



NOTICE OF HONKARAKENNE OYJ'S ANNUAL GENERAL MEETING

The shareholders of Honkarakenne Oyj are hereby given notice of the Annual General Meeting to be held on Friday, 29 May 2020 at 2.00 p.m., in Honkarakenne's Tuusula office at Lahdentie 870, Tuusula, Finland. Reception of those who have registered for the meeting and the distribution of voting papers will begin at 1:30 p.m.

Due to the corona virus pandemic, the meeting will only be held if it can be organised in compliance with the participation restrictions provided or determined by the authorities. Honkarakenne Oyj is taking the coronavirus epidemic very seriously. In order to protect the health of the company's shareholders and personnel, in the current, exceptional circumstances the company asks shareholders not to attend the meeting venue.

Instead, shareholders are asked to use the free-of-charge proxy service provided by the company, to follow the meeting via video broadcast, and to present any questions to the company's management in advance. More detailed instructions (which will be updated as necessary) on the special arrangements can be found at the end of this invitation and on the company's website www.honka.com.

The Annual General Meeting and the proposals presented therein shall be kept as brief as possible and only necessary matters included on the notice of the Annual General Meeting shall be considered.

No catering will be arranged at the Annual General Meeting.

MATTERS ON THE AGENDA OF THE ANNUAL GENERAL MEETING

The following matters will be considered at the Annual General Meeting:

1. Opening of the meeting
2. Calling the meeting to order
3. Election of persons to scrutinise the minutes and supervise the counting of votes
4. Recording the legality of the meeting
5. Recording attendance of the meeting and adopting the list of votes
6. Presentation of the financial statements, the report of the Board of Directors and the auditor's report for 2019
 - Presentation of the CEO's review
7. Adoption of the financial statements
8. Consideration of the result recorded in the balance sheet and decision on the payment of dividends and repayment of capital

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year ended 31 December 2019 and that retained earnings be held in unrestricted equity. In addition, the Board of Directors proposes that a repayment of capital of EUR 0.12 per share be distributed from the

invested unrestricted equity fund. The repayment of capital will be paid to shareholders who, on the record date of the repayment of capital, 2 June 2020, are registered in the company's shareholders' register maintained by Euroclear Finland Ltd. The payment date for the repayment of capital is 9 June 2020.

9. Discharge from liability of the members of the Board of Directors and the CEOs

10. Consideration of the remuneration policy

Consideration of the remuneration policy, approved by the Board, for the company's governing bodies
The remuneration policy is attached to this notice of Annual General Meeting.

11. Decision on remuneration of Board members

The Board proposes to the AGM that Board members be paid EUR 1,700 a month and the Chairman EUR 3,000 a month in remuneration. If the Board of Directors establishes committees from among its members, it is proposed that, in addition to the monthly remuneration, committee members be paid EUR 500 per committee meeting. It is further proposed that members' travel and accommodation expenses be reimbursed against a receipt.

12. Decision on the number of members of the Board of Directors

A shareholder who controls more than 38% of the voting rights conferred by the company's shares has submitted a proposal to the Annual General Meeting that five members be elected to the Board of Directors.

13. Election of members of the Board of Directors

A shareholder who controls more than 38% of the voting rights conferred by the company's shares has submitted a proposal to the Annual General Meeting that the current members of the Board of Directors be re-elected for the term ending at the conclusion of the next Annual General Meeting: Timo Kohtamäki, Arimo Ristola, Helena Ruponen, Kari Saarelainen and Kyösti Saarimäki.

14. Decision on auditor's fee

The Board of Directors proposes to the Annual General Meeting that the auditor be paid a fee in accordance with a reasonable invoice presented by the auditor.

15. Election of auditor

The Board of Directors proposes to the Annual General Meeting that the audit firm, Ernst & Young Oy, be re-elected as the company's auditor, with Elina Laitinen as the principal auditor.

