



Notice of Honkarakenne Oyj's ANNUAL GENERAL MEETING

Notice is given to the shareholders of Honkarakenne Oyj of the Annual General Meeting to be held on **Friday 12 April 2019 at 2:00 p.m.** at Honkarakenne Tuusula office, address **Lahdentie 870, Tuusula, Finland.** The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 1:30 p.m.

MATTERS ON THE AGENDA OF THE GENERAL MEETING

The following matters will be considered at the general meeting:

1. Opening of the meeting
2. Calling the meeting to order
3. Electing 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 adopting the list of votes
6. Presenting the 2018 annual accounts, the report of the board of directors and the auditor's report
 - Presenting the CEO's review
7. Adopting the annual accounts
8. Resolution on the use of the profit/loss shown on the balance sheet and payment of dividend.

The Board of directors proposes to the general meeting that no dividends be paid for the financial year ending on 31 December 2018, and that the remaining profit be transferred into the unrestricted equity.

9. Resolution on the discharge of the members of the board of directors and CEO from liability
10. Resolution on the remuneration of the members of the board of directors

The board of directors proposes to the general meeting that the remuneration of the members of the board of directors be set at 1,500 euros per month and the remuneration of the chairman of the board at 2,500 euros per month. Should the board of directors appoint committees from among its number, it is proposed that, in addition to the aforementioned monthly remuneration, any committee members be paid 500 euros for each committee meeting. It is further proposed that the

members' travel and accommodation costs be reimbursed against an invoice.

11. Resolution on the number of members of the board of directors

A shareholder who controls more than 38% of the votes generated by the company's shares has indicated that it intend to propose to the general meeting that five members be elected to the board of directors.

12. Election of members of the board of directors

A shareholder who controls more than 38% of the votes generated by the company's shares has indicated that it intend to propose to the general meeting that the current members of the board of directors be re-elected to continue in office for the period ending at the closure of the next annual general meeting: Timo Kohtamäki, Arimo Ristola, Helena Ruponen, Kari Saarelainen and Kyösti Saarimäki.

13. Resolution on the remuneration of the auditor

The board of directors proposes to the general meeting that the auditor be remunerated in accordance with a reasonable invoice presented.

14. Election of auditor

The board of directors proposes that Ernst & Young Oy, member of the Finnish Institute of Authorised Public Accountants, be re-appointed as auditor of the company, with Elina Laitinen, APA, as chief auditor.

15. Authorising the board of directors to decide on the repurchase of the company's own shares

The board of directors proposes that the general meeting authorise the board of directors to decide on the purchase of no more than 400,000 of the company's own B shares using funds from the company's unrestricted shareholders' equity. The board of directors shall decide on the procedure of the share purchase. The company's own shares may be acquired in a proportion disapplying the preemptive rights of the existing shareholders. The authorisation also covers the acquisition of shares in public trading in NASDAQ OMX Helsinki Oy in accordance with the rules and regulations of NASDAQ OMX Helsinki and Euroclear Finland Oy or by means of a repurchase offer made to the

shareholders. Shares may be acquired for the purpose of developing the capital structure of the company, for the financing or implementation of acquisitions or other similar arrangements, for the implementation of the company's share-based incentive schemes or for other transfers or cancellation. The share acquisition shall be based on the share's market price in public trading, with the minimum price of the share concerned corresponding to the lowest market price quoted for the share in public trading and the maximum price correspondingly being the highest market price quoted in public trading, while the authorisation remains valid. The authorisation also covers the option of accepting as pledge the company's own B shares. The board of directors shall decide on all other issues pertaining to the acquisition of its own shares. The authorisation remains in force until the next Annual General Meeting, however expiring at the latest on June 30, 2020.

16. Authorising the board of directors to decide on the issue of shares as well as the issue of options and other special rights entitling to shares

The board of directors proposes that the general meeting authorise the board of directors to decide on rights issue or bonus issue and on the granting of special rights entitling to shares or combination of all or some of aforementioned in one or more instalments on the following terms and conditions in Chapter 10, section 1 of the Companies Act:

- Under the authorisation, the board of directors may issue new shares and/or transfer a maximum of 1,500,000 old B shares held by the company inclusive of any shares that may be issued under special rights.
- The issue may also be made to the company itself, within the legal framework.
- The authorisation entitles the company to depart, within legal provisions, from the shareholders' pre-emptive right to subscribe for new shares (directed issue).
- The authorization may be used to conduct acquisitions or other arrangements within the scope of the company's business or to finance investment, improve the company's capital structure, assist in implementing the company's incentive scheme or for other purposes designated by the Board of Directors.

- The authorization includes the right to decide on the manner in which the subscription price is recognised in the company's balance sheet. Apart from cash, other property (property given as subscription in kind) may be used to pay the subscription price, either in full or in part. Furthermore, claims held by the subscriber from the company may be used to set off the subscription price.
- The authorisation remains in force until the next Annual General Meeting, however expiring at the latest on June 30, 2020.

