April 2019, at 4:00 p.m., in Helsinki Hall of 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 3:00 p.m.

### A. Agenda of the 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 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 2018 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 General Meeting that a dividend of EUR 0.20 per share be paid based on the adopted balance sheet for the financial period that ended on 31 December 2018 for shares other than those held by the Company. The dividend will be paid to a shareholder who on the record date of dividend payment 8 April 2019 is registered in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend will be paid on 15 April 2019.

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 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 General Meeting that the number of members of the Board of Directors be confirmed to be seven (7).

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

Company's shareholders who 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 annual remunerations to be paid to the members of the Board of Directors would be as follows: EUR 64,000 per year for the chairman and EUR 32,000 per year for each member. Out of the annual remuneration to be paid to the Board members, 40 per cent of the total gross remuneration amount will be used to purchase Teleste Corporation's shares for the Board members through trading on regulated market organized by Nasdaq Helsinki Ltd, and the rest will be paid in cash. In addition, regarding possible committees of the Board of Directors, the

following meeting fees are to be paid: chairman EUR 600 and each member EUR 400 per meeting of the committee.

#### 12 § Election of members of the Board of Directors

Company's shareholders who 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 General Meeting that the current Board members Mr. Pertti Ervi, Ms. Jannica Fagerholm, Mr. Timo Luukkainen, Mr. Kai Telanne and Mr. Heikki Mäkijärvi would be re-elected as Board members and that Mr. Vesa Korpimies and Mr. Jussi Himanen would be elected as new members of the Board. Nominees have given their consent to the election.

Detailed information about the Board member nominees is presented on the Company's website at [www.teleste.com/AGM](http://www.teleste.com/AGM).

#### 13 § Resolution on the number of auditors

The Board of Directors proposes, in accordance with the Audit Committee's proposal, that the number of auditors shall be one (1).

#### 14 § Resolution on the remuneration of the auditor

The Board of Directors proposes, in accordance with the Audit Committee's proposal, that the auditor's compensation is paid against an invoice approved by the Company.

#### 15 § Election of the auditor

The Board of Directors proposes, in accordance with the Audit Committee's proposal, the re-election of KPMG Oy Ab, Authorized Public Accountant firm, 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 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 are in favour of electing KPMG Oy Ab as the Company's auditor. KPMG Oy Ab has notified of the appointment of Mr. Petri Kettunen, APA, as principally responsible auditor of the Company.

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

The Board of Directors proposes that the General Meeting would resolve on authorizing the Board of Directors to decide on repurchasing a maximum of 1,200,000 own shares of the Company.

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 trading on regulated market organized by Nasdaq 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 Helsinki Ltd and Euroclear Finland Ltd.

The shares shall be repurchased for use as consideration in possible 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 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 for eighteen (18) months from the resolution of the General Meeting. The repurchase authorization revokes previously granted repurchase authorizations.

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

The Board of Directors proposes to the General Meeting that the Board of Directors would be granted authorization 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 referred to in Chapter 10, Section 1 of the Finnish Companies Act on the following terms and conditions:

#### Right to shares

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 possible 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.

#### 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.

#### Maximum number of shares

Based on the authorization, the Board of Directors is entitled to decide on the issuance of new shares and/or conveyance of the Company's own shares held by the Company so that a maximum of 2,000,000 shares may be issued and/or conveyed in total.

#### 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 1,000,000 shares in total which number is included in the maximum number stated in the section 'Maximum number of shares'.

### 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.

### Other terms and validity

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

The authorizations shall be valid for eighteen (18) months from the resolution of the Annual General Meeting. The authorizations revoke previously granted authorizations to decide on the issuance of shares and special rights entitling to shares.

### 18 § Closing of the meeting

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

The proposals on the agenda of the General Meeting referred to above as well as this notice of meeting are available on Teleste Corporation's website at [www.teleste.com/AGM](http://www.teleste.com/AGM) and at the Company's headquarters at the address Telestenkatu 1, 20660 Littoinen, Finland. Teleste Corporation's financial statements, consolidated financial statements, the report of the Board of Directors and the auditor's report are available on the aforementioned website on 14 March 2019 at the latest. The proposals as well as the other abovementioned documents are also available at the General Meeting. The minutes of the General Meeting will be available on the website as from 18 April 2019 at the latest.

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

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

Each shareholder, who is registered on Monday, 25 March 2019, in the shareholders' register of the Company maintained by Euroclear Finland Ltd, has the right to participate in the 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 General Meeting, shall register for the meeting no later than Thursday, 28 March 2019, at 4 p.m. by giving a prior notice of participation to the Company. Such notice can be given

- a) through Company's website at [www.teleste.com/AGM](http://www.teleste.com/AGM);
- b) by email [investor.relations@teleste.com](mailto:investor.relations@teleste.com);
- c) by telephone +358 (0)2 2605 611, from Monday to Friday between 9 a.m. and 4 p.m.;
- d) by regular mail to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland.

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

### **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 on the record date of the Annual General Meeting, *i.e.* on 25 March 2019, would be entitled to be registered in the shareholders' register of the Company held by Euroclear Finland Ltd. The right to participate in the General Meeting requires, in addition, that the shareholder on the basis of such shares has been temporarily registered into the shareholders' register held by Euroclear Finland Ltd. at the latest by 1 April 2019, by 10 a.m. As regards nominee registered shares this constitutes due registration for the General Meeting.

A holder of nominee registered shares is advised without delay to request necessary instructions regarding the temporary registration in the shareholders' register of the Company, the issuing of proxy documents and the registration for the General Meeting from his/her custodian bank. The account manager of the custodian bank has to 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 by the time stated above.

Further information on these matters can also be found on the Company's website [www.teleste.com/AGM](http://www.teleste.com/AGM).

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

A shareholder may participate in the 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 reliable manner demonstrate his/her right to represent the shareholder. Should a shareholder participate in the meeting by means of several proxy representatives representing the shareholder with shares in different book-entry accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration.

Possible proxy documents should be delivered in originals to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland by Thursday, 28 March 2019, at 4 p.m. at the latest.

### **4. Other information**

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.

On the date of this notice of meeting, the total number of shares and votes in Teleste Corporation is 18,985,588.

In Turku, 8 March 2019

TELESTE CORPORATION  
The Board of Directors

ADDITIONAL INFORMATION:

CEO Jukka Rinnevaara, phone +358 2 2605 611

DISTRIBUTION:

Nasdaq Helsinki

Main Media

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