

Notice to the Annual General Meeting 2020 of Lehto Group Plc

The shareholders of Lehto Group Plc are hereby invited to the Annual General Meeting held on Tuesday 14th of April 2020 at 1 p.m. in Oulu, in the Technopolis Smarthouse auditorium (Elektroniikkatie 8, Oulu). Doors open at noon for the reception and distribution of the voting tickets.

A. Agenda of the Annual General Meeting:

1. Opening of the meeting
2. Calling the meeting to order
3. Election of the persons to scrutinise 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 of 2019, including the consolidated financial statements, the report by the Board of Directors, and the auditor's report.

Review by the Managing Director

7. Adoption of the annual accounts
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 on the basis of the balance sheet confirmed for the financial year 1 January - 31 December 2019 no dividend shall be paid.

9. Resolution on discharge members of the board and the Managing Director from liability
10. The handling of the Remuneration Policy for governing bodies

The Board of Directors proposes to the General Meeting that Remuneration Policy for the governing bodies shall be confirmed.

The Remuneration Policy for the governing bodies is available on the Company's website www.lehto.fi no later than on 24 March 2020.

11. Board of Directors

The Shareholders' Nomination Committee has announced, pursuant to its Rules of Procedure, the propositions for the remuneration of the members of the Board of Directors, for the number of the members of the Board of Directors, and for the members of the Board of Directors:

A) Remuneration of the members of the Board of Directors

The remuneration of the members of the Board of Directors is proposed to be given in a combination of Lehto Group Plc shares and cash. The yearly remuneration that would be paid in such a way would remain the same as last year:

- Chairman of the Board of Directors EUR 69,000
- Deputy Chairman and members of the Board of Directors EUR 34,500

The remuneration of the members of the Board of Directors shall be made in Lehto Group Plc shares and in cash, with approximately 40 per cent of the remuneration paid in shares and the remainder in cash. The Members of the Board of Directors shall be given either shares that are in the Company's possession or alternatively shares shall be acquired from the regulated market (Nasdaq Helsinki Ltd) at a price determined by public trading, in the name and on behalf of the Member of the Board of Directors. The shares shall be acquired as soon as possible from the Annual General Meeting accepting the proposal.

The amount of the shares to be transferred from the Company's possession would be calculated by dividing the remuneration determined based on the medium rate of a share during the ten following banking days from the Annual General Meeting accepting the proposal and rounding the amount down to the next whole number.

The Members of the Board shall not dispose such shares during his/her membership or before six months has passed from the expiry of the said membership.

Shall the member of the Board of Directors notify the CFO of the Company within three banking days from the Annual General Meeting, in writing, that he/she shall abstain from accepting the Lehto Group Plc shares, the remuneration shall be paid entirely in cash. The yearly remuneration that would be paid in such case would remain the same as last year:

- Chairman of the Board of Directors EUR 55,200
- Deputy Chairman and members of the Board of Directors EUR 27,600

The attendance fee for the members of the Board of Directors for each Board meeting attended by the member, with the exception of meetings held via telephone or email, would remain the same as last year:

- Chairman of the Board of Directors EUR 1,500

- Deputy Chairman and members of the Board of Directors EUR 750

The attendance fee for the members of the committees of the Board of Directors for each committee meeting attended by the member, with the exception of meetings held via telephone or email, would remain the same as last year:

- Chairman of the committee EUR 600
- Members of the committee EUR 400

Reasonable travel expenses caused by Board meetings or committee meetings is proposed to be paid in accordance with the instructions of the tax authority. The per diem allowances are included in the attendance fee.

B) Deciding the number of members of the Board of Directors

The number of Board members is proposed to be set five (5).

C) Electing the Board of Directors

The Shareholders' Nomination Committee proposes that, at their consent, the following persons should be re-elected as members: Mikko Räsänen, Anne Korkiakoski and Seppo Laine. Martti Karppinen and Pertti Korhonen have announced that they will not be available for re-election due to time constraints.

At their consent, as the new members of the Board of Directors the Shareholders' Nomination Committee proposes Helena Säteri and Raimo Lehtiö.

Helena Säteri

Helena Säteri has graduated from the Helsinki University of Technology from the department of Machine engineering as a Master of Science in Technology and has worked within construction for 40 years, been engaged with board working for more than 15 years and acted in the state's corporate governance for more than 10 years. Prior to her retirement on 31 January 2020 she held the position of a Director General of the Ministry of the Environment.

Raimo Lehtiö

Raimo Lehtiö is a Master of Science in Technology (Industrial Engineering and Management) and an MBA, graduated from the Helsinki University of Technology. During his career Mr. Lehtiö has acted in directorial positions in groups such as ABB and Scania and his latest position has been a Managing Director of Scania South Africa (Pty) Ltd.

