

The full proposal to the adoption of an incentive programme and issue of warrants resolution

The shareholder Prosperity Capital Management (the “**Shareholder**”) proposes that the general meeting of EnergyO Solutions Russia AB (publ) (“**the Company**”) resolves upon the preparation of an incentive programme by a directed issue of warrants in accordance with the following.

Background and purpose

Following the termination of the Company's management agreement with the founders on 1 January 2017 and the related cost-cutting measures instituted over the previous five years, the Shareholder believes that it is in the Company's interest to initiate a warrant programme to incentivise the directors and other key individuals. The proposed scheme is designed to provide those involved in management with an incentive to enhance the value of the Company's shares for the envisaged duration of the programme of up to six years starting in 2017.

Given the terms, the size of the allotment and other circumstances, the Shareholder considers that the proposed incentive program set out below is reasonable and beneficial for the Company and its other shareholders.

Current incentive programmes

At the time of this proposal there are no other incentive programmes in the Company.

Allotment and terms for the issue

The Shareholder proposes that the general meeting resolves on an issue of up to 1,209,216 warrants, which means that when exercising the warrants, the Company's share capital may increase by a maximum of SEK 1,270,885.155486, subject to any further increase that may result after a recalculation that may take place under the terms of the warrants as a consequence of issue of shares etc. The warrants shall entitle to subscription of new shares in the Company. The following terms shall apply.

1. The right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, belong to the subsidiary EOS Russia Limited. Oversubscription may not take place. The warrants shall be issued gratuitously to EOS Russia Limited. Subscription shall be made on a subscription list no later than on 31 December 2017. The board of directors shall be entitled to extend the subscription period. EOS Russia Limited shall transfer the warrants to the recipients of the incentive programme according to paragraph 1 below.
2. The right to acquire warrants from EOS Russia Limited belong to board members and key individuals, which are awarded warrants based on influence and remuneration within the Company, provided that such individual enters into an agreement according to paragraph 6 with the Company which includes pre-emption of warrant as well as additional terms for the exercise of the warrants.

The right to acquire warrants from EOS Russia Limited shall be offered to the following:

Offered participant	Position	Maximum total warrants
Seppo Remes	Chairman of the board	403,072
Lauri Sillantaka	Key individual and founder	403,072

Christopher Granville	Board member	100,768
Lars Bergström	Board member	100,768
Peregrine Moncreiffe	Key individual and board member of EOS Russia Limited	100,768
Paul Wigertz	Key individual	100,768

3. The price per warrant upon disposal from EOS Russia Limited shall correspond the market value of the warrant which shall be determined on the basis by one of the Company appointed valuation company. The market value shall be calculated according to the so-called Black & Scholes formula adjusted for uncertainty regarding the rate of exercise of the total allocation of warrants. Payment shall be made in cash to EOS Russia Limited. The board of directors shall be entitled to extend the time for payment.

4. Each warrant entitles to subscription of one ordinary share in the Company during the period from 1 November 2020 to 31 December 2023 at a price of American Dollars (“USD”) 2.25. The subscription price and the number of shares that each warrant entitle to subscription shall be recalculated in the event of split, aggregation, issues, etc. in accordance with customary recalculation terms.

5. For the warrants, the attached terms shall apply, Appendix A (“**Terms for warrants**”).

6. The right to hold and exercise warrants requires that the holder is an elected representative, employee or consultant of the Company until the warrants may be exercised and that the holder enters into an agreement with the Company, subject to the terms of Appendix B (“**the Agreement**”). The Agreement aims to stimulate a value development in the Company by measuring key ratios that drive such value development.

7. The Shareholder further proposes that the general meeting resolves to approve that EOS Russia Limited may transfer warrants to the individuals set forth under paragraph 2 above or otherwise exercise control over the warrants to secure commitments in connection with the incentive programme. The price per warrant upon disposal is set forth in paragraph 3 above.

Dilution effects and costs etc.

The proposal for the resolution on the issue of warrants results in a maximum total dilution of approximately three percent of the share capital and votes in the Company, after the Shareholder’s proposal for warrants has been completed and fully exercised. The proposed programme is expected to have a marginal impact on the Company’s key figures.

Under the assumption of issue and half allocation of the proposed warrants, and that the market value per warrants corresponds to approximately SEK 1.35 (assuming today’s exchange rate against USD of 8.185, a price of the Company’s share of SEK 14.48 per share, an exercise price of USD 2.25 per share, a risk-free interest rate of 0.62 percent and a volatility of 30 percent and 0 percent in expected dividend and 3 percent in borrowing cost) the revenues from the purchases is estimated at approximately SEK 1,920,200. The Company may by set-off settle the claim for payment of the market value of the warrants against claim on salary or consultancy fees existing at the time of the disposal.

Qualified majority requirements

A resolution in accordance with the proposal of the Shareholder requires that the resolution is supported by shareholders representing at least 90 percent of both the votes cast and the shares represented at the general meeting.

Miscellaneous

The chair of the board, or a person appointed by the chair of the board, shall be authorised to make the minor adjustments to this resolution which may be proved to be required in connection with the registration thereof.