

**NOTICE OF ANNUAL GENERAL MEETING**

Ponsse Plc's shareholders are hereby invited to attend the Annual General Meeting to be held on Wednesday 1 April 2020, at 11:00 a.m. EET in the auditorium of the company's customer service centre at Ponsentie 22, FI-74200 Vieremä, Finland. Reception of those registered for the meeting and the distribution of ballots will begin at 10:00 a.m. EET.

**MATTERS DISCUSSED AT THE ANNUAL GENERAL MEETING**

1. Opening the meeting
2. Electing the Chairman
3. Summoning the secretary
4. Selecting examiners of the minutes and scrutineers
5. Recording the legality and competence of the meeting
6. Recording the participants and confirming the list of votes
7. Approving the agenda
8. Presenting the 2019 financial statements, including the consolidated financial statements and the annual report

**THE PRESIDENT AND CEO'S REVIEW**

9. Presenting the auditor's report
10. Confirming the financial statements and the consolidated financial statements
11. Payment of dividend

Ponsse Plc's Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.85 per share be paid for 2019. The dividend shall be paid to all shareholders who are listed in the shareholder register maintained by Euroclear Finland Ltd as a company shareholder on the record date, 3 April 2020. The dividend shall be paid on 14 April 2020.

Shareholders who in total represent more than 50% of the votes of the company have notified that they will approve the proposal of the Board of Directors.

12. Deciding on the discharge from liability for the members of the Board of Directors and the President and CEO
13. The company's remuneration policy

The company's remuneration policy is presented in Appendix 1 of this notice.

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that the company's remuneration policy be approved.

14. Deciding on fees for Board members and the auditor

Shareholders who in total represent more than 50% of the votes of the company have notified that they will make a proposal for fees as follows: the chairman of the Board of Directors will receive EUR 48,000, the

deputy chairman of the Board of Directors will receive EUR 45,000 and ordinary members will receive EUR 38,000 a year.

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that the auditors be paid a fee in accordance with a reasonable invoice presented to the company.

#### 15. Deciding on the number of Board members

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that six (6) persons be confirmed as the number of members of the Board of Directors.

#### 16. Electing the members of the Board of Directors

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that Mammu Kaario, Matti Kylävainio, Juha Vanhainen, Janne Vidgrén, Juha Vidgrén and Jukka Vidgrén be re-elected as members of the Board of Directors and that Jarmo Vidgrén be elected as a new member.

44-year-old Jarmo Vidgrén (Commercial College Graduate in Marketing) has extensive experience of Ponsse's international business operations and management team work. He has served as the Ponsse Group's Sales and Marketing Director, Deputy to the CEO and Chairman of the Boards of Ponsse Group's subsidiaries since 2008. Jarmo Vidgrén joined Ponsse in 1997 and has been a member of Ponsse Plc's Management Team since 2001. Previously, Vidgrén has served as a Vice President responsible for the North-European business area and Sales Director, Finland as well as Warranty Handler and Area Sales Manager, used machines for Ponsse AB.

#### 17. Electing the auditor for 2020

The Board of Directors proposes that auditing firm KPMG Oy Ab be selected as the company's auditor for the 2020 financial period. KPMG Oy Ab has announced that Ari Eskelinen, authorised public accountant, would act as the principal auditor. The Board of Directors also proposes that the Annual General Meeting request the auditor to report on the confirmation of the financial statements, the discharge from liability and the Board of Directors' proposal for the distribution of profit in the auditor's report.

The Board of Directors' proposal is based on a bidding process concerning auditing services. As a result of the bidding process, the company received offers from three auditing firms. The Board of Directors evaluated the bidders using several selection criteria, including understanding of Ponsse and its industry, the high level of quality of auditing services, the ability to conduct audits using modern auditing methods and tools, and the competitiveness of fees. The selection criteria were indicated transparently to all bidders in the selection process. According to the Board of Directors' view, KPMG Oy Ab best meets the selection criteria defined in the invitation to tender.

