Notice to the Annual General Meeting of Neo Industrial Plc

2.6.2020 16:15:00 EEST | Neo Industrial Oyj | Notice to general meeting

The Annual General Meeting of Neo Industrial Plc will be held on Wednesday, 24 June 2020 at 1 pm at Hyvinkään Villatehdas, Kankurinkatu 4-6, 05800 Hyvinkää.

Registration and distribution of voting tickets will start at 12.30 pm.

Due to the COVID-19 pandemic, the aim is to hold the Annual General Meeting as short as possible. No catering will be served at the meeting and no materials will be handed out. The presence of members of Neo Industrial Plc's Board of Directors, auditor and management team is limited to a minimum.

A. MATTERS ON THE AGENDA OF THE ANNUAL GENERAL MEETING

The meeting shall handle the following matters:

1. Opening of the meeting

2. Calling the meeting to order

3. Election of persons 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

6. Presentation of the annual accounts, consolidated annual accounts, the report of the Board of Directors and review by the Managing Director for the accounting period 2019

7. Presentation of the auditor´s report

8. Adoption of the annual accounts including consolidated annual accounts

9. Resolution on the use of the profit shown on the balance sheet and the payment of dividend

   According to the annual accounts of the fiscal year 2019, the parent company's distributable funds are EUR 2,806,872.33 of which the profit for the financial year is EUR 1,068,591.57.

   The Board of Directors proposes to the Annual General Meeting that no dividends be paid for 2019. The Board of Directors proposes that profit EUR 1,068,591.57 of 2019 be transferred to the profit / loss account of previous financial years.

10. Resolution on the discharge from liability of the members of the Board of Directors and the Managing Director

11. Handling of the remuneration policy for governing bodies

    Remuneration policy for governing bodies approved by the company's Board of Directors is available on the company's website at www.neoindustrial.fi.

12. Resolution on the remuneration of the members of the Board of Directors and resolution on the auditor's fee

    The shareholders representing over 50 per cent of the votes, propose that the annual remuneration of the Board members to be kept unchanged and thus be as follows: EUR 10,000 for Board members and EUR 12,500 for the chairman of the Board and an attendance remuneration of EUR 600 per meeting for the board and committees, and

that the members of the Board be compensated for their travel expenses.

It is proposed that circa 40 per cent of the annual remunerations will be paid with the shares of the company. Transfer to the shares is made by using the average share price of Neo Industrial Plc’s B-share in May 2020 and the shares will be handed over in June 2021.

In addition, it is proposed that the members of the Board be paid a bonus based on the development of the company’s B share price, the amount of which is EUR 1,000 for the chairman of the Board and EUR 500 for the ordinary members of the Board, multiplied by annual return based on the share price development of Neo Industrial Plc’s class B share (average share price in May 2021 – average share price in May 2020). Should the annual return exceed 50 per cent, the bonus shall be paid in accordance with 50 per cent. So the highest multiplier when counting remuneration is 50.

It is proposed that circa 40 per cent of the bonuses be paid with the shares of the company. Transfer to the shares is made by using the average share price of Neo Industrial Plc’s B-share in May 2021 and the shares will be handed over in June 2021.

The Board of Directors proposes that the auditor’s fees be paid according to the invoice approved by the company, based on competitive bidding of accounting services.

13. Resolution on the number of members of the Board of Directors and possible deputy members

The shareholders representing over 50 per cent of the votes, propose that the number of members of the Board shall be four (4) and no deputy members shall be elected.

14. Election of the chairman and the deputy chairman and members of the Board

The shareholders representing over 50 per cent of the votes, propose that following members of the Board of Directors to be re-elected: Markku E. Rentto, Jukka Koskinen, Marjo Matikainen-Kallström and Ari Järvelä. Above mentioned shareholders propose that Markku E. Rentto continues as a chairman and Jukka Koskinen as a deputy chairman.

