

## **Efecte Plc: Notice to the Annual General Meeting**

Notice is given to the shareholders of Efecte Plc to the Annual General Meeting to be held on Thursday 4 April 2019 starting at 12:00 EET at Innopoli 1, seminar room Leonardo, at the address Tekniikantie 12, Espoo, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 11:30 a.m. EET.

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

At the Annual General Meeting, the following matters will be considered:

- 1. Opening of the meeting**
- 2. Calling the meeting to order**
- 3. Election of persons to scrutinise 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**
- 6. Presentation of the Financial Statements, consolidated financial statements, the Report of the Board of Directors and the Auditor's Report for the year 2018**  
- Review by the CEO
- 7. Adoption of the Financial Statements and the consolidated financial statements**
- 8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year that ended on 31 December 2018.

- 9. Resolution on the discharge of the members of the Board of Directors and the CEO from liability**
- 10. Resolution on the remuneration of the members of the Board of Directors**

Efecte Plc's shareholders who in total represent approximately 40 % of all of Efecte Plc's shares and votes have proposed that the fees for the members of the Board of Directors remain unchanged. The members will be paid the following fees for their term of office: the Chairman of the Board be paid EUR 3,000 per month and the other members of the Board of Directors be paid EUR 1,500 per month each.

In addition, the above-mentioned shareholders propose that approximately 40 per cent of the remuneration be paid in Efecte Plc's shares and approximately 60 per cent be paid in cash. The part of the remuneration paid in shares will be paid by issuing new shares and/or transferring company's own shares to the Board members within four weeks from the release of the business review for 1 January - 31 March 2019 or, if this is not possible taking insider rules into account, as soon as

possible thereafter. A member of the Board of Directors is not entitled to sell or transfer the shares received as Board remuneration during three years following the payment of the remuneration.

In addition, the Chairman of the Board and the other members of the Board of Directors be compensated for reasonable travelling costs for attending the Board meetings.

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

The Board of Directors proposes to the Annual General Meeting that five (5) members be elected to the Board.

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

Efecte Plc's shareholders who in total represent approximately 40 % of all of Efecte Plc's shares and votes have proposed that the current members of the Board Pertti Ervi, Turkka Keskinen, Kari J. Mäkelä, Päivi Rekonen, and Hannu Vaajoensuu be re-elected to the Board for the term until the close of the next Annual General Meeting.

The CVs of all persons proposed as Board members are available on the company's website at [www.efecte.com](http://www.efecte.com). All proposed members have given their consent to the election.

## **13. Resolution on the remuneration of the auditor**

The Board of Directors proposes to the Annual General Meeting that the remuneration of the auditor be paid against an invoice approved by the company.

## **14. Election of auditor**

The Board of Directors proposes to the Annual General Meeting that Ernst & Young Oy, a firm of authorised public accountants, be re-elected as the company's auditor for the term until the close of the next Annual General Meeting. Ernst & Young Oy has notified the company that Authorised Public Accountant Juha Hilmola would be the company's responsible auditor.

## **15. Authorising the Board to decide on the repurchase of the company's own shares**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to resolve to repurchase a maximum of 450,000 shares of the company in one or several instalments by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to approximately 7.7 per cent of all shares in the company.

The shares may be repurchased in order to improve the capital structure of the company, to carry out acquisitions or other arrangements related to the company's business, to be transferred or cancelled for other purposes, to be used in the company's incentive plans, or if the Board of Directors otherwise deems it to be in the interest of shareholders.

The price paid for the shares repurchased under the authorisation shall be based on the market price of the company's share in public trading. The minimum price to be paid shall be the lowest market price of the share quoted in public trading during the authorisation period and the maximum price the highest market price quoted during the authorisation period.

The company's own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

It is proposed that the authorisation be effective until the next Annual General Meeting, however, at the latest until 30 June 2020. The authorisation will revoke the repurchase authorisation granted by the Annual General Meeting on 5 April 2018.

## **16. Authorising the Board to decide on the issuance of shares, option rights and other special rights entitling to shares**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on the issuance of shares, option rights and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act in one or several instalments in the manner described below.

The Board would, pursuant to the authorisation, be entitled to decide on the issuance of an aggregate maximum of 1,000,000 new shares. The Board may decide to issue new shares or shares held by the company. The maximum number of shares included in the proposed authorisation accounts for approximately 17.2 per cent of the company's shares.

