



## **NOTICE OF ANNUAL GENERAL MEETING IN SOTKAMO SILVER AKTIEBOLAG (PUBL)**

The shareholders of Sotkamo Silver Aktiebolag (publ), reg.no 556224-1892, are hereby invited to attend the Annual General Meeting ("AGM") to be held on Thursday, April 11, 2019, at 10.00 a.m. at Jernkontoret, Kungsträdgårdsgatan 10, fifth floor, in Stockholm, Sweden. Registration will open at 09.30 a.m.

### **Attendance**

A shareholder wishing to attend the AGM must be registered as shareholder on Friday, April 5, 2019, in the shareholders register maintained by Euroclear Sweden AB.

Notice of intention to attend the AGM can be made to the Company no later than on Monday, April 8, 2019, in writing to Sotkamo Silver Aktiebolag, AGM, Box 5216, 102 45 Stockholm, Sweden; by phone + 46 70-777 69 76 or by e-mail to [paul.johnsson@silver.fi](mailto:paul.johnsson@silver.fi) The notification must include name, date of birth or corporate registration number and day-time telephone number.

### **Nominee registered shares**

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to attend the AGM, request that their nominee re-register their shares in their own name so that the shareholder is registered in the shareholders register maintained by Euroclear Sweden AB on Friday, April 5, 2019. Shareholders wishing to re-register their shares in their own name must inform its nominee well in advance of April 5, 2019, when such registration at the latest must be executed.

Shareholders whose shares are registered in the name of a nominee at Euroclear Finland Ab must, in order to be entitled to attend the AGM, request to be temporarily registered into the temporary shareholders' register held by Euroclear Finland Ab. Shareholders wishing to be temporarily registered into such temporary shareholders' register must inform its nominee of this well in advance of Friday, April 5, 2019, at 10.00 a.m. Finnish time, when such registration at the latest must be executed.

### **Representatives, etc.**

Shareholders who are represented by proxy must issue a dated proxy in writing for the representative. The proxy is valid one year from the issuing, unless a longer validity period (not exceeding five years) is stated in the proxy. If the proxy is issued by a company or other legal entity, it must be accompanied with a qualifying certificate such as a registration certificate or similar document of authorization. The original proxy and any documents of authority should well in advance of the AGM be sent to Sotkamo Silver Aktiebolag, AGM, Box 5216, 102 45 Stockholm, Sweden. Proxy forms are available on the Company's website, [www.silver.fi](http://www.silver.fi) and will be sent to shareholders upon request.

### **Proposed Agenda**

1. Opening of the AGM.
2. Election of chairman of the AGM.
3. Preparation and approval of voting list.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.
6. Determination whether the AGM has been duly convened.

7. Presentation of the annual report and the audit report, the consolidated annual report and the consolidated audit report.
8. Managing director's address.
9. Resolution regarding adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet.
10. Resolution regarding allocation of earnings according to the adopted balance sheet.
11. Resolution regarding discharge from liability of the directors and the managing director.
12. Presentation of the nominating committees' proposals regarding item 13-16 below.
13. Resolution regarding the number of directors and the number of deputies.
14. Resolution regarding fees to the directors and the auditors.
15. Election of directors, chairman of the board and deputies.
16. Election of auditors.
17. Establishment of guidelines for the nominating process.
18. Establishment of guidelines for the remuneration to management.
19. Resolution to authorize the Board to issue new shares, issue of warrants and/or convertibles.
20. Closing of the AGM.

#### **Proposals by the nominating committee (items 2 and 13-16)**

In accordance with the guidelines adopted by the AGM in 2018 a nominating committee has been appointed. The nominating committee, consisting of Leena Siirala, chairman, Timo Kärkkäinen and Mauri Visuri, with Bertil Brinck, as secretary, proposes:

- That Bertil Brinck is elected chairman of the AGM.
- That the board of directors shall comprise of six members without deputies.
- Fees to the directors shall be in total EUR 114,000, exclusive of meeting fees, of which the chairman shall receive a fee of EUR 32,400, to be paid monthly with EUR 2,700, the vice chairman shall receive a fee of EUR 19,200, to be paid monthly with EUR 1,600 and the other directors, who are not employed in the Sotkamo Group of companies, shall receive a fee of EUR 15,600 each, to be paid monthly with EUR 1,300. In addition, it is suggested that a meeting fee is paid to each director with EUR 500 per meeting, including attendance at physical meetings also meetings via Skype, telephone, email and comparable meetings. The remuneration to be paid for work in an audit committee or any other board committee, if any, is suggested to be in the form of a meeting fee to each member of EUR 500 per meeting, including attendance at physical meetings also meetings via Skype, telephone, email and comparable meetings. The fee to the chairman for the year 2018 was SEK 300,000 and to a board member SEK 200,000, respectively, with no meeting fees and no fees for work in a committee, if any.
- That the auditor's fees are payable on account.
- Re-election of the directors Jarmo Vesanto, Mauri Visuri, Ilkka Tuokko, Matti Rusanen and Eeva-Liisa Virkkunen and election of Maria Neovius as new director on the board.
- Re-election of Mauri Visuri as chairman of the board of directors.
- Re-election of the registered auditing company PWC AB as the auditor of the Company until the end of the AGM in 2020, with the auditor Anna Rosendal as the auditor in charge until further notice. This proposal corresponds to the recommendation of the board of directors. The board of directors has not set up any audit committee.