15. Election of auditor

The shareholders representing over 50 per cent of the votes, propose that Authorized Public Accountants KPMG Ltd, with Authorized Public Accountant Leenakaisa Winberg as responsible auditor, be re-elected as the auditor of the company for a term that expires at the end of the Annual General Meeting of 2021.

16. Amendment of the Articles of Association 14 §

In the company's Articles of Association 14 § refers to Chapter 4, Section 2, Subsection 2 which is deleted from Limited Liability Companies Act. The shareholders representing over 50 per cent of the votes, propose that the § in question to be changed as follows:

14 § Notice of general meeting and registration
Notice of the General Meeting shall be published on the Company's website no earlier than three (3) months before the record date of the General Meeting and not later than three (3) weeks prior to the record date, nevertheless, always at least nine (9) days prior mentioned record date. In order to attend the General Meeting, a shareholder must register with the Company no later than on the date specified in the notice of the meeting, which may be at least ten (10) days prior to the meeting.

17. Approval of the corporate acquisition

Company has June 2 2020 signed a sale and purchase agreement on buying all the shares of Reka Rubber Ltd ("Reka Rubber") from the biggest shareholder of Neo Industrial Plc, Reka Oy. The purchase price, EUR 7.5 million, is paid by cash. The corporate acquisition is conditional to the acceptance of the Annual General Meeting.
According to the Fairness Opinion -statement acquired from external expert by independent committee the purchase price is fair from financial point of view.

The Board of Directors proposes that the Annual General Meeting approves the corporate acquisition, in which case the implementation of the corporate acquisition is expected to be carried out after the Annual General Meeting, latest on July 1 2020.

18. Authorization of the Board of Directors to decide on the purchase of own shares and to taking own shares as pledge

    The Board of Directors proposes that it be authorized to decide on acquisition of the company's own shares by using the assets from the company's distributable funds. The shares will be acquired through public trading arranged by NASDAQ Helsinki in accordance with its rules, and the consideration to be paid for the shares to be acquired must be based on market price. The company may acquire B class shares directly by a contractual trade with other parties than the biggest shareholder, provided that the number of class B shares to be acquired via contractual trade is at least 15,000 and that the consideration to be paid for the shares is equal to the prevailing market price in NASDAQ Helsinki at the time of the acquisition. When carrying out the acquisition of the company's own shares, derivatives, share lending and other contracts customary to the capital markets may be entered into within the limits set by law and regulations.

    The authorization entitles the Board of Directors to decide on the directed acquisition in a proportion other than that of the shares held by the shareholders, provided the company has a weighty reason for this as defined in the Finnish Companies Act.

    According to the terms of the sale and purchase agreement the Company takes its own shares as pledge from Reka Ltd as collateral of possible compensation responsibility. Provided that the corporate acquisition on agenda point 17 above is approved, the Board of Directors proposes, that the Annual General Meeting authorize the Board of Directors to take the Company´s own shares as pledge from Reka Ltd. The Board of Directors proposes that taking the shares as pledge is implemented latest in connection with implementation of the corporate acquisition according to the terms of the pledge agreement. No remuneration is paid from shares taken as pledge. Taking shares as pledge does not effect on the equity of the Company.

    The Board of Directors is entitled to decide on all other matters pertaining to acquiring of the Company´s own shares and taking own shares as pledge.

    The authorization of acquiring and taking own shares as pledge is proposed to remain in force until the next Annual General Meeting, however no longer than 18 months.

    The maximum number of class B shares acquired or taken as pledge in total is 588,076. The proposed amount corresponds to approximately 9.77 per cent of all the shares in the Company and in total 10.0 per cent of the Company´s class B shares.

19. Authorization of the Board of Directors to decide on handover of own shares

    Provided that proposal to take own shares as pledge as described in point 18 in the agenda is approved, the Board of Directors proposes to the Annual General Meeting that for the possible realization of the own shares taken as pledge the Annual General Meeting authorize the Board of Directors to decide on the handover of its own shares in one or more batch, with or without compensation. The amount of shares to be handed over in total can be maximum 588,076 B shares, which corresponds to approximately 9.77 per cent of all the shares of the Company and in total 10.0 per cent of the Company´s class B shares. The authorization entitles the Board of Directors to decide on all matters relating the terms of handover, including the proportion other than that of the shares held by the shareholders. It is proposed that the authorization will be valid until 30 September 2021.

