

**ANNUAL GENERAL MEETING**

<b>Time</b>	Tuesday, 29 May 2018 at 10:05 a.m. – 2:30 p.m.
<b>Place</b>	Union Square Auditorium (Floor K1), Unioninkatu 22, 00130 Helsinki, Finland
<b>Present</b>	Shareholders in accordance with the list of votes (Appendix 1)
<b>Others present</b>	Members of the Board of Afarak Group PLC (excluding chairperson Jelena Manojlovic and Ivan Jakovic), CEO Guy Konsbruck, CFO Pedja Kovacevic, Company's Auditor and personnel of the AGM and of the Company

**1. Opening of the Meeting**

The deputy Chairman of the Board, Barry Rourke welcomed the shareholders and opened the Meeting at 10:05 a.m.

**2. Election of the Chairman and of the Secretary of the Meeting**

It was resolved that Attorney-at-Law Mika Taberman shall act as the Chairman and Attorney at-Law Kalle Klemetti as the Secretary of the Meeting.

It was noted that the Meeting language is Finnish. It was noted that there is an English interpreter present in the Meeting because the Members of the Board don't speak Finnish.

**3. Approval of the Agenda**

The agenda was approved as presented in the invitation to the AGM (Appendix 2).

**4. Election of the scrutiniser of the minutes and the vote counting supervisor**

Attorney-at-Law Jyrki Tähtinen was elected both as the scrutiniser of the minutes and as the person to supervise the counting of votes.

**5. Recording the legality and quorum of the meeting**

The Chairman noted that the mistake in the notice to the general meeting (reference to Extraordinary General Meeting instead of Annual General Meeting) did not, in the Chairman's impression, make the convocation of the meeting contrary to law.

It was noted that the invitation to the Meeting had been provided in accordance with the Finnish Companies Act and the Company's Articles of Association on 8 May 2018 by a stock exchange release and on Company's website. Thus, the Meeting was found legal and quorate to discuss the matters referred to in the invitation to the Meeting.

Shareholders Anne Eriksson (voting ticket 23) and Schengen Advisors Oy (voting ticket 45), represented by Tero Viherto, requested that it be recorded in the minutes that the meeting was not, in their view, legal, since the shareholders' right to request information is not sufficiently fulfilled because of the absence of the Chairman of the Board and one Board member.

## **6. Adoption of voting lists**

The Chairman noted the persons present and adopted the list of votes. It was noted that 210 shareholders were represented. They represented 175,978,755 shares and votes, which equals to about 66.9 % of the Company's shares and votes.

Markku Kankaala as the proxy representative of shareholder Kalevi Komulainen (voting ticket 52) requested that it be recorded in the minutes that the shareholding of shareholder DM Trustees Ltd was over 5% but no flagging notification had been made of this.

Petri Suokas as the proxy representative of shareholder Reijo Suokas (voting ticket 60) requested that it be recorded in the minutes that the shareholder DM Trustees Ltd had given attorney Kai Kotiranta a power of attorney dated 10 May 2018, meaning that the company must have been aware of DM Trustees Ltd being a shareholder in the company already before the date of the meeting.

## **7. Review by the Management of the Company**

CEO Guy Konsbruck presented review of the Company's situation. CFO Pedja Kovacevic presented the key items and key figures for the 2017 Financial Statements.

Markku Kankaala as the proxy representative of shareholder Kalevi Komulainen (voting ticket 52) enquired about the situation of the plan to redeem the company's own shares. CEO Guy Konsbruck stated that the Board is reconsidering the matter and will get back to the matter after such reconsideration if necessary.

## **8. Presentation of the Financial Statements for the year 2017, the Report of the Board of Directors and the auditor's report**

The financial statement, the consolidated financial statement and the Report of the Board of Directors for the financial year 1 January – 31 December 2017 were presented (Appendix 3).

It was noted that the financial statement of the parent company had been prepared in accordance with the Finnish Accounting Standards and the consolidated financial statement in accordance with the International Financial Reporting Standards (IFRS).

It was noted that the financial statements had been available on Company's website since 29 March 2018.

The auditor's report for the financial year 1 January – 31 December 2017 was presented (Appendix 4).

Shareholder Schengen Advisors Oy (voting ticket 45), represented by Tero Viherto, asked the Board to report the terms and loan amounts of the loan arrangement related to the Chromex arrangement with respect to both the loan given by the company to Kermas Limited and the loan given by Kermas Limited to the company/Afarak Group. It was noted that the question

of the shareholder Schengen Advisors Oy could only be answered using information which was not available at the meeting, meaning that the reply will be given in writing within two weeks. The reply will be given to the shareholder who made the question and any other shareholders requesting for it.