## **Proposals by the board of directors (items 10 and 17-19)**

### **Item 10 - Allocation of earnings**

The board of directors and the managing director propose that the accumulated losses are carried forward. The board of directors proposes that no dividend will be paid for 2018.

### **Item 17 – Nominating committee**

The board of directors of the Company proposes that the annual general meeting (“AGM”) adopt the following guidelines for the nominating process. The shareholder, based on statistics from Euroclear Sweden AB, which holds the largest number of shares and voting rights as of August 31, 2019, will after consultation with the three next biggest shareholders appoint a nominating committee of three persons. The composition of the nominating committee will be published at the latest in the Interim Report for the third quarter of 2019. The nominating committee’s task is to present proposals to the AGM regarding the number of the directors and deputies, the composition of the board and the fees payable to the directors and special fees payable for committee assignments, if any. Further, the nominating committee will present proposals for the chairman of the board and the chairman to preside at the AGM and on the auditors and their fees. The chairman of the nominating committee is appointed by the nominating committee. The mandate period of the nominating committee lasts until a new nominating committee has been appointed. If a member of the nominating committee leaves the nominating committee before its task has been completed or if a material change occurs in the ownership structure of the Company after the appointment of the nominating committee, the nominating committee’s composition will be changed in accordance with the above principles. Changes in the composition of the nominating committee will be published on the Company’s website. The nominating committee’s proposals will be publicly announced in connection with the publication of the notice of the AGM. In connection with its assignment the nominating committee will fulfil the duties incumbent on it according to a company’s nominating process as stated in the Swedish Code of Corporate Governance. At the request of the committee the Company will provide personnel resources, such as a secretarial function for the nominating committee to facilitate the work of the nominating committee. Where needed the Company will also bear reasonable costs for external consultants, which are deemed necessary by the nominating committee to fulfil its task.

### **Item 18 - Guidelines for compensation to management**

The board of directors proposes principles for remuneration and other employment terms consistent with the guidelines adopted at the AGM in 2018.

The proposal mainly involves that the Company will offer its executives market-based remuneration, which will enable the Group to recruit and retain qualified employees. With senior management and senior executives are meant the managing director and other members of the management. The remuneration may consist of the following components (i) fixed base salary, (ii) variable compensation, (iii) pension benefits and (iv) other customary benefits. The variable remuneration will be paid based on performance goals achieved by the Company as a whole and performance targets for the individual employee. The variable salary will be maximized to 25 per cent of the fixed salary. Pension benefits should be premium-based and may reach 20 per cent of the base salary. The board of directors may diverge from the above principles if special reasons apply in an individual case.

**Item 19 – Authorization for the board to issue new shares, issue of warrants and/or convertibles**

The board of directors proposes that the AGM decides to authorize the board during the period until the next AGM to issue new shares, issue of warrants and/or convertibles, on one or more occasions and with or without preferential rights for the shareholders. Board resolutions under this authorization may result in a maximum dilution of twenty (20) per cent of the total number of shares outstanding at the time of the first board resolution in accordance with this authorization. The decision may provide for that the newly issued shares, warrants or convertible bonds could be paid in assets contributed in kind, by set-off or otherwise characterized by conditions pursuant to Chapter 13, Section 5, first subparagraph 6, Chapter 14, Section 5, first subparagraph 6 or Chapter 15, Section 5, first subparagraph 4 of the Swedish Companies Act. The board is authorized to decide additional terms and conditions for the new issue or issue.

**Other**

The total number of shares and votes in the Company as of the day of this notice is 130,783,299.

The proposals of the nominating committee, its motivated statement with information about the persons proposed to be elected as directors, the annual report, the auditor's report, the auditor's statement on application of guidelines for compensation, the board of directors' complete proposals concerning items 17-19 on the agenda and a proxy form, will be available at the Company's head offices at Nybrogatan 34 in Stockholm, Sweden, and on the Company's website: [www.silver.fi](http://www.silver.fi) at latest on Thursday, March 21, 2019 and will be sent to shareholders upon request.

All of the documents referred to above will also be available at the AGM.

A decision regarding item 19 on the agenda must be supported by shareholders representing at least two thirds of both the cast votes and the shares represented at the AGM.

The shareholders are informed of their right under the Swedish Companies Act to request information at the AGM regarding circumstances which may affect the assessment of an item on the agenda and conditions that may affect the assessment of the Company's financial situation.

For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

Stockholm in March 2019

*The board of directors*

SOTKAMO SILVER AKTIEBOLAG (publ)

*This is a translation of the Swedish version of the notice. In case of any discrepancies, the Swedish version shall prevail.*