

# PROKAPITAL

## NOTICE OF CALLING THE ANNUAL GENERAL MEETING OF AS PRO KAPITAL GRUPP SHAREHOLDERS

Dear shareholder of AS Pro Kapital Grupp

We announce that the management board is calling for the annual general meeting of AS Pro Kapital Grupp (registration code 10278802, located at Põhja pst. 21 Tallinn Republic of Estonia) (hereinafter referred to as the Company) shareholders which shall take place on the 17<sup>th</sup> of June 2016 at 14.00 at the premises of the Company, Põhja pst 21 Tallinn Republic of Estonia. Registration of the shareholders for the meeting shall start on the 17<sup>th</sup> of June 2016 at 13.45 and shall end at 14.00 at the location of the meeting.

The reason for calling the annual general meeting is to decide on approval of the annual report for the financial year of 2015, deciding on covering the loss, election of the auditor, election and remuneration of the Council Members, to decide on increase of share capital of the Company and amendment of the articles of association of the Company. The proposal to call the annual general meeting of shareholders was made by the Management Board of the Company.

**The agenda of the meeting is as follows:**

**1. Election of the Chairman and Secretary of the annual general meeting of shareholders**

The Council's and Management Board's proposal:

Elect Ervin Nurmela as the Chairman of the annual general meeting of the shareholders. Elect the Secretary of the meeting as per suggestions made at the meeting.

**2. Approval of the audited annual report of the Company for the financial year of 2015**

The Company has prepared the annual report for the financial year of 2015. The report has been audited and the audited report has been made available to the shareholders. It is the competency of the shareholders to approve the annual report.

The Councils and Management Boards proposal and draft of the resolution:

Approve the audited annual report of the Company for the financial year of 2015.

### **3. Resolution of covering the loss**

The Company's net loss for the financial year which ended 31 December 2015 was in the amount of 1 934 thousand Euros. As per the commercial code it is the shareholders competency to decide on the allocation of the profit and/or loss.

The Councils and Management Boards proposal and draft of the resolution:

Cover the net loss for the financial year which ended 31 December 2015 in the amount of 1 934 thousand Euros with retained earnings of previous periods.

### **4. Election of the auditor**

In financial year of 2015 AS Deloitte Audit Eesti has provided audit services to the Company in relation to the audit of the annual report.

In the opinion of the Council the auditor has performed the services in accordance with the agreement and the Council does not have any objections as to the service provided.

The auditor has confirmed as required by the corporate governance recommendations that it has no work, economic or other relations that would threaten its independence while rendering auditing service.

The Management Board of the Company in 2016 took offers for the audit from different audit companies for audit of next three years. The recommendation of the audit committee and the Council is to continue the collaboration with AS Deloitte Audit Eesti as their price offer and quality of work is considered to be in the best proportion.

The Council's and Management Board's proposal and draft of the resolution:

Elect AS Deloitte Audit Eesti as the auditor of the Company for the financial year of 2016.

To approve the principles for remuneration of the auditor as per the agreement to be signed with the auditor. Approve the fee payable to the auditor for the audit of Company and its subsidiaries for the financial year of 2016 in the amount of 45 700 Euros (net of VAT).

### **5. Election of members of the Council**

The term of office of Council Members is expiring on July the 5<sup>th</sup> 2016 and it is therefore necessary to decide on election of members of the Council

The Management Board's proposal and draft of the resolution:

To prolong the term of office of members of the Council Pertti Huuskonen, Petri Olkinuora and Emanuele Bozzone for three (3) years until July the 5<sup>th</sup> 2019.

CV data and presentation of the Council Members can be accessed on homepage [www.prokapital.com](http://www.prokapital.com) sub-section "the Company".

### **6. Deciding on amount and procedure of payment of Council Members' remuneration**

The Management Board's proposal and draft of the resolution:

Council member is paid twenty five thousand (25 000) Euro per year (gross). Chairman of the Council is paid twenty seven thousand five hundred (27 500) Euro per year (gross). Remuneration is paid on monthly basis on the last working day of the month at latest. The member of the Council is paid remuneration for partial month on a pro rata basis to number of days of validity of powers.

In addition six hundred (600) Euros (gross) is paid to the member of Council including the Chairman of the Council for each meeting of the Council the Member attended.

In addition to remuneration paid, travel and accommodation expenses which are incurred in connection to participating in Council- or Committee meetings are compensated Council Members.

**7. Deciding on increase of share capital of the Company and precluding shareholders' pre-emptive right of subscription**

Pursuant to agreement concluded between the Member of the Management Board and the Company terms and conditions for payment of Bonus Fee to the Member of the Management Board was agreed. The Company is entitled to pay the Bonus Fee in shares of the Company. The Council has made the proposal as to the issue price, taking into account the average share price of the Company for the last 3 months.