Markku Kankaala as the proxy representative of shareholder Kalevi Komulainen (voting ticket 52) requested that it be recorded in the minutes that the loan arrangement involving closely-related parties and made in connection with the Chromex arrangement was not reported correctly in the financial statements if the information provided by the company's CEO on that the company owes Kermas Limited is correct.

## **9. Adoption of the Group financial statements**

The Company's and the Group's financial statements for the financial year 1 January – 31 December 2017 were adopted.

It was recorded in the minutes that 116 shareholders (voting tickets 1, 6, 7, 8, 14, 15, 16, 19, 21, 22, 23, 25, 30, 31, 32, 34, 35, 36, 37, 45, 49, 50, 52, 54, 55, 58, 60, 62, 63, 71, 73, 74, 75, 77-156, 229, 233, 236) with a total of 33,548,879 shares opposed the adoption of the financial statements. These shareholders did not demand for a voting after Kai Kotiranta and Milan Djakov representing the votes of Kermas Resources Limited, Atkey Ltd and DM Trustees Ltd (voting tickets 68, 67 and 66) stated they are in favour of adoption.

## **10. Resolution on the use of the profit shown on the Balance Sheet and the payment of the dividend**

It was resolved, in accordance with the Board's proposal, not to pay dividend from the financial period that ended on 31 December 2017.

## **11. Resolution on the discharge of the members of the Board of Directors and the CEO from liability**

The AGM resolved to discharge the members of the Board of Directors and the CEO from liability.

The following persons acted in the above mentioned roles during year 2017:

### The Board of Directors

- Jelena Manojlovic, Chairperson
- Ivan Jakovcic, Member
- Barry Rourke, Member
- Thorstein Abrahamsen, Member
- Markku Kankaala, Member
- Thomas Hoyer, Member

### CEO

- Guy Konsbruck

It was recorded in the minutes that 116 shareholders (voting tickets 1, 6, 7, 8, 14, 15, 16, 19, 21, 22, 23, 25, 30, 31, 32, 34, 36, 37, 39, 41, 49, 50, 52, 54, 55, 58, 60, 62, 63, 71, 73, 74, 75, 77-156, 229, 233, 236) with a total of 34.411.907 shares opposed the discharge from liability. These shareholders did not demand for a voting.

## **12. Resolution on the remuneration of the members of the Board of Directors and of the Auditor**

It was resolved that the Chairman of the Board is paid EUR 4,500 per month, the Chairman of the Audit and Risk Management Committee is paid EUR 5,550 per month and all Board Members are paid EUR 3,500 per month. Non-executive Board Members who serve on the Board's Committees are paid additional EUR 1,500 per month for committee work. The executive Board members shall not be paid remuneration for their work on the Board of Directors. Board Members shall be compensated for travel and accommodation expenses as well as other costs directly related to Board and Committee work in accordance with the company's travel rules.

It was recorded in the minutes that shareholder Helli Marin (voting ticket 6) opposed to the decision concerning the remuneration of the members of the Board of Directors under this item. Shareholder Marin requested that it be recorded in the minutes as counterproposal that the company's Board members be paid no remuneration. The shareholder in question did not demand for a voting, however.

It was recorded in the minutes that 103 shareholders (voting tickets 8, 14, 15, 16, 19, 21, 22, 23, 25, 30, 31, 32, 34, 36, 49, 52, 54, 55, 60, 62, 63, 77-156, 233, 236) representing a total of 32,598,168 shares opposed to the decision of the members of the board insofar as the remuneration paid to the Chairman of the Audit and Risk Management Committee was bigger than that of the Chairman of the Board. These shareholders did not demand for a voting after Kai Kotiranta and Milan Djakov representing the votes of Kermas Resources Limited, Atkey Ltd and DM Trustees Ltd (voting tickets 68, 67 and 66) stated they are in favour of the proposed remunerations.

It was resolved, in accordance with the Board's proposal, that the auditor's fee will be paid against an invoice which is inspected by the Company.

## **13. Resolution on the number of the members of the Board of Directors**

It was noted that according to the Company's Articles of Association the Board of Directors consists of minimum three (3) members and maximum nine (9) members.

It was resolved, in accordance with the Nomination and Remuneration Committee's proposal, that there will be five (5) members in the Board of Directors.

