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AFARAK GROUP - INVITATION TO THE ANNUAL GENERAL MEETING

Afarak Group plc invites shareholders to the Annual General Meeting to be held on 11 May 2016, starting at 10:00 a.m. (Finnish time) at Restaurant Palace at the address: Eteläranta 10, 00130, Helsinki, Finland.

Registration begins at 9:30 a.m.

A. MATTERS ON THE AGENDA OF THE ANNUAL GENERAL MEETING:

1. Opening
2. Election of the Chairman and of the Secretary
3. Approval of the Agenda
4. Election of the scrutinizer of the minutes and vote counting supervisor
5. Recording the legality and quorum of the meeting
6. Adoption of voting lists
7. Review by the Management of the Company
8. Presentation of the Financial Statements for the year 2015 and the Report of the Board of Directors
9. Presentation of the Auditor's Report
10. Adoption of the Group Financial Statements
11. Resolution on the use of the profit shown on the Balance Sheet and Authorization of the Board of Directors to Decide on additional dividend or other Distribution of Assets from the Invested Unrestricted Equity Fund

The Board of Directors proposes a new dividend policy to the Annual General Meeting. The Board of Directors proposes to the Annual General Meeting that the Company will in future review its distributions to shareholders either through a capital redemption or dividend twice yearly at the time of full year and the half year announcements.

This new policy will allow the Board to take prudent decisions based on market conditions whilst continuing to share its positive results with shareholders.

In line with this new policy the Board of Directors proposes to the Annual General Meeting a capital redemption of EUR 0.01 per share for the year ended on 31 December 2015. The payment is proposed to be made from the company's fund for invested unrestricted equity. The capital redemption is repaid to the shareholders who are registered on the company's shareholder register maintained by Euroclear Finland Ltd on the record date for payment, being 13 May 2016. Shares will commence trading without the right to the capital redemption payment on 12 May 2016 in London and Helsinki.

The Board of Directors proposes to the Annual General Meeting that the capital redemption shall be paid by the Company on 20 May 2016.

The Board of Directors further proposes to the Annual General Meeting that the Annual General Meeting would authorize the Board of Directors to decide on its discretion on additional dividend from the Company's profits and/or on the distribution of assets from the invested unrestricted equity fund or from both as follows:

The total amount of the additional dividend/capital redemption would be a maximum of EUR 0.01 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 is proposed to have a right to decide on other terms and conditions related to additional dividend and/or asset distribution.

12. Resolution on the discharge of the members of the Board of Directors and the CEO from liability

13. Resolution on the remuneration of the members of the Board of Directors and of the Auditor

It is proposed to the Annual General Meeting that the current remuneration package would be kept. The Chairman of the Board shall be paid EUR 4,500 per month, the Chairman of the Audit and Risk Management Committee shall be paid EUR 5,550 and all Board Members are paid EUR 3,500 per month. Non-executive Board Members who serve on the Board's Committees shall be 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

The Board of Directors proposes to the Annual General Meeting that the company will pay the auditor's fee as stated in the Annual Report.

14. Resolution on the number of the members of the Board of Directors

The Nomination and Remuneration Committee proposes to the Annual General Meeting that the number of members of the Board of Directors shall be seven.

15. Election of the members of the Board of Directors

The Nomination and Remuneration Committee proposes to the Annual General Meeting that Dr Jelena Manojlovic, Markku Kankaala, Ivan Jakovic, Barry Rourke and Dr Alistair Ruiters will be re-elected and Milan Djakov and Keith Scott will be elected as new members for the next mandate that begins from the end of the General Meeting and ends at the end of the Annual General Meeting on 2017.

16. Election of the Auditor

The Board of Directors proposes to the Annual General Meeting according to the recommendation by the company's Audit Committee that Authorized Public Accountant Firm Ernst & Young Oy would be re-elected as the auditor of the company. Ernst & Young Oy has proposed that the auditor with the main responsibility would be APA Erkkä Talvinko.

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

The Board of Directors proposes to the Annual General Meeting that the Board of Directors would be authorized 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 could 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 Board of Directors proposes that the authorization concerning the acquisition of own shares would 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 Board of Directors proposes that the authorization replaces all previous authorizations and that it is valid 18 months as from the decision of the General Meeting.

