

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

If you have sold or otherwise transferred all your shares in Afarak Group Plc, please send this document, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

---

## **Afarak Group Plc**

*(Incorporated as a public limited company governed by the laws of Finland with business identity code 0618181-8 and trade register number 360.572)*

# **Proposed transfer of listing segment from Premium to Standard on the London Stock Exchange**

---

This document is a circular relating to the proposed transfer of the Company's listing segment on the Main Market of the London Stock Exchange from the Premium segment to the Standard segment, which has been prepared in accordance with the UK Listing Rules made under section 73A of the Financial Services and Markets Act 2000.

**This document should be read as a whole. Your attention is drawn to the letter from the Deputy Chairman which is set out on pages 3 to 7 of this document and which recommends you vote in favour of the 75% Resolution to be proposed at the Annual General Meeting referred to below.**

Subject to the 75% Resolution being passed, an application will be made to the UKLA for the segment of the Company's listing of Shares to be transferred from a Premium listing to a Standard listing. Following the transfer to Standard listing, the Shares will remain eligible for trading on the Main Market of the London Stock Exchange for listed securities, and the listing on the NASDAQ Helsinki Stock Exchange will continue unchanged. All references to Shares shall, where the context permits, include reference to the Depositary Interests.

Afarak Group Plc has convened its Annual General Meeting for its Shareholders to be held at 10 a.m. (Finnish time) on Friday 8 May 2015 at Restaurant Palace, Eteläranta 10, FI-00130 Helsinki, Finland by publishing a notice of the meeting on the Company's website ([www.afarak.com](http://www.afarak.com)) and as a separate stock exchange release in accordance with the Company's by-laws on Thursday 16 April 2015. A summary of the material content of the notice to the Annual General Meeting in so far as it relates to the 75% Resolution of be considered as item 17 of the agenda is set out at the end of this document.

## CONTENTS

|          |   | PAGE |
|----------|---|------|
| PART I   | LETTER FROM THE DEPUTY CHAIRMAN .....   | 3    |
| PART II  | SUMMARY OF THE DIFFERENCES BETWEEN STANDARD AND PREMIUM CATEGORIES OF LISTING (AS APPLICABLE TO AFARAK) .....   | 8    |
| PART III | DEFINITIONS .....   | 11   |
| PART IV  | SUMMARY OF PARTS OF NOTICE OF THE ANNUAL GENERAL MEETING RELEVANT TO THE 75% RESOLUTION TO BE CONSIDERED AS ITEM 17 OF THE AGENDA OF THE ANNUAL GENERAL MEETING ..... | 14   |

## EXPECTED TIMETABLE OF EVENTS

|  |  |
|--|--|
| Publication of the formal notice of 75% resolution to be considered as item 17 of the agenda of the Annual General Meeting         | Thursday 16 April 2015   |
| Cut off time and date for right to attend meeting  | Close of shareholder register on Monday 27 April 2015  |
| Latest time and date for Shareholders holding Shares in nominee accounts to be entered into the Company's temporary share register | 10:00 a.m. (Finnish time) on Tuesday 5 May 2015  |
| Latest time and date for informing the Company of intention to attend the Annual General Meeting either in person or by proxy      | 4:00 p.m. (Finnish time) on Tuesday 5 May 2015   |
| Annual General Meeting   | 10:00 a.m. (Finnish time) on Friday 8 May 2015   |
| Expected date on which the transfer of listing segment will become effective   | The Company will give at least 20 business days' notice by RIS announcement of the date that the transfer will become effective and the earliest date the transfer can become effective is Tuesday 9 June 2015 |

The expected timetable of events is also listed in the formal notice of the 75% resolution to be considered as item 17 of the agenda of the Annual General Meeting which is being published on the Company's website ([www.afarak.com](http://www.afarak.com)), on Thursday 16 April 2015. If the expected timetable of events changes from the above, the Company will release an announcement to this effect.