## **14. Election of the members of the Board of Directors**

Dr Jelena Manojlovic, Ivan Jakovcic, Barry Rourke, Thorstein Abrahamsen and Guy Konsbruck were elected as the members of the Board of Directors.

It was noted that the mandate of the members of the Board of Directors ends at the end of next Annual General Meeting.

It was recorded in the minutes that 113 shareholders (voting tickets 1, 6, 8, 14, 15, 16, 19, 21, 22, 23, 25, 30, 31, 32, 34, 37, 39, 41, 49, 50, 52, 54, 55, 60, 62, 63, 71, 73, 74, 75, 77-156, 229, 233, 236) representing a total of 34,313,305 shares opposed to the decision concerning the election of Dr Jelena Manojlovic. These shareholders made the counterproposal that Mikael

Nikander be elected as member of the Board instead of Dr Jelena Manojlovic. These shareholders did not demand for a voting, however, after Kai Kotiranta and Milan Djakov representing the votes of Kermas Resources Limited, Atkey Ltd and DM Trustees Ltd (voting tickets 68, 67 and 66) stated they are in favour of the proposal.

Kyösti Kakkonen as the proxy representative of shareholder Tuomo Vatanen (voting ticket 49) requested that it be recorded in the minutes that normally in Finnish companies members of the Board who do not extensively enjoy the confidence of the shareholders would have said that they are not available for re-election. Kakkonen considered that CEO Guy Konsbruck had clearly failed in his duties as both the CEO and as member of the Board. The Board of Directors has not been looking after the interests of all of the shareholders in its operation.

### **15. Election of the auditor**

Authorized Public Accountant Firm Ernst & Young Oy was re-elected as the auditor of the company. Ernst & Young Oy has named APA Erkka Talvinko as the auditor with the main responsibility.

### **16. Authorization of the Board of Directors to decide on distribution of assets from the invested unrestricted equity fund**

The AGM resolved to authorize the Board of Directors to decide on its discretion on the distribution of assets from the invested unrestricted equity fund in quarter four 2018 as follows:

- The total amount of the capital redemption shall be a maximum of EUR 0.02 per share. The authorization is valid until the opening of the next Annual General Meeting.
- The Board of Directors can also decide not to use this authorization. The Board of Directors shall have a right to decide on other terms and conditions related to asset distribution.

### **17. Authorizing the Board of Directors to decide upon share issue and upon issuing other special rights that entitle to shares**

The AGM resolved to authorize the Board of Directors to issue shares and stock options and other special rights that entitle to shares in one or more tranches up to a maximum of 25,000,000 new shares or shares owned by the Company. This equates to approximately 9.6 % of the Company's currently registered shares. The authorisation may be used among other things to raise additional finance and enabling corporate and business acquisitions or other arrangements and investments of business activity or for employee incentive and commitment schemes. By virtue of the authorisation, the Board of Directors can decide both on share issues against payment and on share issues without payment. The payment of the subscription price can also be made with consideration other than money. The authorisation contains the right to decide on derogating from shareholders' pre-emptive right to share subscriptions provided that the conditions set in the Finnish Companies' Act are fulfilled.

The authorisation replaces all previous authorisations and is valid two (2) years from the decision of the General Meeting.

## 18. Authorizing the Board of Directors to decide on the acquiring of own shares

The AGM resolved to authorize the Board of Directors to decide on the acquiring of Company's own shares. By virtue of the authorization for the acquisition of own shares, a maximum of 15,000,000 own shares can be acquired with the funds from the Company's unrestricted shareholders' equity, however, in such a way that the total number of own shares, which the Company and its subsidiaries have in their possession or as a pledge, does not exceed one tenth of all shares in accordance with Section 11 of Chapter 15 of the Finnish Companies Act. The authorization covers acquisition of shares in public trade in NASDAQ Helsinki Oy and also outside of the public trade. The compensation paid for acquired shares shall be based on the market value.

Derivative contracts, share loan agreements or other agreements may be made within laws and regulations if they are customary to capital market. The authorization entitles the Board of Directors to make a resolution on acquisition otherwise than in the relation of the shares owned by the shareholders (directed acquisition) according the preconditions set forth in the Companies Act.

The authorization concerning the acquisition of own shares can among other things be used in developing the Company's capital structure, in financing and executing corporate acquisitions and other arrangements, in executing the Company's share-based incentive systems or otherwise in being transferred or cancelled. The acquisition of shares reduces the Company's distributable non-restricted shareholders' equity.

The authorization replaces all previous authorizations and that it is valid 18 months as from the decision of the General Meeting.

