

## **Notice of Afarak Group Plc's Annual General Meeting**

Notice is given to the shareholders of Afarak Group Plc ("Afarak") of the Annual General Meeting to be held on 22. June 2020 at 2 p.m. the company's headquarter, address Kaisaniemenkatu 4, 00100 Helsinki, Finland. The shareholders of the company may participate in the meeting and exercise their shareholder rights only by voting in advance or by way of proxy representation and by presenting counterproposals and asking questions in advance. It is not possible to attend the meeting in person. Instructions for shareholders can be found in part C of this Notice.

The Board of Directors has resolved on exceptional meeting procedures based on the temporary legislation approved by the Finnish parliament on 24 April 2020. In order to prevent the spread of the COVID-19 pandemic the company has taken precautionary measures enabled by the temporary legislation in order to be able to convene the Annual General Meeting in a foreseeable meaning, considering the health and safety of the company's shareholders, personnel and other stakeholders.

The aim is to keep the Annual General Meeting as short as possible, while ensuring that all legal obligations are fulfilled. The Members of the Board of the Directors or CEO Guy Konsbruck will not participate in the Annual General Meeting and there will be no addresses by the Board or Management at the meeting.

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

The following matters will be considered at the General Meeting:

- 1. Opening of the meeting**
- 2. Calling the meeting to order**

Attorney-at-Law Mika Taberman shall act as the Chairman of the meeting.

If due to weighty reasons Mika Taberman is not able to act as Chairman, the Board shall appoint another person it deems best suitable to act as Chairman.

- 3. Election of persons to scrutinize the minutes and to supervise the counting of votes**

Attorney-at-law Kalle Klemetti shall scrutinize the minutes and supervise the counting of the votes.

If Kalle Klemetti due to weighty reasons is not able to act as the person to scrutinize the minutes and to supervise the counting of the votes, the Board shall appoint another person it deems best suitable to act as the person to scrutinize the minutes and to supervise the counting of votes.

- 4. Recording the legality of the meeting**
- 5. Recording the attendance at the Meeting and adoption of the list of votes**

Shareholders attending the meeting shall be those shareholders who have voted in advance during the voting period and who in accordance with Chapter 5, Sections 6 and 6a of the Finnish Companies Act are entitled to attend the meeting. The list of votes will be adopted according to the information provided by Euroclear Finland Ltd.

## **6. Presentation of the annual accounts, the Report of the Board of Directors and the Auditor's report for the year 2019**

Since the Annual General Meeting may only be attended through advance voting, the Financial Statements, the Board of Directors' Report and the Auditor's Report, published by the company on 31 March 2020, are considered to have been presented to the Annual General Meeting. The Financial Statements, the Board of Directors' Report and the Auditor's Report are available on the Afarak website <http://www.afarak.com/en/investors/shareholder-meetings/2020/>.

## **7. Adoption of the Group annual accounts, income statement and balance sheet**

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

The Board of Directors proposes that no dividend from the financial year ending on 31 December 2019 is paid. As Afarak Group Plc made a loss for the financial year 2019, no minority dividend can be demanded.

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

## **10. Handling of the remuneration policy for governing bodies**

Since the Annual General Meeting may only be attended through advance voting, the Remuneration Policy for Governing Bodies published on 29 May 2020 as an appendix to the Notice is considered to have been presented to the Annual General Meeting. The Remuneration Policy is available on the Afarak website <http://www.afarak.com/en/investors/shareholder-meetings/2020/>. The resolution on the Remuneration Policy is advisory.

## **11. 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 per month and all Non-Executive 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. Those members of the Board of Directors that are executives of the Company are not entitled to receive any remuneration for Board membership. 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.

The Board of Directors proposes to the Annual General Meeting that the company will pay the auditor's fee against an invoice that is inspected by the Company.

## **12. 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 three (3).

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

The Nomination and Remuneration Committee proposes to the Annual General Meeting that Dr Jelena Manojlovic, Thorstein Abrahamsen and Guy Konsbruck will be re-elected for the next mandate that begins from the end of the General Meeting and ends at the end of the Annual General Meeting in 2021. Shareholders Atkey Ltd and LNS Resources Ltd, have expressed their support to this proposal and will vote at the upcoming AGM in favor of it. These shareholders represent 52.66 % of the share capital of the company.