The Board of Directors states that no third party has affected the proposal, and the Board of Directors has not been required to comply with any clause referred to in Article 6 of the Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities to restrict the selection of a statutory auditor or auditing firm.

Shareholders who in total represent more than 50% of the votes of the company have notified that they will approve the proposal of the Board of Directors.

#### 18. Proposal for authorising the Board of Directors to acquire treasury shares

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that the Annual General Meeting authorise the Board of Directors to decide on the acquisition of treasury shares so that shares can be acquired in one or several instalments to a maximum of 250,000 shares. The maximum amount corresponds to approximately 0.89% of the company's total shares and votes.

The shares will be acquired in public trading organised by Nasdaq Helsinki ("the Stock Exchange"). Furthermore, they will be acquired and paid for according to the rules of the Stock Exchange and Euroclear Finland Ltd.

The Board may, pursuant to the authorisation, only decide upon the acquisition of treasury shares using the company's unrestricted shareholders' equity.

The authorisation is required for supporting the company's growth strategy in the company's potential mergers and acquisitions or other arrangements. In addition, shares can be distributed to the company's current shareholders, used for increasing shareholders' ownership value by invalidating shares after their acquisition or used in personnel incentive systems. The authorisation includes the right of the Board to decide upon all other terms and conditions in the acquisition of treasury shares.

The authorisation is proposed to be valid until the next Annual General Meeting; however, no later than 30 June 2021. The previous authorisations are cancelled.

#### 19. Proposal for authorising the Board of Directors to decide on share issues by assigning the treasury shares

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that the Annual General Meeting authorise the Board of Directors to decide on the assignment of treasury shares held by the company in one or more tranches for payment or without payment so that a maximum of 250,000 shares will be issued on the basis of the authorisation. The maximum amount corresponds to approximately 0.89% of the company's total shares and votes.

The authorisation includes the right of the Board to decide upon all other terms and conditions of the share issue. Thus, the authorisation includes the right to organise a special issue in deviation of the shareholders' subscription rights under the conditions prescribed by law.

The authorisation is proposed for use in supporting the company's growth strategy in the company's potential corporate acquisitions or other arrangements. In addition, the shares can be issued to the company's current shareholders, sold through public trading or used in personnel incentive systems. A directed issue may only be free of charge if there is a particularly weighty economic reason for this considering the company, taking into account the interests of the company and all of its shareholders.

The authorisation is proposed to be valid until the next Annual General Meeting; however, no later than 30 June 2021. The previous authorisations are cancelled.

#### 20. Proposal for authorising the Board of Directors to decide on share issues

Shareholders who in total represent more than 50% of the votes of the company have notified that they will propose that the Annual General Meeting authorise the Board of Directors to decide on a directed share issue and to issue special rights entitling to shares as referred to in Section 10(1) of the Finnish Limited Liability Companies Act, in one or more tranches, for payment or without a payment.

Based on the authorisation, a maximum of 200,000 shares can be issued, which is approximately 0.7% of the current total number of shares in the company. Shares can be issued as part of the company's share-based incentive plans. The Board of Directors will decide on all the terms and conditions for the granting of special rights entitling to shares in the share issue. Based on the authorisation, a derogation from the pre-emptive subscription right of shareholders (targeted share issue) may be granted for the special rights entitling to shares. A directed issue may only be free of charge if there is a particularly weighty economic reason for this considering the company, taking into account the interests of the company and all of its shareholders.

The authorisation is valid until the next Annual General Meeting, however no later than 30 June 2020.

#### 21. Payment of profit bonuses to personnel

The company's Board of Directors proposes to the Annual General Meeting that a profit bonus from 2019 be paid to the personnel employed by the Group.

Shareholders who in total represent more than 50% of the votes of the company have notified that they will approve the Board of Directors' proposal and have notified that they will propose the maximum profit bonus be EUR 95 per person per working month over 2019.