**PART I**  
**LETTER FROM THE DEPUTY CHAIRMAN**

**Afarak Group Plc**

*(Incorporated as a public limited company governed by the laws of Finland with business identity code 0618181-8 and trade register number 360.572)*

|   |                   |
|---|-------------------|
| Directors   | Registered office |
| Dr Jelena Manojlovic (Chairman)                                     | Kasarmikatu 36    |
| Bernice Smart (Deputy Chairman, Independent Non-executive Director) | FI-00130 Helsinki |
| Dr Danko Koncar (Chief Executive Director)                          | Finland           |
| Michael Lillja (Executive Director)                                 |                   |
| Dr Alfredo Parodi (Independent Non-executive Director)              |                   |
| Markku Kankaala (Independent Non-executive Director)                |                   |

16 April 2015

Dear Shareholder

**Proposed transfer of listing from Premium to Standard on the London Stock Exchange**

**Introduction**

Earlier today, 16 April 2015, the Board announced that the Afarak Group Plc ("**Afarak**" or the "**Company**") would seek authority from shareholders to transfer its listing on the London Stock Exchange from the current Premium listing segment to the Standard listing segment of the UK Official List. The purpose of the transfer is to allow the Company to reduce the costs of its listing which arise from the regulatory burden applicable to companies with a Premium listing, which would no longer be applicable following transfer to a Standard listing.

Afarak will maintain the listing of its shares on the NASDAQ Helsinki Stock Exchange. The trading arrangements for the Company's shares on the NASDAQ Helsinki Stock Exchange and on the London Stock Exchange will remain unchanged.

**Background to, and reasons for, the transfer**

In 2010, the Company decided to seek the admission of its Shares to trading on the Main Market of the London Stock Exchange with a view to increase the trading volumes and liquidity of its Shares.

Under the UK Listing Rules, there are two principal forms of listing available for the equity shares of commercial companies traded on the Main Market of the London Stock Exchange: (i) the Standard segment that complies fully with the relevant European directives, as adopted by all member states in the European Union; and (ii) the Premium segment to which the FCA has applied some additional 'super-equivalent' provisions.

When it sought its London listing, the Company elected to apply for admission of the Shares to the Premium segment of the UK Official List and its shares have been listed on the Premium segment of the UK Official List since their admission in July 2010. The Board has

from time to time reviewed the benefits and burdens of maintaining the listing on the Premium segment.

Your Board believes that the additional regulatory requirements imposed by maintaining the listing on the Premium segment are no longer in the best interests of the Company. Although the Company appreciates the principles underlying the FCA's additional 'super-equivalent' provisions, compliance with those provisions reduces the flexibility of the Company and imposes additional direct and indirect costs, which the Board believes are not proportionate to the benefit of continued compliance with them, from the perspective of the Company. By moving to a listing on the Standard segment, the Company would have greater flexibility to undertake certain transactions without being required to seek shareholder approval and incur costs such as those associated with the publication of circulars which companies with a Premium segment listing are required to produce by virtue of the FCA's additional 'super-equivalent' regulatory provisions.

Your Board believes that a listing on the Standard segment of the UK Official List, with trading on the Main Market of the London Stock Exchange, together with the listing and trading on the NASDAQ Helsinki Stock Exchange represent the best balance between the positive benefits of regulatory requirements designed to protect the interests of shareholders as a whole (including the Company's smaller shareholders) and the downside of such requirements (including direct and indirect costs of compliance and loss of flexibility), having regard to the size of the Company, its shareholder base and business plans in the medium term.

### **Implications for the Group and anticipated changes following the transfer**

The Company remains committed to good corporate governance and will continue to comply with the Finnish Corporate Governance Code, the regulations of the Finnish FSA and the NASDAQ Helsinki Stock Exchange as well as those requirements of the FCA which are applicable to a company with a Standard listing in addition to a listing on another EU regulated market in its home EU member state. The Company does not anticipate there being any material change to its corporate governance arrangements as a result of the transfer.

The Company does not anticipate any material change in the business of the Group as a result of the transfer. However, the Company anticipates that it is reasonably likely that there could be certain transactions where the costs of compliance with the additional requirements applicable to a Premium segment listing would have meant that the Directors would conclude that the transaction would not be in the Company's best interests if the Company were subject to those regulatory requirements, but if the Company were to be free of those regulatory requirements, they would conclude that the transaction would be in the Company's best interests.

In particular, the Board believes that the Company has benefitted from its relationship with Kermas and believes that the additional flexibility and lower costs that the Company would have in the event that it wishes to amend the terms of any existing arrangements with Kermas, such as the Synergy Africa joint venture, which is owned 51:49 by the Afarak Group and Kermas respectively, or to enter into other arrangements in the future would be beneficial to the Company and to shareholders as a whole.