The authorisation includes the right to issue shares, option rights and/or other special rights entitling to shares through private offering, in other words, to deviate from the shareholders' pre-emptive right, if there is a weighty financial reason for doing so from the company's point of view, such as using them as consideration to carry out acquisitions or other arrangements or investments related to the company's business, and/or as part of the remuneration of the Board members paid in shares as resolved by the Annual General Meeting. The authorisation also includes the right to issue shares, option rights and/or other special rights entitling to shares against payment or without charge. Issuance without charge requires that there is an especially weighty financial reason for doing so from the company's point of view and taking the interests of the company's all shareholders into consideration.

Under the authorisation, the Board of Directors will be entitled to decide on any terms and conditions of the issuance of shares, option rights and other special rights entitling to shares, including the recipients and the compensation to be paid.

It is proposed that the authorisation be effective until the next Annual General Meeting, however, at the latest until 30 June 2020. The authorisation will revoke the share issue authorisations granted by the Annual General Meeting on 5 April 2018.

## **17. Closing of the meeting**

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

The above-mentioned proposals for decisions relating to the agenda of the Annual General Meeting as well as this notice are available on Efecte Plc's website at [www.efecte.com](http://www.efecte.com). The Financial Statements, consolidated financial statements, the Report of the Board of Directors, and the Auditor's Report of Efecte Plc will be available on the above-mentioned website no later than 14 March 2019. The proposals for decisions and other above-mentioned documents are also available at the Annual General Meeting. Copies of these 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 as of 18 April 2019 at the latest.

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

#### **1. The right to participate and registration**

Each shareholder who on the record date of the Annual General Meeting, i.e. 25 March 2019, is registered 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 shareholders' register of the company.

A shareholder who is registered in the shareholders' register of the company and wants to participate in the Annual General Meeting shall register for the meeting no later than by 1 April 2019 EET on 10:00 a.m. by giving a prior notice of participation. Such notice can be given:

- on the internet at <https://investors.efecte.com/en>
- by telephone +358 50 306 9913 Mon-Fri from 9:00 a.m. to 4:00 p.m. or
- by regular mail to the address Efecte Plc, Vaisalantie 6, FI-02130 Espoo, Finland.

All registrations must be received by the company no later than by 1 April 2019 EET on 10:00 a.m., irrespective of the method of registration.

In connection with the registration, a shareholder shall notify his/her name, personal identification number or business identification number, address, telephone number, as well as the name of a possible proxy representative or assistant and the personal identification number of the proxy representative. The personal data given to Efecte Plc is used only in connection with the Annual General Meeting and with the processing of related registrations.

## **2. 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 would be entitled, on the record date of the Annual General Meeting, i.e. 25 March 2019, 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, on the basis of such shares, been temporarily registered in the shareholders' register held by Euroclear Finland Ltd at the latest by 1 April 2019 EET on 10:00 a.m. As regards nominee-registered shares, this constitutes due registration for the Annual General Meeting.

Holders of nominee-registered shares are advised to request without delay necessary instructions regarding the temporary registration in the shareholders' register of the company, the issuing of proxy documents, and preregistration for the Annual General Meeting from their custodian bank. The account manager of the custodian bank shall register a holder of nominee-registered shares who wishes to participate in the Annual General Meeting temporarily in the shareholders' register of the company by the deadline stated above.

## **3. Proxy representative and powers of attorney**

A shareholder may participate in the Annual General Meeting and exercise his/her rights at the meeting by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Annual General Meeting.

When a shareholder participates in the Annual General Meeting by means of several proxy representatives who represent 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.

Any proxy documents should be delivered as originals to Efecte Plc, Vaisalantie 6, FI-02130 Espoo, Finland, before the deadline for registration.



#### **4. Other information**

Pursuant to Chapter 5, Section 25 of the Finnish Companies Act, a shareholder who is present at the Annual General Meeting has the right to request information with respect to the matters to be considered at the meeting.

On the date of this notice to the Annual General Meeting, 7 March 2019, the total number of shares in Efecte Plc is 5,813,988 and the total number of votes in Efecte Plc is 5,813,988.

Espoo, 7 March 2019

EFFECTE PLC

The Board of Directors

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