22. Other issues

23. Closing the meeting

## **ANNUAL GENERAL MEETING DOCUMENTS ON DISPLAY FOR PUBLIC INSPECTION AND THE ANNUAL REPORT**

The aforementioned Board of Directors' decision proposals on the Annual General Meeting's agenda, this notice of the meeting and the documents concerning the financial statements, including their attachments, are on display for the shareholders three weeks before the Annual General Meeting at the company's head office at Ponsentie 22, Vieremä, and on the company's website at [www.ponsse.com/agm](http://www.ponsse.com/agm).

Ponsse Plc's annual report which includes the company's financial statements, Board of Directors' report and auditor's report, will be available on the company's website at [www.ponsse.com/investors/financial-information/annual-reports](http://www.ponsse.com/investors/financial-information/annual-reports) starting from 13 March 2019.

The company's updated Corporate Governance Statement and a Remuneration Statement will also be available on the company's website at [www.ponsse.com/investors/corporate-info](http://www.ponsse.com/investors/corporate-info) starting from 13 March 2019.

The Board of Directors' proposals and financial statement documents are also available in the Annual General Meeting, and copies of them and this notice of meeting will be sent to shareholders upon request.

## **INSTRUCTIONS FOR MEETING PARTICIPANTS**

### **a) Right of participation and registration**

To be eligible to attend the Annual General Meeting, shareholders must be registered as shareholders in Ponsse Plc's shareholder register maintained by Euroclear Finland Ltd by 20 March 2020. Shareholders whose shares are registered in their personal book-entry account are registered in the company's shareholder register.

Shareholders wishing to attend the Annual General Meeting should notify the company of their intention to do so by 4:00 p.m. EET on Sunday 22 March 2020, either in writing to Ponsse Plc, Share Register, Ponsentie 22, FI-74200 Vieremä, Finland, by telephone on +358 (0)20 768 800, by fax on +358 (0)20 768 8690, or online at [www.ponsse.com/agm](http://www.ponsse.com/agm). Written notifications must arrive before the aforementioned deadline.

Shareholders who are present at the Annual General Meeting will, according to Chapter 5, Section 25, of the Limited Liability Companies Act, have the right to present questions related to the matters discussed at the meeting.

### **b) The use of a representative and a power of attorney**

Shareholders may take part in the Annual General Meeting and exercise their rights through representatives. Shareholders' representatives must present a dated power of attorney or they must, in another reliable manner, prove their entitlement to represent the shareholder. If a shareholder participates in the Annual General Meeting by a number of representatives who represent the shareholder through shares in different book-entry accounts, the shares on the basis of which each representative represents the shareholder must be indicated.

Any powers of attorney are requested to be submitted as original copies to the aforementioned address before the registration deadline.

**c) Holders of administrative-registered shares**

Holders of administrative-registered shares are advised to acquire instructions well in advance from their administrator regarding registration in the shareholder register, the issuance of powers of attorney and registration in the Annual General Meeting. The administrator's account management organisation shall notify owners of administrative-registered shares who wish to participate in the Annual General Meeting that they must register in the company's temporary shareholder register no later than on Friday 27 March 2020, at 10:00 a.m. EET.

**d) Other information**

On the day of the notice of the meeting, the company has a total of 28,000,000 shares that confer 28,000,000 votes.

Vieremä, 10 March 2020

PONSSE PLC  
Board of Directors

**FURTHER INFORMATION**

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*Ponsse Plc specialises in the sale, production, maintenance and technology of cut-to-length method forest machines and is driven by a genuine interest in its customers and their business operations. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customer needs.*

*The company was established by forest machine entrepreneur Einari Vidgrén in 1970 and has been a leader in timber harvesting solutions based on the cut-to-length method ever since. Ponsse is headquartered in Vieremä, Finland. The company's shares are quoted on the Nasdaq Nordic List.*

APPENDIX 1. The company's remuneration policy