

ANNUAL GENERAL MEETING 14 APRIL 2020

BOARD OF DIRECTOR'S PROPOSALS TO THE ANNUAL GENERAL MEETING

RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE
PAYMENT OF DIVIDEND

The Board of Directors proposes that on the basis of the balance sheet confirmed for the financial year 1 January - 31 December 2019 no dividend shall be paid.

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THE HANDLING OF THE REMUNERATION POLICY FOR THE GOVERNING BODIES

The Board of Directors proposes that Remuneration Policy of the governing bodies shall be confirmed as proposed.

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

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BOARD OF DIRECTOR'S PROPOSALS TO THE ANNUAL GENERAL MEETING

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.

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BOARD OF DIRECTOR'S PROPOSALS TO THE ANNUAL GENERAL MEETING

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.

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BOARD OF DIRECTOR'S PROPOSALS TO THE ANNUAL GENERAL MEETING

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.

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BOARD OF DIRECTOR'S PROPOSALS TO THE ANNUAL GENERAL MEETING

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 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.

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BOARD OF DIRECTOR'S PROPOSALS TO THE ANNUAL GENERAL MEETING

AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON A SHARE ISSUE, IN 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.

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AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON A SHARE ISSUE, IN THE ISSUANCE OF OPTIONS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES AS WELL AS THE TRANSFER OF OWN SHARES TO EXECUTE 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 company's share-based incentive systems.

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