18. Closing of the Meeting

B. DOCUMENTS OF THE GENERAL MEETING

Documents to be kept on view in accordance with the Finnish Companies Act are available for the shareholders' inspection no later than a week before the Annual General Meeting at the Company's headquarters at the address Kasarmikatu 36, FI-00130 Helsinki. In addition, the documents will be available no later than 21 days before the Annual General Meeting on the Company's website at the address www.afarak.com. Copies of these documents will be sent to the shareholders on request.

The minutes of the Meeting will be available on the above mentioned website at the latest from 23 May 2016.

C. INSTRUCTIONS FOR THE PARTICIPANTS IN THE ANNUAL GENERAL MEETING

Right to attend

A shareholder who no later than on 28 April 2016 is registered as the Company's shareholder in a shareholder register held by Euroclear Finland Ltd has the right to participate in the Annual General Meeting. A shareholder whose shares are registered on his/her personal Finnish book-entry account is registered in the Company's shareholder register.

Notice to attend

A shareholder wishing to attend the Annual General Meeting shall give notice to attend the meeting to the Company no later than by 4:00 p.m. Helsinki time on 6 May 2016, either:

- * by letter to Afarak Group Plc, Kasarmikatu 36, FI-00130 Helsinki, Finland;
- * by e-mail to ilmo@afarak.com; or
- * by fax to +358 10 440 7001.

The notice shall be at the Company before the deadline of the notice to attend.

In addition to his/her name, a shareholder is also requested to inform the Company of his/her identity number or business ID, address, phone number and the name of a possible representative. The personal data of shareholders shall be used only for purposes related to the general meeting and necessary registration related thereto.

Shareholders attending the general meeting have a right to request information concerning matters which are dealt with by the meeting as stated in the Finnish Companies Act, chapter 5, section 25.

Using representative and proxies

A shareholder has a right to attend the meeting and use his rights via a representative. A proxy representative must present a dated proxy or must otherwise, in a reliable way, prove that he/she has a right to represent a shareholder. The Company does not have a proxy template available for shareholders. If a shareholder participates in the Annual General Meeting by means of several proxy representatives representing the shareholder with shares on different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration.

Proxy documents should be delivered (as originals) together with the notice to attend to: Afarak Group Plc, Kasarmikatu 36, FI-00130 Helsinki no later than 4:00 p.m. on 6 May 2016.

Holders of nominee registered shares

A holder of nominee registered shares is advised to request in good time in advance necessary instructions regarding the registration in the Company's shareholder register, issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. The account management organisation of the custodian bank will register a holder of nominee registered shares, who wants to participate in the Annual General Meeting, to be entered into the Company's temporary shareholder register no later than 10:00 a.m. on 6 May 2016.

Other instructions and information

Afarak Group Plc has at the date of invitation, 15(th) April 2016, in total 263,040,695 shares in issue and of which 263,040,695 have voting rights. The company holds in total 4,244,717 shares in treasury.

Afarak Group Plc has published the Report by the Board of Directors, the Financial Statements 2015, the Auditor's Report, the Corporate Governance Statement and the Remuneration Report in English and in Finnish. Shareholders may order the documents by phone from number +358 50 372 1130 on weekdays between 10:00 a.m. and 4:00 p.m. Helsinki time. The documents can also be found from the company website from address www.afarak.com.

IN HELSINKI, ON 15 April 2016

AFARAK GROUP PLC

BOARD OF DIRECTORS

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.

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About Afarak

Afarak is a vertically-integrated specialist alloys company. Throughout its various operations in South Africa, Turkey and Germany, Afarak extracts, processes, markets and trades its specialised metals. Trusted by a highly diversified customer base that includes industry leaders from the aviation, nuclear, oil & gas and automotive sectors; the Company is able to produce a unique alloy mix for every customer. As the Company aims to create value across the product-chain, Afarak remains committed to sustainable development, investment and to delivering a healthy financial performance for its shareholders. Afarak is listed on the Helsinki Stock Exchange (AFAGR (OMX)) and the London Stock Exchange (AFRK).