

# PROKAPITAL

*Translation from Estonian language*

## **MINUTES AND RESOLUTIONS OF SHAREHOLDERS EXTRAORDINARY GENERAL MEETING OF AS PRO KAPITAL GRUPP**

In Tallinn, 05.04.2013

**AS Pro Kapital Grupp** (code of registration 10278802, located at Põhja pst. 21 Tallinn Republic of Estonia) (hereinafter referred to as the Company) shareholders extraordinary general meeting (hereinafter referred to as the Meeting) took place on 5th of April 2013 at 11.00 at the location of the Company, Põhja pst 21 Tallinn. Meeting ended at 11.20.

**The reason for calling the meeting is to decide on the increase of share capital of the Company and take for information the resignation of one Council member. The proposal to call the extraordinary shareholders meeting was made by the Management Board of the Company.**

The notice of the meeting was published on 11.03.2013 via NASDAQ OMX Tallinn stock-exchange and the notice was also published on 13.03.2013 in newspaper "Eesti Päevaleht" on page 5.

The chairman of the Meeting was **Ervin Nurmela**  
personal identification code 38210130252,

and

the recording secretary was **Liisa Kirss**  
personal identification code 47011120308,

Company's management board members Paolo Vittorio Michelozzi and Allan Remmelkoor also participated at the meeting.

Pursuant to the list of participants of the meeting 11 shareholders were present and represented at the meeting, whereas the shares held by them represent 32 310 280 votes, which constitutes in total 60,75% of the votes represented by the shares.

The meeting was competent to pass decisions.

The following topics were on the agenda of the meeting:

- 1. Election of the Chairman and Secretary of the extraordinary shareholders meeting**
- 2. Conditional increase of the share capital of the Company and issue of new shares**
- 3. Take for information the resignation of the Company's Council member Sari Aitokallio**

**Agenda item No. 1. election of the Chairman and Secretary of the extraordinary shareholders meeting**

It was proposed to elect Ervin Nurmela as the chairman of the meeting and Liisa Kirss as the secretary of the meeting. No other suggestions were made.

The proposal to elect Ervin Nurmela as the chairman of the meeting and Liisa Kirss as the secretary of the meeting was voted upon.

Voting results:

In favour:	32 310 280	votes	i.e.	100	%	of the votes represented at the Meeting
Against:	0	votes	i.e.	0	%	of the votes represented at the Meeting
Abstained:	0	votes	i.e.	0	%	of the votes represented at the Meeting

Based on the fact that 100% of the votes represented at the meeting were given in favour of the proposal, Ervin Nurmela was elected the chairman of the meeting and Liisa Kirss the secretary of the meeting.

**Agenda item No. 2. Conditional increase of the share capital of the Company and issue of new shares**

Chairman of the meeting explained the reasoning given by the management board of the Company in the notice of the meeting.

The goal of the increase of share capital is to strengthen the financial position of the Company and to finalize the necessary preparations needed for the launch of the new development projects.

The increase of the share capital is addressed to qualified investors and for investors, who acquire securities for a total consideration of not less than 100 000 euro.

The Management Board explained in the notice of calling the meeting that it has made the proposal to exclude the preemptive right of the shareholders to subscribe the shares, as the shares offered for subscription constitute just 2,63% of the Company's current share capital.

Granting the current shareholders the preemptive right would result in the offering being considered as public offer of securities, which would result in additional costs for the Company and would not be in the interest of the shareholders. The issue price of the new shares 1,80 euro is determined based on feedback received from qualified investors in terms of their interest for the pricing of the offer.

**The chairman of the meeting noted that the Company has on the 4<sup>th</sup> of April 2013 submitted the application to NASDAQ OMX Tallinn stock-exchange for the listing of the shares to be issued under the share capital increase.**

The chairman of the meeting asked the shareholders if they have any questions in regards to the agenda item. No questions were asked in regards to the agenda item.

