

## Notice of Annual General Meeting in Vostok New Ventures Ltd

Notice is hereby given to the holders of depository receipts in respect of shares in Vostok New Ventures Ltd, reg. no. 39861, with registered office in Hamilton, Bermuda (“**Vostok New Ventures**” or the “**Company**”) that an Annual General Meeting (the “**Meeting**”) of shareholders shall be held on Wednesday, 15 May 2019 at 2 pm CEST in “Kreugersalen” at Tändstickspalatset, Västra Trädsgårdsgatan 15 in Stockholm, Sweden.

### Notice to attend etc.

Holders of depository receipts wishing to attend the Meeting shall:

- (1) be listed in the register of holders of depository receipts kept by Euroclear Sweden AB on Thursday, 9 May 2019; and
- (2) notify the Company of the intention to attend the Meeting not later than Thursday, 9 May 2019 by mail at the address Computershare AB, Vostok New Ventures Ltd Annual General Meeting, Box 610, SE-182 16 Danderyd, Sweden, by telephone +46 (0)771-24 64 00 or by e-mail to [agm@vostoknewventures.com](mailto:agm@vostoknewventures.com). The holder of depository receipts shall state his or her name, personal or company identification number, address as well as telephone number. If a holder of depository receipts intends to be represented by proxy, the name of the proxy holder shall be stated. Information submitted in connection with the notification will be computerised and used exclusively for the Meeting. See below for additional information on the processing of personal data.

Holders of depository receipts represented by **proxy** shall issue dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or a corresponding document for the legal entity shall be appended. The power of attorney in original and, where applicable, the registration certificate should be submitted to the Company by mail at the address set forth above well in advance of the Meeting. The form to use for a power of attorney can be found on [www.vostoknewventures.com](http://www.vostoknewventures.com).

Holders of depository receipts who hold their receipts through nominees (Sw. *förvaltare*) must request a **temporary registration of the voting rights** in order to be able to participate at the Meeting. Holders of depository receipts who want to obtain such registration must contact the nominee regarding this well in advance of Thursday, 9 May 2019.

Voting forms will be distributed to the holders who have complied with the above requirements and the **voting form** must be brought to the Meeting.

### Proposed agenda

1. Election of Chairman for the Meeting.
2. Preparation and approval of voting list.
3. Approval of the agenda.
4. Election of one or two persons to check and sign the minutes.
5. Resolution that the Meeting has been duly convened.
6. Presentation by the Managing Director.
7. Presentation of the annual report and the auditor’s report as well as the consolidated annual report and the consolidated auditor’s report.

8. Resolution in respect of
  - (a) the adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet; and
  - (b) the appropriation of the Company's results according to the adopted balance sheet.
9. Determination of the number of Directors and auditors.
10. Determination of remuneration to the Directors and the auditors.
11. Election of Directors and auditors.
12. Resolution to appoint the Nomination Committee.
13. Resolution regarding remuneration principles for the senior management.
14. Resolution regarding long-term incentive program.
15. Resolution to amend the Company's Bye-Laws.
16. Resolution to cancel the incentive program adopted in 2007.
17. Resolution to cancel the 2010 Incentive Program.
18. Closing of the Meeting.

**Proposals of the Nomination Committee (items 1, 9-12)**

The Nomination Committee, consisting of Jake Hennemuth (Ruane Cunniff & Goldfarb), Evert Carlsson (Swedbank Robur Fonder), Marcus Lüttgen (Alecta) and Lars O Grönstedt (chairman of the Board of Directors) has not yet completed its work regarding all items within its mandate. Proposals regarding these items will be made available on the Company's website no later than two weeks prior to the Meeting and will, in connection therewith, be made public by the Company by way of a press release.

**The appropriation of the Company's results (item 8b)**

The Board of Directors proposes that no dividend is paid to the shareholders and that the Company's results are brought forward.