The Council's proposal and draft of the resolution:

To increase the share capital of the Company by issuing new shares pursuant to following terms:

- (1) The Company will issue 67 784 shares, with nominal value EUR 0.20 per share. Share capital is increased by 13 556.8 Euros. The new amount of share capital is 10 854 344.4 Euros.
- (2) The pre-emptive right of the existing shareholders of the Company to subscribe for the shares is cancelled in accordance with § 345 (1) of the Commercial Code (*äriseadustik*);
- (3) Member of the Management Board Paolo Vittorio Michelozzi (born 26.01.1961) has the right to subscribe for the shares;
- (4) The shares will be offered for subscription during following subscription periods and shares will be issued after the end of subscription period:
  - (a) First subscription period 20.06.2016 – 22.06.2016 when 33 892 shares are offered for subscription;
  - (b) Second subscription period 25.11.2016 - 02.12.2016 when 33 892 shares are offered for subscription, increased by the number of shares not issued after the end of the first subscription period;
- (5) Shares may be paid for by set-off of subscribers claim against the Company. Non-monetary contribution shall be valued pursuant to law and articles of association of the

Company.

- (6) The non-monetary contribution (subscription price) for each share is EUR 2.37 (of which EUR 0.20 is the nominal value and EUR 2.17 is the share premium).
- (7) Subscriber shall submit the application to the Company for subscribing the shares. Payment for shares together with the application must be received by the Company latest by the last day of each subscription period.
- (8) If all shares are not subscribed for during the relevant subscription period, the management board of the Company will have a right to:
  - (a) prolong respective subscription period by up to 15 days; and/or
  - (b) cancel the shares that were not subscribed for during the relevant subscription period.

#### **8. Amendment of the articles of association of the Company**

In order to allow flexibility in attracting additional capital for the business activities of the Company, the Council and the Management Board propose to amend the articles of association of the Company by giving the Council the right for 3 years to increase the share capital of the company by up to 1 200 000 Euros. The right to increase the share capital of the Company was granted to the Council for 3 years also based on the shareholders decision dated 06.02.2013, but the period to use the right has expired.

The Councils and Management Board proposal and draft of the resolution:

- Amend the article 5.8 of the articles of association and approve the articles of association as follows:

“The Supervisory board (Council) has the right to increase the share capital of the Company by up to 1 200 000 Euros within 3 years as from adopting this version of the articles of association. Shares issued by the Council may be paid for by monetary contributions and/or by non-monetary contribution, if so resolved by the Council. Non-monetary contribution shall be valued pursuant to law and these articles of association”

- Approve the new version of the articles of association with the referred amendment.

According to the Commercial Code § 297 section 5 the set of shareholders entitled to take part in the annual general meeting of shareholders shall be determined as at seven days before the date of holding the general meeting, i.e. on 10.06.2016 at 23:59.

A shareholder has the right to receive information on the activities of the public limited company from the management board at the general meeting. The management board may refuse to give information if there is a basis to presume that this may cause significant damage to the interests of the public limited company. If the management board refuses to give information, the shareholder may demand that the general meeting decide on the legality of the shareholder's request or to file, within two weeks after the general meeting, a petition to a court by way of proceedings on petition in order to obligate the management board to give information.

A general meeting may decide on calling the next meeting and settle submissions concerning operational issues related to the agenda or to the procedure for holding the meeting without

including such matters in the agenda beforehand, and to discuss other matters at the general meeting without deciding on such matters.

Shareholders whose shares represent at least 1/20 of the share capital may present the draft of the resolution for each subsection of the agenda. Right specified in previous sentence may be exercised not later than three days before the meeting. The draft of the resolution shall be presented in written to AS Pro Kapital Grupp, Põhja pst. 21, Tallinn, 10414.

Shareholders whose shares represent at 1/20 of the share capital, may demand the inclusion of additional issues on the agenda of the general meeting if the respective demand has been submitted no later than 15 days before the general meeting is held.

The shareholder can until 16<sup>th</sup> of June 2016 at 16:00 (EET) inform the Company of appointing a representative or of renouncing the power of attorney of the representative, by sending the digitally signed notice to [prokapital@prokapital.ee](mailto:prokapital@prokapital.ee) or by sending the written notice to the office of the Company at Põhja pst 21 Tallinn.

If you have any questions in regards to the annual general meeting of shareholders, please contact us by phone + 372 6 144 920 or by email at [prokapital@prokapital.ee](mailto:prokapital@prokapital.ee). Questions and answers related to the agenda of the shareholders meeting shall be published on the website of the Company [www.prokapital.com](http://www.prokapital.com) under the section Investors.

The shareholders of the Company can acquaint themselves with the drafts of the resolutions and proposals, the audited annual report, the auditor opinion, written report of the Council on the 2015 financial year and draft of the articles of association of the Company on the webpage of the Company [www.prokapital.com](http://www.prokapital.com) under the section Investors or at the location of the Company at Põhja pst. 21 Tallinn during the business days from 09:00 AM until 05:00 PM.

#### Documents needed to participate at the meeting

Natural person shareholders are kindly asked to bring along a valid identification document, representatives are kindly asked to bring along a valid identification document and a valid written power-of-attorney.

In the case of shareholders who are legal entities we request you to bring an extract from the relevant register, where that legal person has been registered and a valid identification document of the representative. For persons representing a legal entity under power of attorney we kindly ask to bring in addition of the referred documents also a valid written power of attorney.

Each document issued by a foreign country's official must be either legalized or authenticated with a document certificate *apostille* and translated into English.

Best regards  
Management Board of  
AS Pro Kapital Grupp