Voting took place in regards to the proposal to increase conditionally the share capital of the Company in accordance with the § 351<sup>2</sup> of Commercial Code on the following conditions:

- (a) Due to the planned offering of the Company's shares to increase conditionally the share capital of the Company by 280 000 euro. The Management Board of the Company has the right to issue up to 1 400 000 new shares of the Company, with nominal value 0,2 euro.
- (b) Each person (hereinafter "**Investor**") is entitled to participate in the conditional increase of the share capital on the following conditions:
  - (1) Offering the shares to the Investor or subscribing the shares by Investor shall not result in Company's obligation to register a prospectus in any country or other similar obligation which the Company has not fulfilled;
  - (2) Investor shall subscribe at least 55 556 new shares;
  - (3) Subscribing the shares by the Investor shall not result in breach of any legislation by such Investor.
- (c) The issue price of each new share of the Company shall be 1,80 euro, including the share premium of 1,60 euro;
- (d) New shares shall be paid for by monetary contribution;
- (e) The preemptive right to subscribe the new shares by the current shareholders shall be excluded in accordance with the § 345 section 1 of the Commercial Code;
- (f) The term to exercise the right to subscribe for the new shares shall be 10 business days as from announcement of the subscription by the Management Board.
- (g) New shares shall give the shareholder the right to dividends which are decided and paid since 1<sup>st</sup> of January 2013;

- (h) As of the date of this decision the share capital of the Company is 10 637 084,40 euro and conditional share capital 19 442 236 euro. As of the date of this decision the Company, based on the registered conditional share capital, can issue 4 025 758 new shares in connection to the conversion of same amount of convertible bonds of the Company and increase the share capital of the Company by 805 151,60 euro. Based on the aforementioned the conditional share capital of the Company is amended in a way that the new conditional share capital is 11 722 236 euro.
- (i) To subscribe for the new shares the Investor should have the securities account in Estonian Central Securities Depository and/or arrangements to use on nominees account in Estonian Central Securities Depository and the Investor shall submit the subscription application through the custodian of such securities account. The Management Board of the Company shall publish the exact instructions for subscription of new shares before the beginning of the subscription period.
- (j) In case of oversubscription of the shares the Council of the Company has the right to:
  - (1) As per the Council discretion decide the allocation of the shares to the investors who have placed the subscriptions;
  - (2) Cancel the oversubscribed new shares.
- (k) if all new shares are not subscribed for during the subscription period the Management Board of the Company has the right in 15 days since the end of the subscription period to:
  - (1) prolong the subscription period by up to 10 business days;
  - (2) cancel the shares, which were not subscribed during the subscription period.

#### Voting results:

In favour:	32 310 180	votes	i.e.	99,9997	%	of the votes represented at the Meeting
Against:	0	votes	i.e.	0	%	of the votes represented at the Meeting
Abstained:	100	votes	i.e.	0,0003	%	of the votes represented at the Meeting

According to Commercial Code § 345 section 1 the pre-emptive right of the shareholders to subscribe for the new shares in proportion to the sum of the nominal value or book value of the shareholder's shares may be barred by a resolution of the general meeting which receives at least three-quarters of the votes represented at the general meeting.

Based on the fact that 99,9997% of the votes represented at the meeting were given in favour of the proposal the decision was passed.

**Agenda item No. 3. Take for information the resignation of the Company's Council member Sari Aitokallio**

The chairman of the meeting explained, that Company's council member Sari Aitokallio informed the Company in January 2013 of her resignation as of 31.03.2013. As she explained the resignation is due to time constraints and a possible conflict of interest in the future, emphasizing that as for now such conflict doesn't exist.

As per Commercial Code § 319 section 7 a member of the supervisory board may resign from the supervisory board regardless of the reason notifying thereof the general meeting or his or her appointer.

Chairman of the meeting asked if the shareholders have any questions in regards to agenda item.

Shareholder Ülo Siinmaa wanted to know if there has been a consideration to elect a new female council member to replace Sari Aitokallio.

Chairman of the management board of the Company Paolo Vittorio Michelozzi explained that it is for the Council to consider this before the next shareholders meeting.

Chairman of the meeting explained that the agenda of the meeting was approved by the Council of the Company and in the notice of calling the meeting the proposal of the Council - not to elect a new council member at the moment – is also presented.

**The meeting in accordance with Commercial Code § 319 section 7 took for information the resignation of council member Sari Aitokallio.**

No voting took place in regards to this agenda item.

The Meeting was conducted in Estonian and English. The voting took place through public voting by raising hands.

The original of the minutes of the meeting is made in Estonian and the minutes are translated into English.

The following are enclosed to these Minutes:

1. list of participants in the Meeting
2. authorisation documents of shareholders' representatives

Chairman of the Meeting

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Recording secretary

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