**Remuneration principles for the senior management (item 13)**

The Board of Directors proposes that the Meeting resolves to approve the following management remuneration principles etc.

The remuneration to the Managing Director and other members of the senior management shall consist of fixed salary, variable remuneration, other benefits and pension benefits. Except for the Managing Director, the senior management currently includes two individuals.

The total remuneration shall correspond to the prevailing market conditions and be competitive. The fixed and variable remuneration shall correspond to the respective individual's responsibility and authority. The variable component should, in the first instance, be covered within the parameters of the Company's Long-Term Incentive Programs and shall, where payable in other instances, be related to milestone accomplishments of the Company and/or its portfolio investments, e.g. particularly successful investments, exits or similar events.

The period of notice of termination of employment shall be three to six months in the event of termination by the member of the senior management. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 12 months. Pension benefits shall be contribution-based with individual retirement ages.

The Board of Directors shall be entitled to deviate from these guidelines in individual cases should special reasons exist.

#### **Resolution regarding long-term incentive program (item 14)**

The Board of Directors proposes that the Meeting resolves on long-term incentive program for up to seven (7) employees in Vostok New Ventures Ltd ("**LTIP 2019**") in accordance with the below. LTIP 2019 is a three-year performance-based incentive program which is substantially the same as the depository receipt-based incentive program from 2018 ("**LTIP 2018**").

#### ***Adoption of an incentive program***

##### *Summary of the program*

The Board of Directors proposes that the general meeting resolves to adopt LTIP 2019. LTIP 2019 is proposed to include up to seven (7) employees in Vostok New Ventures. The participants in LTIP 2019 are required to invest in Vostok New Ventures by acquiring shares in the form of depository receipts in Vostok New Ventures ("**Saving DRs**"). These Saving DRs are received by way of purchase of depository receipts (representing shares in Vostok New Ventures) at market value or transfer of depository receipts that such participant already holds in accordance with the terms set out under "Personal investment" below. The participants will thereafter be granted the opportunity to receive depository receipts free of charge in accordance with LTIP 2019, so called "**Performance DRs**" in accordance with the terms set out below.

In the event that delivery of Performance DRs cannot be achieved at reasonable costs, with reasonable administrative efforts or due to market conditions, participants may instead be offered a cash-based settlement.

##### *Personal investment*

In order to participate in LTIP 2019, the participant must have made a private investment by (i) purchase of depository receipts (representing shares in Vostok New Ventures) at market value and for a value of up to SEK 1,425,000<sup>1</sup> depending on the participants' position in Vostok New Ventures in accordance with what is further described below, or (ii) by transfer of depository receipts that such participant already holds (provided that the participant holds at least 100% of annual net base pay in depository receipts) for a value of up to SEK 1,425,000<sup>2</sup> depending on the participants' position in Vostok New Ventures in accordance with what is further described below. For each Saving DR held under LTIP 2019, the Company will grant the participants ten rights to Performance DRs, meaning rights to receive Performance DRs free of charge ("**Rights**"). The number of Performance DRs each participant's Saving DRs entitles to depends on the Company's fulfilment of the performance conditions. A participant cannot receive more than ten Performance DRs per Saving DR.

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<sup>1</sup> Corresponding to 25,000 depository receipts based on an assumed price of SEK 57 per depository receipt.

<sup>2</sup> Corresponding to 25,000 depository receipts based on an assumed price of SEK 57 per depository receipt.

The maximum amounts for the personal investments are based on an assumed market price of Vostok New Ventures' depository receipts of SEK 57. The market price of the depository receipts may have increased or decreased by the time of the personal investment and the Board of Directors is authorised to change the maximum amount of the personal investment to take into account any material changes to the price of Vostok New Ventures' depository receipts, in order to give as positive effects as possible for depository receipt holders in the Company.

