

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 Wednesday, 22 April 2020, at 4:00 p.m., at the Company's headquarter at the address of Telestenkatu 1, 20660 Littoinen, 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 2019 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 instead of a direct resolution on dividend payment, the General Meeting authorize the Board of Directors to resolve in its discretion on the distribution of a maximum of EUR 0.10 per share as dividend from the retained earnings and/or as repayment of capital from the fund for invested unrestricted equity in one or more instalments. The authorization would be valid until the opening of the next Annual General Meeting. The Company will announce each possible Board resolution on distribution of funds separately and confirm the relevant record and payment dates in such announcements.

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 the Company's governing bodies

Presentation of and the General Meeting's advisory decision on the remuneration policy for the Company's governing bodies.

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

The Company's largest shareholder, Tianta Oy, who represents more than 20 per cent of all the Company's shares and voting rights, has notified the Board of Directors of the Company that it will propose to the General Meeting that the number of members of the Board of Directors be confirmed to be six (6).

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

The Company's largest shareholder, Tianta Oy, who represents more than 20 per cent of all the Company's shares and voting rights, has notified the Board of Directors of the Company that it 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 66,000 per year for the chairman and EUR 33,000 per year for each member. The annual remuneration of the Board member who acts as the chairman of the Audit Committee would be EUR 49,000 per year. 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, EUR 400 per meeting would be paid to the members of the Board of Directors' Audit Committee as meeting fee. However, a separate meeting fee would not be paid to the chairman of the Audit Committee.

13 § Election of members of the Board of Directors

Out of the current members of the Board of Directors, Ms. Jannica Fagerholm and Mr. Pertti Ervi are not available for re-election.

The Company's largest shareholder, Tianta Oy, who represents more than 20 per cent of all the Company's shares and voting rights, has notified the Board of Directors of the Company that it will propose to the General Meeting that the current Board members Mr. Jussi Himanen, Mr. Vesa Korpimies, Mr. Timo Luukkainen, Mr. Heikki Mäkijärvi and Mr. Kai Telanne would be re-elected as Board members and that Ms. Mirel Leino would be elected as a new member 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.

14 § 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).

15 § 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.

16 § 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 20 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.

17 § 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.

18 § 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.

19 § Establishment of a Shareholders' Nomination Board and adoption of its charter

The Board of Directors proposes that the General Meeting would resolve to establish a Shareholders' Nomination Board that prepares matters concerning the appointment and remuneration of the Board of Directors. In addition, the Board of Directors proposes that the General Meeting adopts the charter of the Nomination Board in accordance with the attachment of this notice.

20 § Closing of the meeting

B. Documents of the Annual General Meeting

This notice, which includes the proposals on the agenda of the General Meeting in their entirety, as well as the remuneration policy for the Company's governing bodies and the charter of the Shareholders' Nomination Board are available on Teleste Corporation's website at www.teleste.com/AGM and at the Company's headquarters at the address Telestenkatu 1, 20660 Littoinen, Finland. The remuneration policy for the Company's governing bodies and the charter of the Shareholders' Nomination Board are also attached to this notice. 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 1 April 2020 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 6 May 2020 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 Wednesday, 8 April 2020, 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 Wednesday, 15 April 2020, 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;
- b) by email 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.

A shareholder, his/her representative or proxy representative shall, on demand, be able to prove their identity and/or right to representation at the venue

2. Advance voting

A shareholder, who has a Finnish book-entry account, may vote in advance on certain items on the agenda of the Annual General Meeting through the company's website during the time period 1 April 2020 to 17 April 2020 at 10:00 a.m. (Finnish time).

A shareholder that has voted in advance is not able to use his/her right according to the Finnish Companies Act to request information or voting. If decision proposals have changed after the beginning of the advance voting period, a shareholder voting in advance may have restricted possibilities to vote on such changed items, unless he/she will be present in the Annual General Meeting in person or by way of proxy representation.

The conditions and other instructions relating to the electronic advance voting may be found on the Company's website at www.teleste.com/AGM. The Finnish book-entry account number of the shareholder is required for voting in advance."

3. 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 8 April 2020, 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 17 April 2020 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.

4. 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 Wednesday, 15 April 2020, at 4 p.m. at the latest.

5. 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.

Changes in shareholdings that take place after the record date of the General Meeting do not affect the right to participate in the General Meeting or the shareholder's share of votes.

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

In Turku, 20 March 2020

TELESTE CORPORATION
The Board of Directors

Attachment 1: The Remuneration Policy for the Company's Governing Bodies

Attachment 2: The Charter of the Shareholders' Nomination Board

For information regarding the possible effects of the corona virus COVID-19 on the General Meeting arrangements, see www.teleste.com/AGM

ADDITIONAL INFORMATION:
CEO Jukka Rinnevaara, phone +358 2 2605 611

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