12. Auditor

A) The auditor's fee

The Board of Directors proposes that the auditor's fee be paid on the basis of an invoice approved by the company. In 2019, the auditor was paid approximately EUR 244,000 for services rendered. In addition to this, the audit firm was paid EUR 164,000 for services other than auditing services.

B) Election of an auditor

The Board of Directors proposes that audit firm KPMG Oy Ab be re-elected as the auditor and that the Annual General Meeting ask the auditor for a statement regarding the confirmation of the annual financial statement, granting discharge and the Board's proposal for asset sharing. KPMG Oy Ab has informed the company that C.A. Pekka Alatalo would act as the chief auditor. The proposed auditor has consented to the election.

13. Authorising the Board of Directors to decide on the purchase of the company's own shares

The Board of Directors proposes that the Annual General Meeting authorise the Board to decide on the purchase of the company's own shares as one or several instalments using assets belonging to the shareholders' surplus, such that the maximum quantity purchased be 5,320,000 shares. On the date of the notice of meeting, the proposed quantity, together with the proposition number 14, equals approximately ten (10) per cent of the company's entire shares. The shares shall be purchased through public trading organised by Nasdaq Helsinki Ltd in accordance with its rules or using another method. The consideration paid for the purchased shares should be based on the market price.

The authorisation also entitles the Board of Directors to decide on the purchase of shares other than in proportion to the shares owned by the shareholders (directed purchase). Then, there should be sound financial reasons for the company to purchase its own shares. Shares can be purchased to implement arrangements linked to the company's business operations, or otherwise to transfer or invalidate. The purchased shares can also be stored by the company.

The Board of Directors is authorised to make decisions on all other conditions and circumstances pertaining to the purchase of own shares. The purchase of own shares reduces the shareholders' surplus.

The authorisation is proposed to remain valid until the end of the following annual general meeting but in any case, not longer than 30th June 2021.

14. Authorising the Board of Directors to decide on the purchase of the company's own shares to execute the company's share-based incentive systems

The Board of Directors proposes that the Annual General Meeting authorise the Board to decide on the purchase of the company's own shares as one or several instalments using assets belonging to the shareholders' surplus, such that the maximum quantity purchased be 480,000 shares. The shares shall be purchased through public trading organised by Nasdaq Helsinki Ltd in accordance with its rules or using another method. The consideration paid for the purchased shares should be based on the market price.

The authorisation also entitles the Board of Directors to decide on the purchase of shares other than in proportion to the shares owned by the shareholders (directed purchase). Then, there should be sound financial reasons for the company to purchase its own shares. Shares can be purchased to execute the company's share-based incentive systems.

The Board of Directors is authorised to make decisions on all other conditions and circumstances pertaining to the purchase of own shares. The purchase of own shares reduces the shareholders' surplus.

The authorisation is proposed to remain valid until 30th June 2023.

15. Authorising the Board of Directors to decide on a share issue, on the issuance of options and other special rights entitling to shares, as well as the transfer of own shares

The Board of Directors proposes that the AGM authorise the Board of Directors to decide on the issue of a maximum of 5,320,000 shares through a share issue or by granting rights of option or other special rights entitling to shares as one or several instalments. The authorisation includes the right to issue either new shares or own shares held by the company either against payment or without consideration. In contrast to the company's shareholders' privilege, new shares can be directly issued and own shares held by the company directly transferred if there is a weighty financial reason for it from the company's point of view or, in case of an issue without consideration, a particularly weighty financial reason from the company's point of view and the benefit of all its shareholders. The Board of Directors is authorised to decide on all other conditions and circumstances pertaining to a share issue, to the granting of special rights entitling to shares, and to the transfer of shares.

Among other things, the authorisation can be used to develop the capital structure, to expand the ownership base, to use as consideration in transactions, or when the company purchases assets linked to its operations.

The authorisation is proposed to be valid until the end of the following annual general meeting but in any case, no later than 30th June 2021. The authorisation shall replace the company's previous share issue and option authorisations.

16. Authorising the Board of Directors to decide on a share issue, on the issuance of options and other special rights entitling to shares, as well as the transfer of own shares to execute the company's share-based incentive systems

The Board of Directors proposes that the AGM authorise the Board of Directors to decide on the issue of a maximum of 480,000 shares through a share issue or by granting rights of option or other special rights entitling to shares as one or several instalments. The authorisation includes the right to issue either new shares or own shares held by the company either against payment or without consideration. In contrast to the company's shareholders' privilege, new shares can be directly issued and own shares held by the company directly transferred if there is a weighty financial reason for it from the company's point of view or, in case of an issue without consideration, a particularly weighty financial reason from the company's point of view and the benefit of all its shareholders. The Board of Directors is authorised to decide on all other conditions and circumstances pertaining to a share issue, to the granting of special rights entitling to shares, and to the transfer of shares.