The Company will remain subject to provisions of Finnish law, relating to directors' and shareholders' duties and conflicts in relation to certain transactions and arrangements which relate to them or benefit them. In accordance with the Finnish Companies Act, a member of a company's board of directors shall not participate in the consideration by the board of directors in respect of a matter pertaining to a contract between the member and the company. A member of a company's board of directors is also not permitted to participate in

consideration of a matter pertaining to a contract between the company and a third party, if the member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the company. Furthermore, a shareholder or any proxy appointed by it shall not vote in a matter pertaining to a civil action against a third party or the discharge from a third party from liability, if the shareholder is likely to derive an essential benefit in the matter and that benefit may be contrary to the interests of the company.

Under a Standard listing, the Company will remain subject to certain provisions of the UK Listing Rules and the UK Disclosure and Transparency Rules. A number of provisions of the UK Listing Rules and the UK Disclosure and Transparency Rules do not currently apply to the Company because those provisions derive from EU law and, as a Finnish company with a listing on the NASDAQ Helsinki Stock Exchange, the Company is subject to Finnish laws and regulations which give effect to the relevant provisions of the relevant EU directives.

The Company will therefore continue to be bound by rules on continuous disclosure, periodic financial reporting, disclosure of interests in shares and the maintenance of an orderly market, including the rules governing insider dealing, market manipulation and the disclosure of price sensitive information. The Company will remain subject to regulatory oversight from the Finnish FSA, as the Company's principal securities regulator, the FCA as a secondary securities regulator, and will continue to be subject to the regulations of the NASDAQ Helsinki Stock Exchange and the Admission and Disclosure Standards of the Main Market of the London Stock Exchange.

A detailed summary of the differences between the UK Listing Rules that are applicable to the Company, by virtue of its Premium listing and those which will apply if it moves to a Standard listing, taking into account the provisions which would not apply in either case due to the Company being subject to Finnish laws and regulations instead, is set out as Part II of this document. The principal differences are that the UK Listing Rules in respect of Significant Transactions and Related Party Transactions (including the requirement to seek shareholder approval in certain cases) and the need to comply or explain non-compliance with the UK Corporate Governance Code (in addition to the need to comply or explain non-compliance with the Finnish Corporate Governance Code) would no longer apply to the Company.

### **Trading arrangements**

The trading arrangements for the Company's shares on the NASDAQ Helsinki Stock Exchange and on the London Stock Exchange will remain unchanged.

The Company's shares are not included in the UK series of the FTSE indices and the transfer is not expected to result in any impact on the indexation of the Company's shares. However, it is possible that the investment policy of certain investors may prohibit or look less favourably upon holding shares which are listed on the Standard segment than those listed on the Premium segment, which may adversely affect the price of the Company's Shares or trading volumes in the future.

### **75% Resolution to be proposed at the Annual General Meeting**

Completion of the transfer of the Shares on the Main Market of the London Stock Exchange from the Premium segment to the Standard segment is conditional upon shareholders' approval by way of resolution being obtained at the Annual General Meeting, which must be approved by not less than 75% of the votes attaching to the shares voted on the resolution. Accordingly, a resolution to approve the transfer of listing segment will be proposed under item 17 of the notice of Annual General Meeting to be held at Restaurant Palace, Eteläranta

10, FI-00130 Helsinki, Finland at 10:00 a.m. (Finnish time) on Friday 8 May 2015 (the "**75% Resolution**"). The text of the 75% Resolution is set out on page 13 of this document.

Finnish company law does not specifically recognise the threshold of "75% of the votes attaching to the shares voted on the resolution", which is the threshold required by the FCA as a condition for the Company to formally apply to the FCA for the change of listing segment. As such, the resolution has been proposed as an ordinary resolution, which, under Finnish law, only requires the approval of a majority of the shares voted on the resolution. As such, it is possible that the Resolution could be "passed" for the purpose of Finnish law, but would not constitute sufficient shareholder approval for the purposes of the UK Listing Rules; if this happens the transfer will not proceed.