#### *General terms and conditions*

Subject to the fulfilment of the entry level of the performance based conditions for the period 1 January 2019 to 31 December 2021 and provided that the participant has kept its investment in Saving DRs during the period from the day of allocation of the Rights until the day of the release of the interim report for the period 1 January to 31 March 2022 (the vesting period) and, with certain exceptions, kept its employment within the Vostok New Ventures group and not given notice of termination at such point in time, two Rights per Saving DR will vest and each Rights will entitle the participant to receive one Performance DR free of charge.

#### *Retention and performance conditions*

The number of Performance DRs each of the participant's Saving DR entitles to depends on the Company's fulfilment of the performance conditions during the measurement period. The performance conditions are based on the Net Asset Value per share ("**NAV per share**").

The determined levels of the conditions include an entry, a target and a stretch level as regards the number of Rights that vest. The entry level constitutes the minimum level which must be exceeded in order to enable vesting of Rights. If the entry level is reached or exceeded, each participant will receive two Performance DRs per Saving DR. If the target level is reached or exceeded, each participant will receive five Performance DRs per Saving DR. If the stretch level is reached or exceeded, each participant will receive ten Performance DRs per Saving DR.

The Board of Directors intends to disclose the outcome of the performance-based conditions in the annual report for the financial year 2021.

#### *The Rights*

The Rights shall be governed by the following terms and conditions:

- Rights are granted free of charge as soon as possible after the annual general meeting 2019.
- Vest following the publication of the Company's interim report for the period 1 January – 31 March 2022 (the vesting period).
- May not be transferred or pledged.
- Two Rights per Saving DR will vest and each Right will entitle the participant to receive one Performance DR after the end of the vesting period, if the entry level of the performance-based conditions has been fulfilled and the participant, at the time of the release of the interim report for the period 1 January – 31 March 2022, maintains its employment within the Vostok New Ventures group, has not given notice of termination and maintains the invested Saving DRs.

- In order to align the participants' and the depository receipt holders' interests, the Company will compensate the participants for any dividends paid during the three year vesting period. Compensation will only be made for dividend resolved after the time of allocation.

#### *Preparation and administration*

The Board of Directors shall be responsible for preparing the detailed terms and conditions of LTIP 2019, in accordance with the mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the Vostok New Ventures group or its operating environment would result in a situation where the decided terms and conditions of LTIP 2019 no longer serve their purpose.

#### *Allocation*

The participants are divided into different categories and in accordance with the above, LTIP 2019 will comprise the following number of Saving DRs and maximum number of Rights for the different categories:

- the CEO: may acquire up to SEK 1,425,000 worth of Saving DRs<sup>3</sup> within LTIP 2019, entitling the holder to allotment of not less than two and up to ten Rights per Saving DR;
- other members of management than the CEO (two individuals) and other employees (four individuals): may acquire in aggregate up to SEK 1,596,000 worth of Saving DRs<sup>4</sup> within LTIP 2019, entitling the holder to allotment of not less than two and up to ten Rights per Saving DR.

#### *Scope and costs of LTIP 2019*

LTIP 2019 will be accounted for in accordance with IFRS 2 which stipulates that the Rights should be recorded as a personnel expense in the income statement during the vesting period. The costs for LTIP 2019 is estimated to amount to approximately SEK 15 million, excluding social security costs, calculated in accordance with IFRS 2.

The costs for social security charges are calculated to approximately SEK 4.75 million, based on the above assumptions.

In addition to what is set forth above, the costs for LTIP 2019 have been based on that LTIP 2019 comprises up to seven participants and that each participant makes a maximum investment.

If the maximum result is reached, and all invested Saving DRs are retained under LTIP 2019 and a fulfilment of the performance conditions of 100 percent, the maximum cost of LTIP 2019 as defined in IFRS 2 is approximately SEK 30 million and the maximum social security cost is estimated to approximately SEK 9.5 million.

The costs are expected to have a marginal effect on key ratios of the Vostok New Ventures group.