#### **14.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 Erkka Talvinko.

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

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to issue ordinary shares and issue stock options and other special rights that entitle to shares.

By virtue of the authorization shares could be issued in one or more tranches up to a maximum of 50,000,000 new shares or shares owned by the company. This equates approximately 19,8 % of the company's current registered shares. The Board of Directors would, by virtue of the authorization, be entitled to decide on the share issues and on the issuing of stock options and other special rights that entitle to shares.

The Board of Directors may use the authorization 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. The Board of Directors proposes that, by virtue of the authorization, the Board of Directors can decide both on share issue against payment and on share issue without payment. The payment of the subscription price could also be made with other consideration than money. The authorization would contain right to decide on derogating from shareholders' preemptive right to share subscription provided that the conditions set in the Companies' Act are fulfilled.

The Board of Directors proposes that the authorization replaces all previous authorizations and that it is valid two (2) years as from the decision of the General Meeting.

#### **16.Closing of the Meeting**

### **B. DOCUMENTS OF THE GENERAL MEETING**

Afarak Group Plc has published the Report by the Board of Directors, the Financial Statements 2019, the Auditor's Report, the Corporate Governance Statement, the Remuneration Report and the Remuneration Policy in English and in Finnish. The documents as well as this Notice can be found from the company website from address <http://www.afarak.com/en/investors/shareholder-meetings/2020/>. Copies of the above-mentioned documents and of this Notice will be sent to shareholders upon request.

The minutes of the Meeting will be available on the above-mentioned website at the latest from 6 July 2020.

### **C. INSTRUCTIONS FOR THE PARTICIPANTS IN THE ANNUAL GENERAL MEETING**

Shareholders of the company may only participate in the meeting and exercise their shareholder rights by voting in advance or by way of proxy representation as well as by submitting counterproposals and asking questions in advance in accordance with the below instructions.

## **1 Right to attend**

A shareholder who no later than on 9 June 2020 is registered as the Company's shareholder in the shareholders' register of the Company 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 shareholders' register.

A shareholder may only participate in the meeting by voting in advance or by way of proxy representation and by submitting counterproposals and asking questions in advance in accordance with the below instructions.

## **2 Registration and advance voting services**

The registration for the meeting and advance voting will begin on 3 June 2020 at 10:00 am when the deadline for submitting counterproposals has passed. A shareholder who is registered in the Shareholders' Register of the company and wishes to participate in the Annual General Meeting by voting in advance, shall register for the Annual General Meeting and vote in advance by 12 June 2020 at 10:00 am by which time the registration shall be completed and the votes given.

Requested information shall be given in connection with the registration such as the name, social security number, address and phone number of the shareholder. The personal data given to Afarak or Euroclear Finland Ltd is used only in connection with the Annual General Meeting and with the processing of related registrations.

Shareholders who have a Finnish book-entry account may register and vote in advance on certain items on the agenda of the Annual General Meeting during the time period beginning on 3 June 2020 at 10:00 am and ending on 12 June 2020 on 10:00 am by the following means:

a) Through the company's website at <http://www.afarak.com/en/investors/shareholder-meetings/2020/>

Please note that the number of the shareholder's book-entry account is required for voting in advance.

b) Through email or mail

Shareholders may submit the advance voting form available on the company's website <http://www.afarak.com/en/investors/shareholder-meetings/2020/> to Euroclear Finland Ltd by email to [yhtiokokous@euroclear.eu](mailto:yhtiokokous@euroclear.eu) or by mail to Euroclear Finland Ltd, Annual General Meeting / Afarak Group Plc, P.O. Box 1110, 00101 Helsinki, Finland.

If a shareholder participates in the Annual General Meeting by way of advance voting, voting in advance is considered as registration for the meeting if all required information is given.

Instructions for voting will be available on the company's website at <http://www.afarak.com/en/investors/shareholder-meetings/2020/> at the latest when the advance voting period begins.

### **3 Using representative and proxies**

A shareholder may participate in the Annual General Meeting through a proxy representative. Also the proxy representative of a shareholder may only participate by voting in advance in the manner instructed above.

A proxy representative shall provide a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder. Should a shareholder participate in the General Meeting by means of several proxy representatives representing the shareholder with shares in different book-entry accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration.

