

HONKARAKENNE OYJ

THE BOARD OF DIRECTORS PROPOSES TO THE GENERAL MEETING 4 APRIL 2014

DIVIDENDS AND REPAYMENT OF CAPITAL

The Board of directors proposes to the general meeting that no dividends be paid for the financial year ending on 31 December 2012, and that the remaining profit be transferred into the unrestricted equity.

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, the remuneration of the chairman of the board at 4,000 per month and remuneration of the deputy chairman at 2,000 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.

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.

ELECTION OF AUDITOR

The board of directors proposes that PricewaterhouseCoopers Oy, member of the Finnish Institute of Authorised Public Accountants, be re-appointed as auditor of the company, with Maria Grönroos, APA, as chief auditor.

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 pre-emptive 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 25 March 2015.

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 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 400,000 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 may be used to set off the subscription price. The board of directors is entitled to decide on any other matters arising from the share issue or relating to the special rights giving entitlement to shares.
- The authorisation remains in force until 25 March 2015.