Upon maximum allotment of Performance DRs, 530,000 depository receipts representing shares in the Company may be allocated within the framework of LTIP 2019, which would correspond to

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<sup>3</sup> Corresponding to 25,000 depository receipts based on an assumed price of SEK 57 per depository receipt.

<sup>4</sup> Corresponding to 28,000 depository receipts based on an assumed price of SEK 57 per depository receipt.

approximately 0.68 percent of the share capital and the votes in the Company. A total of 147,000 depository receipts, comprising the currently allocated options under the 2010 Incentive Program (which currently encompasses in total 147,000 allocated options and 2,931,696 options that have not been allocated), 316,050 depository receipts under LTIP 2016, the maximum allotment of 661,500 depository receipts under LTIP 2017, the maximum allotment of 749,700 depository receipts under LTIP 2018 and the maximum allotment of 530,000 depository receipts under LTIP 2019, would correspond to approximately 3.09<sup>5</sup> percent of the share capital and the votes in the Company.

#### *Delivery of Performance DRs under LTIP 2019*

To ensure delivery of Performance DRs under LTIP 2019, the Company intends to hedge LTIP 2019 with either repurchased depository receipts, enter into a swap agreement or other similar agreement with a third party or by taking other measures deemed necessary by the Company.

#### *The rationale for the proposal*

The objective of LTIP 2019 is to create incentives for the management to work for a long-term development in the Company. Furthermore, LTIP 2019 shall create conditions for retaining competent employees in the Vostok New Ventures group through the offering of competitive remuneration. LTIP 2019 has been designed based on the view that it is desirable that employees within the group are depository receipt holders in the Company and that they see that working with a long-term horizon pays off. Participation in LTIP 2019 requires a personal investment in Saving DRs.

By offering an allotment of Performance DRs which are based performance-based conditions, the participants are rewarded for increased depository receipt holder value. Further, LTIP 2019 rewards employees' loyalty and long-term value growth in the Company. Against this background, the Board of Directors is of the opinion that the adoption of LTIP 2019 will have a positive effect on the Vostok New Ventures group's future development and thus be beneficial for both the Company and its depository receipt holders.

#### *Preparation*

The Company's Board of Directors has prepared LTIP 2016, 2017 and 2018, on which LTIP 2019 is based, in consultation with external advisors. LTIP 2019 has been reviewed and determined by resolution by the Board of Directors on 14 March 2019.

#### *Other incentive programs in the Company*

Below are summaries of the current outstanding incentive programs in the Company. For more information about the incentive programs, please see the annual report 2018.

#### 2010 Incentive Program

The 2010 Annual General Meeting decided in accordance with the proposal from the Board of Directors to adopt an incentive program entitling present and future employees to be allocated call options to acquire shares represented by depository receipts in Vostok New Ventures. The program covers present and future employees. A total of 5,115,600 options were authorized under the

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<sup>5</sup> Excluding the 2,931,696 options that have not been allocated and will not be allocated if the Meeting resolves in accordance with the Board of Directors' proposal under item 17. Including such options, the number of depository receipts would correspond to approximately 6.85 percent of the share capital and the votes in the Company.

program. A total of 147,000 options are currently allocated. The option life is 7 June 2016 – 31 July 2019 and the exercise period is 1 June – 31 July 2019. If all options are exercised a total of 147,000 depository receipts could be allocated, which would correspond to approximately 0.19 percent of the share capital and the votes in the Company.

#### LTIP 2016

At the 2016 annual general meeting held on 17 May 2016, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program ran from 1 January 2016 through 31 March 2019 and encompassed a maximum of 430,000 shares. Program participants purchased shares in the Company, and for each purchased share were entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's Net Asset Value per share.

The Board of Directors has determined that the development of the Company's Net Asset Value per share over the term of LTIP 2016 (January 1, 2016 through December 31, 2018), meets the so-called target level, whereby each savings share held by program participants throughout the vesting period (until the day of release of the Company's interim report for the period January 1 through March 31, 2019) will result in an allocation of five performance shares free of charge, which will correspond to 316,050 shares and a dilution of approximately 0.41 percent of the share capital and the votes in the Company.

