

**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 Annual General Meeting to be held on 4 April 2019 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:

**1. 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.

**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**

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.

**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

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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'.

#### **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 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.

In Turku, 8 March 2019

Teleste Corporation  
The Board of Directors