Proxy documents should be delivered to Euroclear Finland Oy by mail Euroclear Finland Oy, Annual General Meeting / Afarak Group Plc, P.O. Box 1110, FI-00101 Helsinki or by email to [yhtiokokous@euroclear.eu](mailto:yhtiokokous@euroclear.eu) before the last date for registration, by which time the proxy documents must be received.

### **4 Holders of nominee registered shares**

A holder of nominee-registered shares has the right to participate in the Annual General Meeting by virtue of such shares based on which he/she on the record date of the general meeting, i.e. 9 June 2020 would be entitled, to be registered in the Shareholders' Register of the company held by Euroclear Finland Ltd. In addition, the right to participate in the Annual General Meeting requires that the shareholder has been registered on the basis of such shares into the temporary Shareholders' Register held by Euroclear Finland Ltd at the latest on 17 June 2020 at 10:00 am. As regards nominee-registered shares, this constitutes a due registration for the Annual General Meeting. Changes in shareholding after the record date do not affect the right to participate in the meeting or the number of voting rights held in the meeting.

A holder of nominee-registered shares is advised to request without delay necessary instructions regarding the registration in the temporary shareholders' register of the company, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. The account management organization of the custodian bank shall register a holder of nominee-registered shares who wants to participate in the Annual General Meeting into the temporary shareholders' register of the company at the latest by the date stated above. In addition, the account management organisation of the custodian bank shall arrange advance voting on behalf of the holder of nominee registered shares within the registration period for nominee-registered shares.

Further information is available on the company's website at <http://www.afarak.com/en/investors/shareholder-meetings/2020/>.

### **5 Other instructions and information**

Shareholders who hold at least one per cent of all the company's shares are entitled to make counter-proposals subject for voting to the agenda points of the Annual General Meeting. Such counterproposals shall be delivered to the company by email to [ilmo@afarak.com](mailto:ilmo@afarak.com) no later than 2 June 2020 at 2:00 p.m. The shareholder submitting the counterproposal shall present sufficient evidence on his/her shareholding at the date of this notice when delivering the counterproposal. The counterproposal shall be handled at the Annual General Meeting if the shareholder is entitled to attend the Annual General Meeting and if the shareholder holds at least one per cent of all the company's shares on the record date of the Annual General Meeting. If a counterproposal is not taken to be handled at the Annual General Meeting, votes given for the counterproposals will be disregarded. The company shall disclose possible

counter-proposals subject for voting on the company's website at <http://www.afarak.com/en/investors/shareholder-meetings/2020/> at the latest on 3 June 2020.

A shareholder may ask questions pursuant to Chapter 5, Section 25 of the Finnish Companies Act on topics included in the meeting agenda until 5 June 2020 at 2:00 pm by email to [ilmo@afarak.com](mailto:ilmo@afarak.com). Such shareholders' questions and the management's answers thereto as well as possible counterproposals not subject for voting will be available on the company's website at <http://www.afarak.com/en/investors/shareholder-meetings/2020/> at the latest on 10 June 2020. Shareholders are required to present sufficient evidence of their shareholding in order to ask questions and make counterproposals.

Afarak Group Plc has at the date of invitation, 29 May 2020, in total 252,041,814 shares in issue and of which 252,041,814 have voting rights. The company holds in total 13,562,599 shares in treasury.

IN HELSINKI, ON 29 MAY 2020.

AFARAK GROUP PLC

BOARD OF DIRECTORS

For additional information, please contact:

Guy Konsbruck, CEO, +356 2122 1566, [guy.konsbruck@afarak.com](mailto:guy.konsbruck@afarak.com)

Financial reports and other investor information are available on the Company's website: [www.afarak.com](http://www.afarak.com).

Afarak Group is a specialist alloy producer focused on delivering sustainable growth with a Speciality Alloys business in southern Europe and a FerroAlloys business in South Africa. The Company is listed on NASDAQ Helsinki (AFAGR) and the Main Market of the London Stock Exchange (AFRK).

Distribution:  
NASDAQ Helsinki  
London Stock Exchange  
Main media

[www.afarak.com](http://www.afarak.com)

**Attachment**

[Directors Remuneration Policy]