

Decisions of annual general meeting of shareholders Arco Vara AS

The annual general meeting of shareholders of Arco Vara AS held on 5 June, 2014 adopted the following decisions:

1. To approve the year 2013 annual report of Arco Vara AS.
2. To allocate the net profit for the year ended on 31 December, 2013 of 3 427165 euros to retained earnings.
3. To appoint an auditor for one year (until the next annual general meeting of shareholders) and appoint AS PricewaterhouseCoopers as the auditor. To pay the auditor for auditing the 2014 annual report according to an agreement to be signed between Arco Vara AS and AS PricewaterhouseCoopers.

The general meeting did not adopt the decision to raise share capital.

The manager's comment:

It is delightful that so many small shareholders participated and that for the decision were 2.5 million votes. It is a pity that two shareholders were against the decision – AS Baltplast with 900000 votes and Gamma Holding OÜ with 470000 votes, all together 1.37 million votes. 200000 votes were missing from the adoption of the decision. I thank all the shareholders who participated and I think that the activity that you showed was not meaningless. The small shareholders can influence the fate of the company. In order to create such an opportunity the management will soon convene a new extraordinary annual meeting where the 800000 votes that were missing today can also participate.

Regretful in this situation is that we have members in our Supervisory Board who can be at one time for a decision and at another time against the same decision. The draft of the decision that was introduced to the general meeting is literally the same that was approved by the Supervisory Board on 13 May, 2014. The approval was unanimously given by the members of the Supervisory Board Arvo Nõges, Hillar-Peeter Luitsalu, Rain Lõhmus, Allar Niinepuu and Aivar Pilv. Therefore it was possible to assume that the decision would be adopted at the general meeting with overwhelming support but unfortunately it did not go this way.

The management has developed concern over the fact if all the members of the Supervisory Board have loyalty towards the company on the first place or rather mercantile considerations. A member of the Supervisory Board should not use the priority status and power resulting from the possession of inside information to block the adoption of the decision by the general meeting that previously has been considered to be in the interest of the company.

Today the key of the development of the company lies clearly in the hands of the small shareholders and in the fact if they decide to move the weight of the scalepan or not.

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