



*Attachment to the current report No. 5/2016 on Convening of the Annual General Meeting of Shareholders of Peixin International Group N.V. on 8 July 2016*

**Explanatory notes to the agenda of the Annual General Meeting of Shareholders (AGM) of Peixin International Group N.V. (the Company) convoked on 8 July 2016.**

**Agenda item 2**

*Discussion of the Company's financial statements for the financial year 2015, including the Annual Report and the Annual Accounts*

Said financial statements have been made available to the General Meeting on the Company's website at the time notice of this meeting was given.

**Agenda item 3**

*Implementation of the remuneration policy in the financial year 2015*

This agenda item provides, pursuant to Section 2:135(5a) of the Dutch Civil Code, for a discussion regarding the implementation in 2015 of the remuneration policy for the Management Board. The discussion takes place on the basis of the information referred to in Section 2:383c up to and including Section 2:383e of the Dutch Civil Code, as included in note 18 to the explanatory notes to the financial statements included in the Annual Report 2015.

**Agenda item 4**

*Adoption of the Annual Accounts for the financial year 2015*

It is proposed to the General Meeting to adopt the Annual Accounts for the financial year 2015, drawn up by the Management Board.

**Agenda item 5**

*Adoption of profit appropriation for the financial year ended 31 December 2015*

The Company's profits on a consolidated basis amounted to EUR 10,479 kEUR. Due to prolonged consultations with the local government concerning modification of the investment schedule in the new plant, as well as due to declining economy trend in China, Management Board, with approval of the Supervisory Board, has resolved to recommend to the Annual General Meeting approving the financial statements for 2015 to allocate its consolidated net profit for 2015 for raising reserve capitals with the intention to finance investments.

**Agenda item 6**

*Release from liability of the Management Board members in respect of the exercise of their duties during the financial year 2015*

In accordance with Article 28.2 of the Company's Articles of Association, the General Meeting is requested to release the members of the Management Board from liability for their duties insofar as the exercise of such duties is reflected in the 2015 financial statements or otherwise disclosed to the General Meeting.

#### **Agenda item 7**

*Release from liability of the Supervisory Board members in respect of the exercise of their duties during the financial year 2015*

In accordance with Article 28.2 of the Company's Articles of Association, the General Meeting is requested to release the members of the Supervisory Board from liability for their duties insofar as the exercise of such duties is reflected in the 2015 financial statements or otherwise disclosed to the General Meeting.

#### **Agenda item 8**

*Authorization of the Management Board to repurchase shares*

In accordance with Article 31.2 of the Company's Articles of Association, it is proposed to discuss authorization of the Management Board to repurchase shares granted thereto at the Annual General Meeting held on 29 June 2015. It is intended to extend the period when the Company is entitled to acquire of its shares and the maximum amount of shares to be repurchased. In regard to above the General Meeting is requested to authorize the Management Board to resolve on the acquisition by the Company of its fully paid-up ordinary shares, for a maximum of 12% of the issued share capital as per the time of repurchase of the shares, through a purchase on the stock exchange or otherwise for a term not longer than 18 months and not less than by the 31 December 2016 against a repurchase price between on the one hand, the nominal value of the ordinary shares concerned and, on the other hand, an amount of 110% on the highest price of the ordinary shares officially quoted on the Warsaw Stock Exchange on any of 30 banking days preceding the date the repurchase is effected or proposed. A resolution of the Management Board to repurchase ordinary shares is subject to the approval of the Supervisory Board.

#### **Agenda item 9**

*Appointment of External Auditor*

The General Meeting is authorized to appoint the auditor on the basis of article 31.2 of the Articles of Association. Appointment of an external auditor is mandatory for the Company. If the General Meeting would fail to appoint an auditor the appropriate corporate body is obliged and authorized to do so. It is the Company's policy to schedule the appointment of the auditor each year for the annual general meeting. The appointment right of the General Meeting includes the right to authorize an other corporate body to take a decision.