16. Authorising the Board of Directors to decide on the repurchase of the company's own shares

The Board of Directors proposes to the Annual General Meeting that the Annual General Meeting authorise the Board of Directors to decide on the repurchase of a maximum of 400,000 own class B shares with funds from unrestricted equity. The Board of Directors shall decide on how the shares will be repurchased. The company's own shares may be repurchased other than in proportion to the shares held by shareholders. The authorisation also includes the repurchase of shares in public trading on NASDAQ OMX Helsinki Ltd in accordance with its rules and guidelines and those of Euroclear Finland Ltd, or through a purchase offer to shareholders. Shares may be repurchased to develop the company's capital structure, for financing or implementing acquisitions or other corporate arrangements, to implement the company's share-based incentive programmes, or to otherwise be conveyed or annulled. Acquisition of shares shall be based on the market price of the share in public trading, so that the minimum price of the shares to be acquired is the lowest market price quoted in public trading, while the maximum price, respectively, the highest market price quoted in public trading during the period of validity of the authorisation. The authorisation includes the right to accept the company's own class B as a pledge. The Board of Directors shall decide on all other matters related to the repurchase of the company's own shares. However, the authorisation shall be valid until the next Annual General Meeting, but expire on 30 June 2021 at the latest.

17. Authorising the Board of Directors to decide on a share issue and special rights entitling to shares

The Board of Directors proposes to the Annual General Meeting that the Annual General Meeting authorise the Board of Directors to decide on a share issue, either against payment or free of charge, and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, or a combination of all or

some of the above in one or more instalments, subject to the following conditions:

- Pursuant to the authorisation, the Board of Directors may issue new shares and/or dispose of a maximum of 1,500,000 of the old class B held by the company, including those shares that may be issued under special rights.
- The share issue may also be made to the company itself within the limits laid down by law.
- The authorisation entitles shareholders to deviate from the shareholders' pre-emptive right to subscribe for new shares (directed share issue) under the conditions laid down by law.
- The authorisation may be used to carry out acquisitions or other business arrangements within the company, in order to finance investments, improve the company's financial structure, as part of the implementation of the company's incentive scheme, or for other purposes determined by the Board of Directors.
- The authorisation includes the right to decide how the subscription price is recognised in the company's balance sheet. The subscription price may be paid not only in cash but also in whole or in part through other assets (contributions in kind) or by using receivables — payable to the subscriber by the company — to offset the subscription price. The Board of Directors has the right to decide on other matters relating to share issues and the issuance of special rights entitling to shares.

However, the authorisation shall be valid until the next Annual General Meeting, and expire on 30 June 2021 at the latest.

18. Closing of the meeting

ANNUAL GENERAL MEETING DOCUMENTS

The above-mentioned proposals of the Board of Directors on the agenda of the Annual General Meeting and this notice of meeting are available on Honkarakenne Oyj's website at www.honka.com. Honkarakenne Oyj's financial statements, the report of the Board of Directors and auditor's report are available on the company's website at www.honka.com. The remuneration policy is attached to this notice of Annual General Meeting. The Board of Directors' proposals, financial statements and remuneration policy presented to the Annual General Meeting will also be available at the Annual General Meeting, and copies of them and of this notice of meeting will be sent to shareholders upon request. The minutes of the

Annual General Meeting will be available on the company's website no later than 12 June 2020.

INSTRUCTIONS FOR THOSE ATTENDING THE AGM RIGHT TO PARTICIPATE AND REGISTRATION

A shareholder who, on 18 May 2020, is included on the company's shareholder register maintained by Euroclear Finland Ltd has the right to participate in the Annual General Meeting. A shareholder whose shares are registered in his/her personal Finnish book-entry account is automatically registered in the list of the company's shareholders.

A shareholder who wishes to attend the Annual General Meeting must notify the company of their intention to do so no later than 4 p.m. on 26 May 2020. Shareholders can register to attend the Annual General Meeting

- by email to info@honka.com or
- by post to Honkarakenne Oyj, PL 31, 04401 Järvenpää.

When registering, shareholders must provide their name, address, telephone number and the name of any assistant or proxy representative, and sufficient documentation for confirming the identity of the proxy representative. Personal data disclosed by shareholders to Honkarakenne Oyj will only be used in connection with the Annual General Meeting and processing of the related registrations. The registration letter or message must be received before the end of the registration period.

A shareholder present at the Annual General Meeting shall have the right to request information in accordance with Chapter 5, Section 25 of the Limited Liability Companies Act.

USE OF A PROXY AND AUTHORISATIONS

Shareholders may participate in the Annual General Meeting and exercise their rights therein through a proxy representative.

