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**PFNonwovens a.s.**

A joint-stock company with its registered office at Hradčanské náměstí 67/8, Hradčany, 118 00 Prague 1, ID No.: 067 11 537, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 23154 (hereinafter the "**Company**")

**ANNOUNCEMENT OF DECISION-MAKING OUTSIDE THE GENERAL MEETING (*PER ROLLAM*)  
IN WRITING**

The Company's Board of Directors hereby announces that, at the request of **PFNonwovens Holding s.r.o.**, a limited liability company incorporated and existing according to the law of the Czech Republic with registered office at Hradčanské náměstí 67/8, Hradčany, 118 00 Prague 1, Czech Republic, ID No.: 046 07 341, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 250660 (hereinafter "**PFNonwovens Holding**") as the principal shareholder of the Company, it decided on 4 January 2021 to let the General Meeting decide *per rollam* in writing pursuant to Section 375 of Act No. 90/2012 Coll., on Business Companies and Cooperatives, as amended (hereinafter the "**Business Corporations Act**") about the submission of a proposal to pass all participation securities to PFNonwovens Holding.

This announcement is an announcement of the requirements, under which the General Meeting will decide *per rollam* in writing and under which the shareholders can exercise their rights related to such decision-making.

**Attention: This is only an announcement of the conditions of the decision-making outside the General Meeting (*per rollam*) in writing. Although this announcement contains a draft proposal of the decision that the General Meeting will decide on *per rollam* in writing, this announcement is not a draft decision pursuant to Section 418 of the Business Corporations Act. It is not yet possible to vote on the draft decision.**

**1. Introductory information**

- 1.1 The current development of the COVID-19 pandemic and the restrictions arising in connection with the emergency measures issued by the Government of the Czech Republic following the declaration of a state of emergency in the Czech Republic to this day (i.e. 4 January 2021) make it impossible to hold a regular session of the Company's General Meeting on 8 January 2021.
- 1.2 The General Meeting, which was to approve the forced passage of all of the Company's participation securities at the request of PFNonwovens Holding from 27 October 2020 (hereinafter the "**Previous Request**"), was originally convened for the earliest possible date on 8 December 2020 and then postponed to 8 January 2021 due to the development of the COVID-19 pandemic. The situation with the COVID-19 pandemic has not yet improved enough to hold the postponed General Meeting on 8 January 2021. It is impossible in the weeks to come to envisage further developments of the COVID-19 pandemic, or the duration of the restrictions due to the crisis measures imposed by the Government of the Czech Republic and the continuation of the emergency state in the Czech Republic, and this situation does not enable the Company to ensure the holding of a regular General Meeting of the Company attended by shareholders and members of elected bodies of the Company in the foreseeable future. It is in the interest of the Company and all its shareholders for a General Meeting of the Company to

decide on the request of the principal shareholder within a reasonable time. Given the above, the Board of Directors concluded that another postponement of the General Meeting of the Company attended by shareholders and bodies of the Company is not an appropriate solution. Therefore, in its letter from 28 December 2020, the Company's Board of Directors informed the principal shareholder, i.e. PFNonwovens Holding, that the General Meeting postponed to 8 January 2021 was very unlikely to be held and asked PFNonwovens Holding to consider a further course of action.

