

## Notice to the Annual General Meeting 2017 of Lehto Group Plc

The shareholders of Lehto Group Plc are hereby invited to the Annual General Meeting (AGM) held on Tuesday the 11th of April 2017 from 1 p.m. onward in Oulu, at the Technopolis Yrtipellontie 1 auditorium on Yrtipellontie 1, Oulu (main entrance A1, covered door). There is limited parking for cars in the car park adjacent to the auditorium (top level). Doors open at noon for the shareholders registered for the meeting.

### **Agenda:**

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 2016, 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 the dividend payable on the basis of the balance sheet confirmed for the financial year 1 January - 31 December 2016 be EUR 0.22 per share, a total of EUR 12,815,165.44. The dividend shall be paid to shareholders who on the record date for the dividend payment, 13 April 2017, are recorded in the shareholders' register held by Euroclear Finland Oy. The Board of Directors proposes that the dividend payment date be 24 April 2017.

9. Resolution on discharge members of the board and the Managing Director from liability
10. Board of Directors

The shareholders, who together represent 62,43% of company shares, have provided the company with the following proposals in advance:

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<b>Visiting address:</b> Lehto Group Plc name@lehto.fi Voimatie 6 B 90440 Kempele	<b>Electronic invoicing address:</b> EDI ID: 003722354432  Operator: Enfo Zender Oy Intermediator ID: 003714377140	<b>Invoicing address:</b> Lehto Group Plc  PL 172 70080 Enfo	<b>Phone:</b> +358 207 600 900  <b>Business ID:</b> 2235443-2	<b>E-mail:</b> firstname.lastname@lehto.fi  <b>Internet:</b> www.lehto.fi
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A) Remuneration of the members of the Board of Directors

The monthly remuneration of the members of the Board of Directors:

- Chairman of the Board of Directors EUR 3,400
- Deputy Chairman and members of the Board of Directors EUR 1,900

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:

- 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:

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

Reasonable travel expenses caused by Board meetings or committee meetings should be paid in accordance with the instructions of the tax authority.

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

The number of Board members should be five (5).

C) Electing the Chairman, Deputy Chairman and members of the Board of Directors

At their consent, the following persons should be re-elected as members: Pertti Huuskonen as the Chairman and Martti Karppinen, Mikko Räsänen, Päivi Timonen and Sakari Ahdekivi as the other members.

Taking into consideration the change to the Articles of Association proposed by the Board of Directors to the Annual General Meeting, the election of a Deputy Chairman is not proposed.

11. Auditor

A) 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 2016, the auditor was paid approximately EUR 142,000 for services rendered. In addition to this, the audit firm was paid approximately EUR 238,000 for expert services pertaining to listing and approximately EUR 61,000 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. Tapio Raappana would continue as the chief auditor. The proposed auditor has consented to the election.

12. 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 5,800,000 shares. On the date of the notice of meeting, the proposed quantity equals approximately ten (10) per cent of the company's entire shares. The shares shall be purchased through public trading organised by NASDAQ OMX Helsinki 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, to realise the company's share-based incentive systems or otherwise to transfer or invalidate. The shares purchase 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 next Annual General Meeting.

13. 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 5,800,000 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, when the company purchases assets linked to its operations, and to implement incentive systems.

The authorisation is proposed to be valid until 31 October 2019. The authorisation shall replace the company's previous share issue and option authorisations.

#### 14. Amending the Articles of Association

The Board of Directors proposes the following changes to the Articles of Association:

##### 5 SIGNING FOR THE COMPANY

Current: The company may be signed for by the Board of Directors as well as the Chairman of the Board and the Managing Director, each alone, and the members of the Board of Directors, two together. The Board of Directors may grant a named person the power of procuration or the right to represent the company. The holder of procuration and the authorised representative shall represent the company together with a holder of procuration, an authorised representative, a member of the Board of Directors or the Managing Director.

New: *In addition to the Board of Directors, the Chairman of the Board of Directors and the Managing Director, each alone, or a member of the Board together with another with the right to represent or the holder of procuration may sign for the company. The Board of Directors may grant a nominated person the power of procuration or right to sign for the company.*

##### 6 AUDITOR

Current: An audit firm certified by the Finland Chamber of Commerce shall be elected as the company's auditor. The auditor's term of office shall expire at the end of the next Annual General Meeting following its election.

New: *An audit firm whose chief auditor is a Chartered Accountant shall be elected as the company's auditor. The auditor's term of office shall expire at the end of the next Annual General Meeting following its election.*

## 9 ANNUAL GENERAL MEETING

### Current:

The Annual General Meeting shall be held annually, within six months from the termination of the financial year.

At the meeting, the following shall be

presented:

1. the financial statements including consolidated financial statements and a report by the Board of Directors;
2. the auditors' report;

decided:

3. the adoption of the financial statements;
4. the use of the profit shown on the balance sheet;
5. discharging Board members and the Managing Director from liability;
6. the fees of the Board members and auditors;
7. the number of members on the Board of Directors;

elected:

8. the Chairman, Deputy Chairman and members of the Board of Directors;
9. the auditor.

