



## Press Release April 13, 2017

### 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 ("Vostok New Ventures" or the "Company") that an Annual General Meeting (the "Meeting") of shareholders shall be held on Tuesday, 16 May 2017 at 10 am CEST in the room New York at Grand Hotel, Södra Blasieholmshamnen 8 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 Wednesday, 10 May 2017; and
- (2) notify the Company of the intention to attend the Meeting not later than Wednesday, 10 May 2017 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 [agm2017@vostoknewventures.com](mailto:agm2017@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.

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 Wednesday, 10 May 2017.

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 programme.
15. Closing of the Meeting.

#### **Chairman for the Meeting (item 1)**

The Nomination Committee, consisting of Jonathan Green (Luxor Capital), Jake Hennemuth (Ruane Cunniff & Goldfarb), Håkan Berg (Swedbank Robur Funds) and Lars O Grönstedt (chairman of the Board of Directors) proposes that Jesper Schönbeck, member of the Swedish Bar Association, is elected as Chairman for the Meeting.

#### **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.

#### **Election of Directors and auditors etc. (items 9-11)**

The Nomination Committee proposes that the Board of Directors shall consist of six (6) Directors without any deputy members. The Nomination Committee proposes, for the period until the end of the next Annual General Meeting, the re-election of all of the current Directors: Lars O Grönstedt, Josh Blachman, Per Brilioth, Victoria Grace, Ylva Lindquist and Keith Richman. The Nomination Committee proposes that the Meeting shall appoint Lars O Grönstedt to be Chairman of the Board of Directors.

For information about the current Directors proposed for re-election, please see the Company's website, [www.vostoknewventures.com](http://www.vostoknewventures.com).

Furthermore, the Nomination Committee proposes that the Company's auditor, the registered audit company PricewaterhouseCoopers AB be re-elected until the end of the next Annual General Meeting and remunerated upon approval of their invoice.

The Nomination Committee has not been able to agree on a proposal for Board remuneration.

The Nomination Committee members Jonathan Green and Jake Hennemuth, representing Luxor Capital Group and Ruane Cunniff & Goldfarb, respectively, propose for the forthcoming period of office that a total Board remuneration is awarded in the amount of USD 402,000, of which USD 142,000 shall be allocated to the Chairman of the Board and USD 65,000 to each of the other directors who are not employed by the Company and that, in line with Swedish market practice, directors who so wish shall be permitted to invoice the Company for their Board fees in an amount that is cost neutral to the Company, provided any director who does so is solely liable for any tax effects.

The Nomination Committee member Håkan Berg, representing Swedbank Robur Funds, proposes for the forthcoming period of office that a total Board remuneration is awarded in the amount of USD 355,000, of which USD 135,000 shall be allocated to the Chairman of the Board and USD 55,000 to each of the other directors who are not employed by the Company and that, in line with Swedish market practice, directors who so wish shall be permitted to invoice the Company for their Board fees in an amount that is cost neutral to the Company, provided any director who does so is solely liable for any tax effects.

Depository receipt holders may propose alternative proposals for board remuneration before or at the Meeting.

#### **Nomination committee (item 12)**

The Nomination Committee proposes a procedure for appointing the Nomination Committee for the purposes of the Annual General Meeting in 2018, as per the following:

A Nomination Committee shall be established consisting of representatives from the three largest holders of depository receipts in the Company. The ownership shall be based on the statistics from Euroclear Sweden AB over holders of depository receipts as per the last business day in August 2017. The names of the members of the Nomination Committee shall be announced as soon as they have been appointed, which shall take place no later than six months prior to the annual general meeting in 2018. In case of a material change in ownership prior to completion of the work to be performed by the Nomination Committee, it shall be possible to change the composition of the Nomination Committee. The Nomination Committee's mandate period extends up to the appointment of a new Nomination Committee. The Nomination Committee shall appoint a Chairman among them. If the representatives cannot agree upon appointment of Chairman, the representative representing the holder of depository receipts with the largest number of votes shall be appointed as Chairman. The Nomination Committee shall prepare proposals for the following decisions at the Annual General Meeting in 2018: (i) election of the Chairman for the Meeting, (ii) election of Directors, (iii) election of the Chairman of the Board of Directors, (iv) remuneration to the Directors, (v) election of the Company's auditors (vi) compensation to the Company's auditors, and (vii) proposal for how to conduct the nomination process for the Annual General Meeting in 2019.

#### **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 option plan and the Company's depository receipts incentive programme and shall, where payable in other instances, be subject to an upper limit in accordance with market terms and specific objectives for the Company and/or the individual.

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 either benefit-based or contribution based or a combination thereof, with individual retirement ages. Benefit based pension benefits are conditional on the benefits being earned during a pre-determined period of employment.

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

#### **Resolution regarding long term incentive programme (item 14)**

The Board of Directors proposes that the Meeting resolves on long term incentive programme for up to six employees in Vostok New Ventures Ltd ("**LTIP 2017**") in accordance with the below. LTIP 2017 is a three year performance based incentive program which is substantially the same as the depository receipt based incentive programme from 2016 ("**LTIP 2016**").

#### ***Adoption of an incentive programme***

##### *Summary of the programme*

The Board of Directors proposes that the general meeting resolves to adopt LTIP 2017. LTIP 2017 is proposed to include up to six employees in Vostok New Ventures. The participants in LTIP 2017 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 2017, 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 2017, 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 1,725,000<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 1,725,000<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 2017, 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.