### **Action to be taken**

As specified in the notice of Annual General Meeting and repeated in the notice of the 75% Resolution set out at the end of this document, a Shareholder who wishes to attend the Annual General Meeting should inform the Company of his/her intention to attend the Annual General Meeting no later than 4:00 p.m. (Finnish time) on Tuesday 5 May 2015 either: (i) by letter to Afarak Group Plc, Kasarmikatu 36, FI-00130, Helsinki, Finland; (ii) by e-mail to ilmo@afarak.com; or (iii) by fax on +358 10 440 7001, including the details specified in the notice of Annual General Meeting and repeated in the notice of the 75% Resolution set out at the end of this document.

A Shareholder who wishes to exercise his/her right to nominate a proxy representative to exercise his/her rights at the Annual General Meeting should inform the Company of this no later than 4:00 p.m. (Finnish time) on Tuesday 5 May 2015. At the Annual General Meeting a representative must present a dated proxy or must otherwise in a reliable way prove that he/she has a right to represent a shareholder.

Holders of depository interests in respect of underlying Shares wishing to vote should note that a different procedure applies. A CREST bulletin will be released by Euroclear UK & Ireland Limited shortly. A holder of depository interests should in the first instance contact the depository, Capita IRG Trustees Limited, on the following number +44 (0) 871 664 0335 for further details of the procedure.

### **Holders of nominee registered Shares**

A holder of nominee registered Shares should 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. (Finnish time) on Tuesday 5 May 2015 (being the time specified in the formal notice of Annual General Meeting).

### **Recommendation**

Your Board considers that the proposed transfer of the listing segment from the Premium segment to the Standard segment is in the best interests of the Company and its Shareholders as a whole. Accordingly your Board recommends that you vote in favour of the 75% Resolution to be proposed at the Annual General Meeting, as each Director (other than Dr Danko Koncar and Dr Jelena Manojlovic) intends to do in respect of his or her own beneficial holdings which amount in aggregate to 7,088,716 Shares, representing approximately 2.78 per cent. of the existing issued ordinary share capital of the Company

(excluding Shares held in treasury) as at Wednesday 15 April 2015, being the latest practicable day prior to the publication of this document. Dr Danko Koncar and Dr Jelena Manojlovic, have not participated in the Board's consideration of the proposed transfer of the listing segment and do not intend to vote in their capacity as shareholders, due to their relationship with Kermas.

Yours sincerely

Bernice Smart  
Deputy Chairman

## **PART II**

### **A SUMMARY OF THE DIFFERENCES BETWEEN STANDARD AND PREMIUM CATEGORIES OF LISTING, AS THEY APPLY TO THE COMPANY**

The following paragraphs set out the differences in the regulations applying to Standard listings and Premium listings, taking account of their application to the Company, having regard to its jurisdiction of incorporation and continued listing on the NASDAQ Helsinki Stock Exchange.

1. Companies with a Premium Listing are required to retain a sponsor for certain transactions and to consult a sponsor if proposing to enter into certain transactions in which the appointment of a sponsor might be required, in order to obtain guidance as to assess the application of the UK Listing Rules and UK Disclosure and Transparency Rules to such transaction. Companies with a Standard listing would only be required to appoint a sponsor if they wish to transfer their listing to the Premium segment.
2. Companies with a Standard listing are required to comply with the two Listing Principles contained in LR 7.2.1, which require companies to (i) establish and maintain adequate procedures, systems and controls to enable them to comply with their obligations; and (ii) deal with the FCA in an open and co-operative manner. However, they are not required to comply with the additional six UK Premium Listing Principles contained in LR 7.2.1A, which only apply to companies with a Premium listing.
3. Companies with a Standard listing are not required to comply with the provisions of Chapter 10 of the UK Listing Rules in relation to Significant Transactions. Chapter 10 sets out requirements for shareholders to be provided with certain details in respect of Significant Transactions which exceed certain class test ratios and to approve certain larger Significant Transactions which exceed certain class test ratios, commonly referred to as Class 2 Transactions and Class 1 Transactions respectively. Following the transfer to a Standard Listing, the Company would be able to undertake such Significant Transactions, including Class 1 Transactions without seeking shareholder approval (unless required for some other reason).
4. Companies with a Standard listing are not required to comply with the provisions of Chapter 11 of the UK Listing Rules for Related Party Transactions. Chapter 11 sets out requirements for certain transactions with related parties (such as substantial shareholders, directors and their associates) to be reviewed by a sponsor, who must confirm that the terms are fair and reasonable as far as shareholders are concerned, with larger Related Party Transactions also being conditional upon receipt of shareholder approval (any relevant related party and its affiliates must refrain from voting on the relevant resolution). Following the transfer to a Standard Listing, the Company would be able to undertake Related Party Transactions without confirmation from an independent financial adviser that the terms are fair and reasonable or obtaining shareholder approval (unless required for some other reason). The Group will continue to consider the terms of transactions with regards to the interests of the Company and shareholders as a whole and when appropriate. The Group has policies in relation to decision making where there could be a conflict of interest, which are based on Finnish law and corporate governance principles overlaid with any additional requirements of local law, where relevant, which it will continue to apply. The Board believes that these policies and the decision-making culture within the Group will continue to ensure that transactions with related parties