#### LTIP 2017

At the 2017 annual general meeting held on 16 May 2017, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from 1 January 2017 through 31 March 2020, and encompasses a maximum of 661,500 shares, corresponding to a dilution of 0.85 percent of the total number of shares outstanding at the time of adoption of the program. Program participants purchase shares in the Company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's Net Asset Value.

#### LTIP 2018

At the 2017 annual general meeting held on 16 May 2018, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from 1 January 2018 through 31 March 2021, and encompasses a maximum of 749,700 shares, corresponding to a dilution of 0.96 percent of the total number of shares outstanding at the time of adoption of the program. Program participants purchase shares in the Company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's Net Asset Value.

#### **Resolution to amend the Company's Bye-Laws (item 15)**

The Board of Directors proposes an amendment to the Company's Bye-Laws, whereby the name of the Company as stated in the Bye-Laws is changed from "Vostok Nafta Investment Ltd" to "Vostok New Ventures Ltd", in order to reflect the name change effected by the Company in 2015.

With reference to the above, the Board of Directors proposes that section 1.1 of the Bye-Laws, referring to the definition of “Company”, shall read as follows:

*“Company” The company with the name Vostok Nafta Holding Investment Ltd incorporated in Bermuda on the 10th day of April 2007 and subsequently renamed Vostok Nafta Investment Ltd and later Vostok New Ventures Ltd;*

Furthermore, the first page of the Bye-Laws shall read as follows:

*Amended and restated Bye-Laws of Vostok New Ventures Ltd*

#### **Resolution to cancel the incentive program adopted in 2007 (item 16)**

At an Extra General Meeting held on 29 August 2007, an incentive program was adopted under which the Company could issue and transfer call options to members of the executive management and other employees related to investments in non-listed portfolio companies. By enabling the Company’s employees to subscribe for call options of shares in portfolio companies, it was envisioned by the Board of Directors that opportunities would be created for employees to take part in future increases in value, in a similar mode as for individuals working within traditional private equity firms.

The Board of Directors has noted that no call options have been granted under this incentive program and further assess that no call options are likely to be granted under this incentive program in the future. As such, the Board of Directors proposes that the incentive program adopted in 2007 is cancelled in its entirety.

#### **Resolution to cancel the 2010 Incentive Program (item 17)**

The 2010 Annual General Meeting decided in accordance with the proposal from the Board of Directors to adopt an incentive program entitling present and future employees to be allocated call options to acquire shares represented by depository receipts in Vostok New Ventures. The program covers present and future employees. A total of 5,115,600 options were authorized under the program. A total of 147,000 options are currently allocated. The option life is 7 June 2016 – 31 July 2019 and the exercise period is 1 June – 31 July 2019.

The Board of Directors proposes that the 2010 Incentive Program is cancelled in its entirety following the expiry of the option life and exercise period of the currently allocated 147,000 options.

#### **Majority requirements**

Resolutions in accordance with the Board of Directors’ proposal in respect of items 14, 16 and 17 requires support of shareholders representing not less than half of the votes cast as well as of the shares represented by depository receipts represented at the Meeting. Resolution in accordance with the Board of Directors’ proposal in respect of item 15 requires support of shareholders representing not less than two thirds of the votes cast as well as of the shares represented by depository receipts represented at the Meeting.

#### **Miscellaneous**

The annual accounts and the auditors’ report will be available at the office of the Company’s Swedish subsidiary, Vostok New Ventures AB, at Mäster Samuelsgatan 1 in Stockholm, Sweden and on the Company’s website [www.vostoknewventures.com](http://www.vostoknewventures.com).



## **Processing of personal data**

For information on how your personal data is processed, see the integrity policy that is available at Euroclear's webpage [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

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April 2019

*Pareto Securities AB*

The Board of Directors of Vostok New Ventures Ltd