## 19. Special Audit

Jyrki Tähtinen as a representative of] the shareholders Joensuun Kauppa ja Kone Oy, Markku Kankaala, Esa Hukkanen, Petri Suokas, Tomi Hyttinen, Taloustieto Incrementum Ky, Juhani Lemmetti, Kari Kakkonen, Antti Kivimaa, AJ Elite Value Hedge Sr, Arne Simula and Timo Kankaala, who own shares representing more than one tenth of all the shares and votes of the company proposed to the Annual General Meeting that a special audit of the administration and accounts of the Company for the accounting periods of 1.1.-31.12.2015, 1.1.-31.12.2016, 1.1.-31.12.2017 and the accounting period from 1.1.2018 to 31.4.2018 should be ordered, in accordance with Chapter 7, Section 7 of the Limited Liability Companies Act. According to the proposal, special audit should focus on operations of Afarak and its administration, and the legality of the operations should be clarified in the special audit, especially regarding and considering transactions made with the main shareholder, his controlled corporations and other parties and persons closely associated with him.

The Chairman noted that, under the Companies Act, a proposal for carrying out a special audit can be made at the Annual General Meeting or at a general meeting where the matter should be discussed in accordance with the notice of the meeting.

The Chairman also noted that that special audit may focus to the administration and accounts of the company for a given past period or for given measures or circumstances. Special audit may be applied from the Regional State Administrative Agency of the place where the company has its registered office. It shall be a prerequisite for such an order that the proposal has been dealt with by the General Meeting and that it has been supported by shareholders holding at least one tenth (1/10) of all shares or at least one third (1/3) of the

shares represented at the General Meeting. The application to the Regional State Administrative Agency shall be filed within one month of the General Meeting. The application shall be granted, if it is determined that there are weighty reasons for the special audit.

It was noted the company's shareholders Joensuun Kauppa ja Kone Oy, Markku Kankaala, Esa Hukkanen, Petri Suokas, Tomi Hyttinen, Taloustieto Incrementum Ky, Juhani Lemmetti, Kari Kakkonen, Antti Kivimaa, AJ Elite Value Hedge Sr, Aarne Simula and Timo Kankaala, own together 28,708,569 shares in Afarak Group Oyj representing 11.01 percent of all the shares of the company.

It was noted that company's shareholders Joensuun Kauppa ja Kone Oy, Markku Kankaala, Esa Hukkanen, Petri Suokas, Tomi Hyttinen, Taloustieto Incrementum Ky, Juhani Lemmetti, Kari Kakkonen, Antti Kivimaa, AJ Elite Value Hedge Sr, Aarne Simula and Timo Kankaala have proposed that a special audit of the administration and accounts of the Company for the accounting periods of 1.1.-31.12.2015, 1.1.-31.12.2016, 1.1.-31.12.2017 and the accounting period from 1.1.2018 to 31.4.2018 should be ordered, According to the proposal, special audit should focus on operations of Afarak and its administration, and the legality of the operations should be clarified in the special audit, especially regarding and considering transactions made with the main shareholder, his controlled corporations and other parties and persons closely associated with him.

It was further noted that the above mentioned proposal has been dealt with at the Annual General Meeting and that shareholders holding more than one tenth (1/10) of all shares have supported the proposal.

It was recorded in the minutes that DM Trustees Ltd (voting ticket 66) and Kermas Resources Limited (voting ticket 68) with a total of 70,695,967 shares, both represented by attorney Kai Kotiranta, opposed to the decision on conducting a special audit. These shareholders did not make a counterproposal or demand for a voting.

## 20. Closing of the Meeting

The Chairman closed the Meeting at 2:30 p.m.

### In Fidem:

---

Mika Taberman  
Chairman

---

Kalle Klemetti  
Secretary

**Scrutinising of the minutes:**

I have scrutinised the minutes of the Meeting. The minutes correspond to the course of the Meeting and include all resolutions passed at the Meeting. Scrutiniser's additions (Appendix 5) includes my additions regarding the discussions and statements set out under sections 11 and 16 in the Meeting.

---

Jyrki Tähtinen  
Scrutiniser of the minutes

**APPENDICES**

Appendix 1	List of votes
Appendix 2	Invitation to the Annual General Meeting
Appendix 3	Financials Statements and the Board of Director's Report 2017
Appendix 4	Auditor's report 2017
Appendix 5	Scrutiniser's additions

This document is based on a translation into English of a document written in Finnish. In case of any discrepancies, inconsistencies or inaccuracies, the Finnish version shall prevail.