continue to be fair and reasonable from the perspective of the Company's shareholders.

5. Companies with a Standard listing are not required to comply with Chapter 12 of the UK Listing Rules, which applies to companies dealing in their own securities; however, any dealings in the Company's securities will continue to be subject to other general restrictions including the UK market abuse regime and Finnish laws and regulations in relation to market abuse.
6. The UK Model Code on share dealing does not apply to a company with a Standard listing. However, directors and other individuals who were subject to the UK Model Code by virtue of their position within the Group will still have to have comply with relevant provisions of Finnish, UK and other laws, including the requirement not to deal in the Company's shares when in possession of price sensitive non-public information in relation to the Company and a requirement for relevant individuals to comply with certain closed periods imposed due to the regulations of the Helsinki Stock Exchange.
7. The UK Corporate Governance Code does not apply directly to companies with a Standard listing. Many companies with a Standard listing would still be required to comply with DTR 7.2 by virtue of LR 14.3.24, which would require certain statements to be made in respect of various corporate governance practices. However, as the Company is obliged to comply with corresponding obligations imposed by the Finnish Corporate Governance Code in accordance with section 2.2.5 of the rules of the NASDAQ Helsinki Stock Exchange which implement the relevant provisions of the EU Fourth Company Law Directive and requires the Company to comply or explain against the Finnish Corporate Governance Code, the Company is not required to comply with DTR 7.2.
8. A company with a Standard listing is not required to comply with the more extensive requirements relating to the content of circulars issued to shareholders of companies with a Premium listing as detailed in Chapter 13 of the UK Listing Rules.
9. There are a number of miscellaneous continuing obligations imposed by Chapter 9 of the UK Listing Rules for companies with a Premium listing which would not apply to companies with a Standard listing, although some of the requirements in Chapter 9 do not apply to the Company since it is (and will continue to be) subject to Finnish regulations in respect of the same or similar matters. The main such requirements are set out in paragraphs 9.1 to 9.5 below.
  - 9.1 LR 9.5 contains a set of obligations on companies with a Premium listing related to particular equity transactions. In particular, it sets out the requirements relating to rights issues, placings and other offers of securities; for example, the restriction whereby listed companies making an open offer, placing or issuing shares out of treasury may not apply a discount of more than 10% to the middle market price of those shares at the time of announcement of the securities offering (unless shareholder approval has been obtained).
  - 9.2 Companies with a Premium listing, which are proposing to issue equity securities for cash or proposing to sell from treasury equity shares for cash, must first to offer those equity securities to existing shareholders, unless shareholders have authorised the dis-application of such pre-emption rights in accordance with LR 9.3.11R. However, LR 9.3.11R does not apply where a company is subject to pre-emption rights imposed under the law of another EU Member State which implemented article 29 of Directive 77/91/EEC and the securities are issued pursuant to an authority granted in accordance with such law. As Finland has implemented the relevant provisions of this directive, the requirements of the UK Listing Rules do not impose any requirement

beyond shareholders' pre-emption rights under the Finnish Companies Act (which will continue to apply following the transfer to the Standard segment). Under the Finnish Companies Act, existing shareholders have pre-emptive rights to subscribe for shares, options, warrants and other special rights defined in the Finnish Companies Act unless, such rights have been dis-applied by a resolution approved by at least two-thirds of all votes cast and all shares represented at a general meeting of shareholders and provided that there is a "weighty financial reason" for disapplying such rights.