The maximum amounts for the personal investments are based on an assumed market price of Vostok New Ventures' depository receipts of SEK 69. 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 2017 to 31 December 2019 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 2020 (the vesting period) and, with certain exceptions, kept its employment within the Vostok 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.

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<sup>1</sup> Corresponding to 25,000 depository receipts based on an assumed price of SEK 69 per depository receipt.

<sup>2</sup> Corresponding to 25,000 depository receipts based on an assumed price of SEK 69 per depository receipt.

The Board of Directors intends to disclose the outcome of the performance based conditions in the annual report for the financial year 2019.

### *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 2017.
- Vest following the publication of the Company's interim report for the period 1 January – 31 March 2020 (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 2020, maintains its employment within the Vostok 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 2017, 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 group or its operating environment would result in a situation where the decided terms and conditions of LTIP 2017 no longer serve their purpose.

### *Allocation*

The participants are divided into different categories and in accordance with the above, LTIP 2017 will comprise the following number of Saving DRs and maximum number of Rights for the different categories:

- the CEO: may acquire up to SEK 1,725,000 worth of Saving DRs<sup>3</sup> within LTIP 2017, 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): may acquire up to SEK 552,000 worth of Saving DRs<sup>4</sup> within LTIP 2017, entitling the holder to allotment of not less than two and up to ten Rights per Saving DR;

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<sup>3</sup> Corresponding to 25,000 depository receipts based on an assumed price of SEK 69 per depository receipt.

<sup>4</sup> Corresponding to 8,000 depository receipts based on an assumed price of SEK 69 per depository receipt.

- other employees (three individuals): may acquire up to SEK 138,000 worth of Saving DRs<sup>5</sup> within LTIP 2017, entitling each holder to allotment of not less than two and up to ten Rights per Saving DR.

#### *Scope and costs of LTIP 2017*

LTIP 2017 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 2017 is estimated to amount to approximately SEK 16.21 million, excluding social security costs, calculated in accordance with IFRS 2.

The costs for social security charges are calculated to approximately SEK 5.09 million, based on the above assumptions.

In addition to what is set forth above, the costs for LTIP 2017 have been based on that LTIP 2017 comprises up to six participants and that each participant makes a maximum investment.

If the maximum result is reached, and all invested Saving DRs are retained under LTIP 2017 and a fulfilment of the performance conditions of 100 percent, the maximum cost of LTIP 2017 as defined in IFRS 2 is approximately SEK 32.43 million and the maximum social security cost is estimated to approximately SEK 10.19 million.

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

Upon maximum allotment of Performance DRs, 470,000 depository receipts representing shares in the Company may be allocated within the framework of LTIP 2017, which would correspond to approximately 0.55 percent of the share capital and the votes in the Company. 2,094,351 depository receipts, which comprise currently outstanding options under the 2010 Incentive Program (including 100,000 allocated options and 1,994,351 options that have not yet been allocated), and a maximum allotment of 430,000 depository receipts under LTIP 2016 and maximum allotment of 470,000 depository receipts within the framework of LTIP 2017, would correspond to approximately 3.49 percent of the share capital and the votes in the Company.

#### *Delivery of Performance DRs under LTIP 2017*

To ensure delivery of Performance DRs under LTIP 2017, the Company intends to hedge LTIP 2017 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 2017 is to create incentives for the management to work for a long-term development in the Company. Furthermore, LTIP 2017 shall create conditions for retaining competent employees in the Vostok group through the offering of competitive remuneration. LTIP 2017 has been designed based on the view that it is desirable that employees within the group are depository receipt holders in the Company and

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<sup>5</sup> Corresponding to 2,000 depository receipts based on an assumed price of SEK 69 per depository receipt.

that they see that working with a long term horizon pays off. Participation in LTIP 2017 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 2017 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 2017 will have a positive effect on the Vostok 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, on which LTIP 2017 is based, in consultation with external advisors. LTIP 2017 has been reviewed by the Board of Directors at its meeting on 21 March 2017.

#### *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 2016.

#### The 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 program. A total of 100,000 options are currently outstanding. 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 100,000 depository receipts could be allocated, which would correspond to approximately 0.12 percent of the share capital and the votes in the Company.

#### The 2016 Incentive Program

At the 2016 annual general meeting held on 17 May 2016, it was resolved to implement a depository receipt-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from 1 January 2016 through 31 March 2019, and encompasses a maximum of 430,000 depository receipts, corresponding to a dilution of 0.50 percent of the total number of shares outstanding. Program participants purchase depository receipts in the Company, and for each purchased depository receipt is entitled to receive a number of additional depository receipts, so-called performance depository receipts, 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.

#### **Majority requirements**

Resolution in accordance with the Board of Directors' proposal in respect of item 14 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.

## Miscellaneous

The annual accounts and the auditors' report will be available at the Company's office at Hovslagargatan 5 in Stockholm, Sweden and at its website [www.vostoknewventures.com](http://www.vostoknewventures.com).

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April 2017

*Pareto Securities AB*

The Board of Directors of Vostok New Ventures Ltd

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For further information please contact:

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*Vostok New Ventures Ltd, formerly Vostok Nafta Investment Ltd, is an investment company with the business concept of using experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation. The company has a special focus on online marketplaces and businesses with strong network effects. The Swedish Depository Receipts (SDRs) of Vostok New Ventures are listed on Nasdaq Stockholm, Mid Cap segment, with the ticker VNV SDB. For more information on Vostok New Ventures, visit [www.vostoknewventures.com](http://www.vostoknewventures.com).*

### **Vostok New Ventures Ltd**

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