17. Amendment of the Articles of Association

The board of directors proposes to the general meeting that 5 § of the Articles of Association would be amended to read as follows:

5 § If other yields than those based on inheritance, advancement, testament or marital right from Class A shares transfer to any other recipient(s) than to the Class A shareholder, the transfer must be reported in writing to the Board of Directors. In this case, the company and secondarily the Class A shareholders shall have the right to redeem shares in accordance with the following conditions:

1. Primary right of redemption is held by the company. Class A shareholders have the right of redemption only in the event that the company does not wish to use its own right of redemption. If more Class A shareholders wish to use their right of redemption, the Board of Directors shall distribute the shares amongst those wishing redemption relative to the shares they own. If shares are not thereby evenly distributed, the remaining shares shall be distributed amongst those wishing redemption by drawing lots.
2. The redemption value is the book value of the share. If the company uses its right of redemption, the company's most recently ratified distributable assets as indicated by the financial statements can be applied for redemption.
3. If the company does not use its right of redemption, the Board of Directors should issue this information regarding share transfer to the Class A shareholders within one month of the transfer notice. Information should be provided in writing or by e-mail to the address(es) reported to the company. The details should include the redemption value and final date by which the redemption request must be made.
4. The redemption request must be presented to the company or, if the company uses its own right of redemption, within two months from the date that share transfer has been reported to the Board of Directors.

The company's Class B shares are not subject to right of redemption but are freely transferable instead.

18. Closing the meeting

DOCUMENTS OF THE GENERAL MEETING

The above proposals by the board of directors relating to the agenda of the general meeting as well as this notice are available on Honkarakenne Oyj's website www.honka.com. Honkarakenne Oyj's accounts, the report of the board of directors and the auditor's report will be available on the aforementioned website latest in week 12. The proposals of the board of directors and the annual account documents will also be available at the general meeting. Copies of these documents and of this notice will be sent to the shareholders upon request. The minutes of the general meeting will be available on the company's website at the latest on 26 April 2019.

INSTRUCTIONS FOR PARTICIPANTS IN THE GENERAL MEETING

PARTICIPATION AND REGISTRATION

Each shareholder who is registered on 2 April 2019 in the shareholder register of the company maintained by Euroclear Finland Oy has the right to participate in the general meeting. A shareholder whose shares are registered in his/her personal Finnish book-entry account is automatically registered in the company's shareholder register.

A shareholder who wants to participate in the general meeting shall register for the meeting by giving prior notice to the company no later than 9 April 2019 at 10:00. Such notice can be given

- by e-mail to info@honka.com or
- by writing to Honkarakenne Oyj, PO Box 31, 04401 Järvenpää, Finland.

In connection with registration, a shareholder shall notify his/her name as well as the name of any assistant or proxy. The letter or message of registration shall arrive before the end of the registration period.

Pursuant to Chapter 5, section 25 of the Companies Act, a shareholder who is present at the general meeting has the right to request information concerning the matters on the agenda.

USE OF PROXY 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 shall present a dated power of attorney or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the general meeting. When a shareholder participates in the general meeting through several proxies, who represent the shareholder with shares in different book-entry accounts, the shares by which each proxy represents the shareholder shall be identified in connection with the registration for the general meeting.

Any powers of attorney shall be delivered in original to the address given above before the closing of registration.

HOLDERS OF NOMINEE REGISTERED SHARES

Holders of nominee registered shares are advised to request without delay from their asset managers the necessary instructions concerning registering in the company's shareholder register as well as the issue of powers of attorney and registering for the general meeting.

The asset manager's account management organisation shall request the holder of nominee registered shares, who wants to participate in the general meeting, to be entered in the temporary shareholders' register no later than at 10:00 a.m. on 9 April 2019, provided that the same shares entitled the shareholder to be registered in the company's register of shareholders on the date record of the general meeting, i.e. on 2 April 2019. A notice concerning the temporary entry of a nominee registered shareholder in the company's shareholder register is deemed to constitute registration of the shareholder in the annual general meeting. For further information, please visit the company's website at www.honka.com.

OTHER INFORMATION

On the date of this notice, the total number of shares in Honkarakenne Oyj is 5,911,323 B shares, which carry a total of 5,911,323 votes and 300,096 A shares, which carry a total of 6,001,920 votes, i.e. an aggregate of 6,211,419 shares and 11,913,243 votes.

Tuusula 21 March 2019

HONKARAKENNE OYJ

Board of directors

FURTHER INFORMATION:

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DISTRIBUTION

- NASDAQ OMX Helsinki
- Key media
- Financial Supervisory Authority
- www.honka.com

Under its Honka® brand, Honkarakenne manufactures high-quality, healthy and ecological detached houses, holiday homes and public buildings using Finnish solid wood. The company has delivered 85,000 buildings to more than 50 countries. House packages are made in Finland, the company's own factory is located in Karstula, Finland. In 2018, the Honkarakenne Group had net sales of MEUR 48.9, of which exports accounted for 37%. www.honka.com