- 9.3 Companies with a Premium listing are required to carry on an independent business as their main activity by virtue of LR 9.2.2A.
- 9.4 Companies with a Premium listing which have a "controlling shareholder" (ie a person who exercises or controls on their own or together with persons with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the listed company) are subject to various provisions (in LR 9.2.2A – 9.2.2H) designed to ensure that the company can operate independently of the controlling shareholder. These provisions extend and complement the regime applicable to "substantial shareholders" which form part of the rules applicable to Related Party Transactions under Chapter 11 of the UK Listing Rules.
- 9.5 Companies with a Premium listing are subject to restrictions (in LR 9.4.4) on the grant of discounted options to employees and directors except where the grant is pursuant to certain types of employee share scheme or is approved by shareholders.
- 10 Companies which only have a Standard listing are not required to obtain the approval of shareholders for the cancellation of the listing. Companies with a Premium listing are required to obtain the approval of shareholders; the same 75% approval threshold applies as for the 75% Resolution for the transfer from the Premium to Standard segment.

### PART III

#### DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

|   |  |
|---|--|
| <b>"Afarak" or "Company"</b>                  | Afarak Group Plc   |
| <b>"Afarak Group" or "Group"</b>              | Afarak and its subsidiaries and subsidiary undertakings (as defined in the Finnish Companies Act)  |
| <b>"Annual General Meeting"</b>               | the general meeting of the Company expected to be held at Restaurant Palace, Eteläranta 10, FI-00130 Helsinki, Finland at 10:00 a.m. (Finnish time) on Friday 8 May 2015, or any adjournment thereof   |
| <b>"Board"</b>                                | the board of directors of the Company  |
| <b>"Depository Interest"</b>                  | the dematerialised depository interests in respect of the Shares issued or to be issued by Capita IRG Trustees Limited as depository   |
| <b>"Directors"</b>                            | the directors of the Company whose names are set out on page 3 of this document  |
| <b>"EU"</b>                                   | the European Union   |
| <b>"FCA"</b>                                  | the UK Financial Conduct Authority   |
| <b>"Finland"</b>                              | the Republic of Finland  |
| <b>"Finnish Companies Act"</b>                | the Finnish Companies Act (624/2006), as amended   |
| <b>"Finnish Corporate Governance Code"</b>    | the Finnish Corporate Governance Code for listed companies   |
| <b>"Finnish FSA"</b>                          | the Finnish Financial Supervision Authority (in Finnish: <i>Finanssivalvonta</i> ) acting in its capacity as the competent authority for, among other things, listing in Finland under the Finnish Securities Markets Act (495/1989), as amended |
| <b>"Helsinki Stock Exchange"</b>              | the NASDAQ Helsinki Stock Exchange   |
| <b>"London Stock Exchange"</b>                | London Stock Exchange plc  |
| <b>"Kermas"</b>                               | Kermas Limited, a company incorporated in the British Virgin Islands which is a major Shareholder of the Company, holding approximately 27.73 per cent. of the Shares in the Company (excluding Shares held in treasury)                         |
| <b>"Premium listing" or "Premium segment"</b> | the "Premium listing (commercial company)" segment of the Official List of the UKLA  |
| <b>"Related Party Transaction"</b>            | transaction with a related party which would require a   |