20. Closing of the Meeting

B. DOCUMENTS OF THE GENERAL MEETING

The abovementioned proposals of the Board of Directors relating to the agenda of the general meeting as well as this notice are available on Neo Industrial Plc’s website. Neo Industrial Plc’s annual accounts, the report of the Board of Directors and the auditor’s report as well as compensation policy are available on the website. The proposal of the Board of Directors and other abovementioned documents are also available at the 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 website as from 8 July 2020.

C.INSTRUCTIONS FOR THE PARTICIPANTS IN THE GENERAL MEETING

1. The right to participate and registration to the Annual General Meeting

    In order to attend the general meeting, the shareholders must be registered as the company's shareholders in Neo Industrial Plc's shareholder register maintained by Euroclear Finland on 11 June 2020 at the latest.

    A shareholder who wants to participate in the general meeting shall register for the meeting no later than 18 June 2020 12 pm, at the latest, by giving a prior notice of participation.

Such notice can be given:
a) by e-mailing viestinta@neoindustrial.fi
b) by telephoning +358 207 200 395
c) by regular mail to address Neo Industrial Plc, Kankurinkatu 4-6, 05800 Hyvinkää, Finland.

The registration must arrive before the end of the registration period.

In connection with the registration, a shareholder shall notify his/her name, personal or business identification number, address, telephone number and the name of a possible assistant. The personal data given to Neo Industrial Plc is used only in connection with the general meeting and with the processing of related registrations.

2. Holders of nominee registered shares

A holder of nominee registered shares who wants to participate in the general meeting must be entered into the shareholders' register of the company on the record date of the meeting, 11 June 2020. A shareholder of nominee registered shares must also be temporarily entered into the shareholders' register held by Euroclear Finland, of the Company on 19 June 2020 by 10.00 am, Finnish time at the latest. With respect to nominee registered shares the temporary entry into the shareholders' register is considered as registration for the Annual General Meeting. Changes in shareholdings after the record date of the General Meeting do not affect the right to participate in the General Meeting or the number of votes of the shareholder.

A holder of nominee registered shares, who wishes to participate in the general meeting, is advised to request necessary instructions regarding the registration in the temporary shareholder's register of the company, the issuing of proxy documents and registration for the meeting from his/her custodian bank. The custodian bank is to inform the holder of nominee registered shares who wants to participate to the Annual General Meeting,

3. Proxy representative and powers of attorney

A shareholder may participate in the 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 meeting.

When a shareholder participates in the general meeting by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares represented by each proxy representative shall be identified in connection with the registration for the general meeting.

Possible proxy documents should be delivered to the address Neo Industrial Plc, Kankurinkatu 4-6, 05800 Hyvinkää, Finland before the last date of registration.

4. Other information

Pursuant to Chapter 5, section 25 of the Companies Act, a shareholder who is present at the 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 2 June 2020, the number of A-shares in Neo Industrial Plc is 139.600 shares, representing a total of 2,792,000 votes, and the number of B-shares is 5,880,760 shares, representing a total of 5,880,760 votes.

Hyvinkää, 2 June 2020

Neo Industrial Plc
The Board of Directors

FURTHER INFORMATION
Jukka Poutanen, Managing Director, tel. +358 40 833 9007

About Neo Industrial Oyj

Neo Industrial Plc is a Finnish company that focuses on building a sustainable future by developing and renewing modern society's networks. We own emerging private companies in the cable industry, to whom we are a long-term and responsible

partner. Our goal is to be a conglomerate in the future, that creates new opportunities responsibly for a smart and energy-efficient society. Neo Industrial Plc's class B shares are listed on the main list of NASDAQ Helsinki Stock Exchange.

Attachments

- Download announcement as PDF.pdf