The authorisation can be used to implement incentive systems.

The authorisation is proposed to be valid until 30th June 2023.

17. Closing of the meeting

B. Documents of the Annual General Meeting

The above decision proposals on the AGM agenda and this notice of meeting will be available on the Lehto Group Plc website at www.lehto.fi/en/agm2020. Lehto Group Plc shall publish the annual report, financial statements, report by the Board of Directors and auditors' report as well as the remuneration policy at www.lehto.fi/en no later than 24 March 2020. The decision proposals and other documents mentioned above are also 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 shall be available on the aforementioned website on 28 April 2020 at the latest.

C. Instructions for the participants in the Annual General Meeting

1. Shareholders registered in the shareholders' register

A shareholder who is registered in the shareholders' register of Lehto Group Plc held by Euroclear Finland Oy on 31 March 2020 has the right to take part in the Annual General Meeting. A shareholder whose shares have been entered on a personal Finnish book-entry account is registered in the shareholders' register.

A shareholder registered in the shareholders' register who wants to participate in the Annual General Meeting should register for the meeting no later than Tuesday 7 April 2020 by 4 p.m., which is the notification deadline. Registration begins on 20 February 2020 at 9 a.m. You can register in the following ways:

- a) Via the Lehto Group Plc website at: www.lehto.fi/en/agm2020
- b) Via telephone: +358 207 600 900 (Mon-Fri 8 am – 3:30 pm)
- c) Via regular mail: Lehto Group Oyj / Yhtiökokous, Voimatie 6 B, 90440 Kempele, Finland

When registering, you should tell your name, identity number or Business ID, address, telephone number and the name of a potential assistant or proxy representative and the personal identification number of the proxy representative. The same information is requested when registering through the online service. The personal data given to Lehto Group Oyj is used only in connection with the general meeting and with the processing of the related registrations.

If a shareholder authorises an proxy representative to represent the shareholder at the AGM, we would ask you to send the power of attorney to Lehto Group Oyj / Yhtiökokous, Voimatie 6 B, 90440 Kempele, Finland. If necessary, you can use the power of attorney template on our website: www.lehto.fi/en/agm2020. Upon request, the shareholder or the representative or proxy representative of the shareholder must be able to prove their identity and/or right to represent at the meeting place.

2. Holders of nominee registered shares

Nominee shareholders have the right to participate in the Annual General Meeting if:

- a) based on shares, the shareholder would have the right to be registered in the company's shareholders' register on the record date 31 March 2020; and
- b) the shareholder has been temporarily registered in the shareholders' register held by Euroclear Finland Oy by Tuesday 7 April 2020 at 10 am (Finnish time).

For the shares registered in the nominee register, this constitutes due registration for the Annual General Meeting. A holder of nominee registered shares are advised to contact their asset manager well in advance regarding the registration in the temporary shareholders' register, the delivery of powers of attorney, and registration for the Annual General Meeting. The asset manager's account operator must register the 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 deadline above.

3. Proxy representative and powers of attorney

A shareholder has the right to attend the Annual General Meeting and use their rights there in person or through a proxy representative. The shareholder's proxy representative must be able to present an original dated proxy document or otherwise in a reliable manner prove that they are authorised to represent the shareholder in the Annual General Meeting. If the shareholder participates in the meeting through several proxy representatives representing shares in different securities accounts of the shareholder, the shareholder must, during registration, declare the shares on the basis of which each proxy representative is representing the shareholder.

Possible proxy documents should be delivered to the address Lehto Group Oyj / Yhtiökokous, Voimatie 6 B, 90440 Kempele, Finland before the last date for registration.

4. Other instructions/information

Pursuant to chapter 5, section 25 of the Companies Act, a shareholder present at the Annual General Meeting has the right to request information regarding the topics discussed in the meeting.

On the date of the notice of meeting, 20 February 2020, Lehto Group Plc has a total of 58,309,443 shares, representing the same number of votes.

The Annual General Meeting will be held in Finnish. Lehto Group Plc would like to invite all participants to enjoy the coffee service after the meeting. Free parking is available at the meeting location.

In Vantaa, 19 February 2020

LEHTO GROUP PLC

BOARD OF DIRECTORS

Additional information:

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