|  |  |
|--|--|
|  | <p>sponsor to provide a fair and reasonable opinion under the existing provisions of the UK Listing Rules, having regard to the basis on which such provisions are currently applied to the Company</p>  |
| <b>"RIS"</b>   | a regulated information service  |
| <b>"75% Resolution"</b>                                  | the resolution to approve the transfer of the company's shares from the Premium listing segment to the Standard listing segment of the Main Market of the London Stock Exchange to be proposed as item 17 of the agenda of the Annual General Meeting (which must be approved by not less than 75% of the votes attaching to the shares voted on the resolution) |
| <b>"Shareholder"</b>                                     | a holder of one or more Shares; and <b>"Shareholders"</b> shall be construed accordingly   |
| <b>"Shares"</b>  | ordinary shares of no par value each in the capital of Afarak (and where the context requires shall include reference to the Depositary Interests)   |
| <b>"Significant Transaction"</b>                         | a larger transaction which would be classified as a "class 1 transaction" or a "class 2 transaction" under the existing provisions of Chapter 10 of the UK Listing Rules, having regard to the basis on which such provisions are currently applied to the Company   |
| <b>"Standard listing" or "Standard segment"</b>          | the "Standard listing (shares)" segment of the Official List of the UKLA   |
| <b>"Synergy Africa"</b>                                  | Synergy Africa Limited, an indirect subsidiary of the Company held as a joint venture vehicle owned 51% by the Group and 49% by Kermas   |
| <b>"UK" or "United Kingdom"</b>                          | the United Kingdom of Great Britain and Northern Ireland   |
| <b>"UK Disclosure and Transparency Rules " or "DTRs"</b> | the disclosure and transparency rules issued by the UK Listing Authority   |
| <b>"UK Corporate Governance Code"</b>                    | the UK Corporate Governance Code issued by the UK Financial Reporting Council  |
| <b>"UK Listing Authority" or "UKLA"</b>                  | the Financial Conduct Authority as the competent authority under Part VI of the Financial Services and Markets Act 2000  |
| <b>"UK Listing Rules" or "LRs"</b>                       | the listing rules issued by the UK Listing Authority   |
| <b>"UK Model Code"</b>                                   | The model code on dealings in securities by directors and other persons discharging managerial responsibility, as set out in Annex 1 to Chapter 9 of the UK Listing Rules  |

**PART IV**  
**SUMMARY OF THE PARTS OF NOTICE OF THE ANNUAL GENERAL MEETING  
RELEVANT TO THE 75% RESOLUTION TO BE CONSIDERED AS ITEM 17 OF THE  
AGENDA OF THE ANNUAL GENERAL MEETING**

**Afarak Group Plc**

*(Incorporated as a public limited company governed by the laws of Finland with business identity code 0618181-8 and trade register number 360.572)*

**(the "Company")**

**SUMMARY OF RELEVANT PARTS OF THE NOTICE ANNUAL GENERAL MEETING**

*(Unless otherwise stated, all times in this summary are Finnish time.)*

The Annual General Meeting for shareholders of the Company will be held on Friday 8 May 2015, starting at 10:00 a.m. at Restaurant Palace, Eteläranta 10, FI-00130 Helsinki, Finland.

The formal notice of the Annual General Meeting was published on the Company's website ([www.afarak.com](http://www.afarak.com)) and as a separate stock exchange release in accordance with the Company's by-laws on Thursday 16 April 2015.

The notice states that the information regarding item 17 of the agenda should be read in conjunction with the circular dated 16 April 2015 (the "**Circular**") which contains further details in relation to the proposed transfer of listing segment of the Company's listing on the London Stock Exchange. Shareholders are advised to read the Circular prior to making a decision in connection with the 75% resolution to be proposed at the meeting.

**A. INFORMATION REGARDING ITEM 17 OF THE AGENDA OF THE ANNUAL GENERAL MEETING**

The Board of Directors proposes to the Annual General Meeting the following resolution:

"17. **Transfer of listing segment of London listing:** THAT: (i) the proposed transfer of the Company's equity share listing on the Official List of the United Kingdom Listing Authority and on the Main Market of the London Stock Exchange plc from the Premium listing (commercial company) segment to the Standard listing (shares) segment be and is hereby approved; and (ii) the Directors of the Company be and are hereby authorised to cause such transfer to be effected and to do and/or procure to be done all such acts or things as they may consider necessary or desirable in connection therewith."

*Note: due to the requirements of the United Kingdom Listing Authority this resolution requires the affirmative vote of at least 75% of the votes attaching to the shares voted on the resolution, to be considered as having been "approved". Recording an "abstention" is not counted as a "vote" for these purposes.*

The Company will give at least 20 business days' notice by RIS announcement of the date that the transfer will become effective, if the transfer is approved. The earliest date the transfer can become effective is Tuesday 9 June 2015.

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

Documents to be kept on view in accordance with the Finnish Companies Act are available for the shareholders' inspection no later than three weeks 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](http://www.afarak.com). Copies of these documents will be sent to the shareholders on request.

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

### **1. Right to attend**

A shareholder who no later than 27 April 2015 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.

### **2. 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. on 5 May 2015, 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 received by 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.

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

A shareholder has a right to attend the meeting and use his/her rights via proxy 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. 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 5 May 2015.

### **4. 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 5 May 2015.

In Helsinki, on 16 April 2015

Afarak Group Plc

Board of Directors