The proxy representative of a shareholder must present a dated letter of proxy or otherwise reliably demonstrate that he or she is entitled to represent the shareholder. If a shareholder participates in the General Meeting by means of several proxy representatives representing the shareholder on the basis of shares held in different book-entry accounts, the shares on the basis of which each proxy representative represents the shareholder must be disclosed when registering to attend the meeting.

In order to minimise the number of persons present at the meeting, shareholders are asked not to attend the meeting personally, but to exercise their rights by using the proxy service provided by the company to authorise proxy

representation. Shareholders may authorise Leena Aalto, Vice President, Finance - CFO of Honkarakenne Oyj, or a person appointed by her, to represent them at the Annual General Meeting (free of charge). The proxy form and voting instructions are available on the company's website www.honka.com. The proxy form must be delivered by 4 p.m. on 26 May 2020, by email to info@honka.com or by post to Honkarakenne Oyj, PL 31, 04401 Järvenpää.

FOLLOW THE AGM BY LIVE VIDEO STREAM

In order to minimise the number of persons present at the meeting, shareholders are asked not to attend the meeting personally, but may follow the AGM on a live video stream.

Shareholders recorded on the shareholders' register of Honkarakenne Oyj by the record date of 18 May 2020 will have the opportunity to follow the meeting via a Finnish-language video stream.

The video link can be ordered until 4 p.m. on 26 May 2020 by sending an email request to info@honka.com. The request must include the shareholder's name, personal identity code and contact details. The video link is considered personal.

Those following the AGM via a video link will not be counted as meeting participants, and it is not possible to ask questions or vote at the meeting by video.

SHAREHOLDER'S RIGHT TO REQUEST INFORMATION

A shareholder present at the Annual General Meeting shall have the right to request information in accordance with Chapter 5, Section 25 of the Limited Liability Companies Act.

The shareholder's right to request information will be fulfilled by allowing those who have registered for the meeting to submit questions to the Board of Directors and the CEO in advance. Questions will be answered at the meeting in so far as they concern matters to be considered at the AGM, and answering such questions does not pose a risk of causing material damage to the company.

Such questions must be accompanied by the shareholder's name, personal identity code and contact details. Questions must be delivered in writing by 4 p.m. on 26 May 2020 by email to info@honka.com, or by post to Honkarakenne Oyj, PL 31, 04401 Järvenpää.

NOMINEE SHAREHOLDERS

Nominee shareholders are advised to request the necessary instructions in good time from their custodian bank concerning registration in the shareholders' register, issuance of letters of proxy, and registration for the Annual General Meeting.

The account manager of the custodian bank must provide notification of any nominee shareholder who wishes to participate in the Annual General Meeting, for entry in the company's temporary shareholders' register, no later than 10.00 a.m. on 26 May 2020, provided that the shareholder was entitled by the same shares to be entered in the shareholders' register of the company on the AGM's record date of 18 May 2020. Temporary registration of a nominee shareholder in the company's shareholders' register shall be deemed registration for the Annual General Meeting. Further details are available on the company's website at www.honka.com.

OTHER INFORMATION

On the date of this notice of AGM, Honkarakenne Oyj has a total of 5,911,323 class B shares, representing 5,911,323 votes, and 300,096 series A shares, representing 6,001,920 votes, i.e. a total of 6,211,419 shares and 11,913,243 votes.

Tuusula, 7 May 2020

HONKARAKENNE OYJ

Board of Directors

FOR MORE INFORMATION

Marko Saarelainen, President and CEO,
tel. +358 40 542 0254, marko.saarelainen@honka.com, or

Leena Aalto, Vice President, Finance - CFO,
tel. +358 40 769 4590, leena.aalto@honka.com

DISTRIBUTION

- NASDAQ OMX Helsinki Oy
- Main media
- Financial supervision
- www.honka.com

Honkarakenne Oyj supplies high-quality, healthy and ecological log homes, holiday homes and public buildings. Its buildings are made from Finnish solid wood under the Honka® brand. The company has delivered 85,000 buildings to over 50 countries. We manufacture our home packages in Finland, our own factory is located in Karstula. In 2019, Honkarakenne Group's consolidated net sales totalled EUR 47.5 million, of which exports accounted for 34%. www.honka.com