Should a vote be required in the Annual General Meeting, the method of voting shall be decided by the chairman of the Meeting.

### New:

*The Annual General Meeting shall be held annually within six months of the termination of the financial year.*

*At the meeting, the following shall be*

*presented:*

- 1. the financial statements including consolidated financial statements and a report by the Board of Directors;*
- 2. the auditors' report;*

*decided:*

- 3. the adoption of the financial statements;*
- 4. the use of the profit shown on the balance sheet;*
- 5. discharging Board members and the Managing Director from liability;*
- 6. the fees of the Board members and auditors;*

7. *the number of members on the Board of Directors;*

*elected:*

8. *Members of the Board of Directors;*

9. *the auditor.*

*Should a vote be required in the Annual General Meeting, the method of voting shall be decided by the chairman of the Meeting.*

#### 10 BOOK-ENTRY SYSTEM

Current: The company's shares shall be included in the book-entry system after the expiry of the registration period.

New: *The company's shares shall be included in the book-entry system.*

#### 15. Establishing a shareholders' nomination committee

The Board of Directors proposes that the AGM decide to establish a shareholders' nomination committee, which shall prepare annual proposals regarding the members of the Board of Directors and their fees for the next AGM deciding on the election of members.

As its members, the shareholders' nomination committee shall have the representatives nominated by the three biggest shareholders who have accepted the responsibility. The biggest shareholders shall be annually named on the last October date of public trading organised by NASDAQ OMX Helsinki on the basis of the company's shareholders' register, held by Euroclear Finland Ltd. Each of the three biggest shareholders shall be able to nominate one representative to the nomination committee. Should the shareholder opt out of the nomination right, the right shall be transferred to the next biggest shareholder in order who otherwise would not have the nomination right. The Board of Directors proposes that the Chairman of the Board be named as the acting expert member of the nomination committee. The Chairman of the Board of Directors shall convene the nomination committee, and the committee shall elect a chairman from within their own ranks. The company shall not pay a committee membership fee.

The agenda of the committee is proposed to be approved as presented for the Annual General Meeting.

#### 16. A shareholder's proposal on arranging a special review

Company shareholder Kari Toivanen has submitted the Board of Directors a request dated 28 September 2016 to process in the next AGM his proposal for arranging a special review of Lehto Group Plc.

Regarding the same case, Toivanen has initiated legal proceedings against Lehto Group Plc in the district court of Oulu, which the company has denied and the district court rejected (without the force of res judicata) as well as made a request for action to the Financial Supervisory Authority and the Finland Chamber of Commerce and a report to the police, without these proceedings resulting in action against the company.

In the clarifications made by the Board of Directors no issues claimed by Toivanen have been found and the Boars deems the claims unfounded.

#### 17. Closing of the meeting

#### 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/annualgeneralmeeting2017](http://www.lehto.fi/en/annualgeneralmeeting2017). Lehto Group Plc shall publish the annual report, financial statements, report by the Board of Directors and auditors' report at [www.lehto.fi/en/annualgeneralmeeting2017](http://www.lehto.fi/en/annualgeneralmeeting2017) no later than 20 March 2017. The decision proposals and other documents mentioned above are also available at the Annual General Meeting.

#### Instructions for the participants in the Annual General Meeting

##### A 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 30 March 2017 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 Thursday 6 April 2017 by 4 p.m., which is the notification deadline. Registration begins on 1 March 2017 at 9 a.m. You can register in the following ways:

- a) Via the Lehto Group Plc website at: [www.lehto.fi/en/annualgeneralmeeting2017](http://www.lehto.fi/en/annualgeneralmeeting2017)
- b) Via telephone: +358 207 600 900 (8 am - 4 pm)
- c) Via letter: 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. 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.

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/annualgeneralmeeting2017](http://www.lehto.fi/en/annualgeneralmeeting2017).

#### B 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 30 March 2017; and
- b) the shareholder has been temporarily registered in the shareholders' register held by Euroclear Finland Oy by Thursday 6 April 2017 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.

#### C 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 Lehto Group Oyj / Yhtiökokous, Voimatie 6 B, 90440 Kempele, Finland before the last date for registration.

#### **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, 1 March 2017, Lehto Group Plc has a total of 58,250,752 shares, representing the same number of votes.

Lehto Group Plc would like to invite all participants for coffee and cake after the meeting.



Kempele, 28 February 2017

LEHTO GROUP PLC

BOARD OF DIRECTORS

Additional information: CFO Veli-Pekka Paloranta, +358 400 944 074

Lehto is a Finnish construction sector group. We operate in four service areas: Housing, Business Premises, Social Care and Educational Premises and Building Renovation. We are an innovator in the construction sector and our economically driven construction model creates efficiency for the productivity, ensures the quality and creates significant customer benefits. The turnover for 2016 was 362 million euros and the company employs about 750 employees.

Documents available on our web site: [www.lehto.fi/en/annualgeneralmeeting2017](http://www.lehto.fi/en/annualgeneralmeeting2017)