- 1.3 On 4 January 2021, the Company cancelled the Company's General Meeting postponed to 8 January 2021, with the consent of PFNonwovens Holding, as the shareholder at whose request this General Meeting was convened.
- 1.4 With respect to the aforesaid, PFNonwovens Holding withdrew its Previous Request on 4 January 2021, pointing out that the withdrawal was made for formal reasons only, and requests that the draft decision on the forced passage of participation securities be submitted to the Company's General Meeting for a vote as soon as possible. Therefore, on 4 January 2021, the Company received a new request from PFNonwovens Holding pursuant to Section 375 of the Business Corporations Act for the Company's Board of Directors to convene the General Meeting and to submit the draft decision concerning the passage of all other participation securities to PFNonwovens Holding. In addition, PFNonwovens Holding asked the Company's Board of Directors to decide on this proposal outside the General Meeting (*per rollam*) in writing (hereinafter the "**New Request**") as soon as possible. The New Request is identical in all material aspects with the Previous Request.
- 1.5 Having considered all facts, the Company's Board of Directors has resolved to decide on the passage of all other participation securities to PFNonwovens Holding outside the General Meeting *per rollam* in writing (hereinafter "**per rollam decision-making**"), in particular in compliance with Section 418 et seq. of the Business Corporations Act and Section 19 (1) of Act No. 191/2020 Coll., on Certain Measures to Mitigate the Effects of the SARS CoV-2 Coronavirus Epidemic on Litigants, Aggrieved Persons, Victims of Crime and Legal Entities and on Amendment to the Insolvency Act and the Code of Civil Procedure, as amended (hereinafter "**Lex Covid**"). Pursuant to Section 18 (2) and Section 19 (1) of Lex Covid, as effective from 31 December 2020, the Company's General Meeting may decide *per rollam* in writing or with the use of technical devices until 30 June 2021 (regardless of the duration of extraordinary measures during an epidemic) even if the Articles of Association do not allow it. The Business Corporations Act in the wording as effective from 1 January 2021 allows to decide outside the General Meeting (*per rollam*) on a proposal for a forced passage of participation securities.
- 1.6 The Company's Board of Directors hereby announces that **the draft decision, which will be decided on *per rollam***, will be sent to the shareholders in the manner as determined by the Articles of Association of the Company for convening the General Meeting and **will thus be published in the Commercial Gazette and posted on the Company's website**. The Company's Board of Directors expects the draft decision to be published in the Commercial Gazette and posted on the Company's website on 26 January 2021. The time schedule for the steps following up on the publication of the draft decision based on the previous sentence and the deadlines for exercising individual rights set out in Section 3 and elsewhere of this announcement are thus only an assumption and are based on the scenario that the draft decision will be published on 26 January 2021. **In the case that the draft decision is published by 26 January 2021, the Company will post on its website [www.pfnwovens.cz](http://www.pfnwovens.cz) in the Investoři a média/Valná hromada/Per rollam 2021 section a modified time schedule for the follow-up steps and modified deadlines for exercising individual rights in *per rollam* decision-making.**

1.7 As the Company's Articles of Association do not stipulate the requirements for *per rollam* decision-making, *per rollam* decision-making will be governed by the general provisions of the version of the Business Corporations Act (especially Section 418 et seq.) effective 1 January 2021 as well as by the requirements set by the Company's Board of Directors in this announcement in compliance with Section 19 (2) of Lex Covid. Where the Business Corporations Act does not at all regulate the requirements for *per rollam* decision-making, Section 19 (2) of the Lex Covid leaves it up to the Board of Directors to set the conditions of the *per rollam* decision-making. The Company's Board of Directors feels that it has set the requirements for exercising shareholder rights in the *per rollam* decision-making in such a way as to preserve these rights as much as possible. **The shareholders will bear their own costs of the *per rollam* decision-making.**

1.8 **For clarity, Paragraph 6.2 of this announcement includes a simplified overview of the requirements for exercising shareholder rights.** The shareholders should not read only the overview of the requirements for exercising shareholder rights, as it may not contain all information that shareholders should know for exercising their shareholder rights.

## 2. Matters that will be decided on *per rollam*

The following matter will be decided on *per rollam*:

- *Approval of the forced passage of participation securities of the Company to the principal shareholder.*

## 3. Assumed time schedule of selected steps for *per rollam* decision-making

The following time schedule is based on the assumption that the draft decision will be published on 26 January 2021. In the case that the draft decision is published by 26 January 2021, the Company will post on its website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section a modified time schedule for the follow-up steps and modified deadlines for exercising individual rights in *per rollam* decision-making.

	Date	Step	Reference to law
1.	6 January 2021	The announcement about <i>per rollam</i> decision-making, i.e. this document, is published.  The commencement of the deadline for submission of requests for an explanation, which explanations are to be provided on 27 January 2021.  The commencement of the deadline for submission of proposals and counterproposals.	*
2.	19 January 2021	Record date	Section 418 (3) of the Business Corporations Act
3.	19 January 2021	The submission of requests for an explanation, to which an explanation will be provided on 27 January 2021, ends.	*

	Date	Step	Reference to law
4.	20 January 2021	The commencement of the deadline for submission of requests for an explanation, which explanations are to be provided on 5 February 2021.	*
5.	26 January 2021	The draft decision is published in the Commercial Gazette and posted on the Company's website (the start of voting).	Section 418 (1) of the Business Corporations Act and the conditions specified in this announcement in compliance with Section 19 (2) of Lex Covid
6.	27 January 2021	The day on which an explanation will be provided regarding requests for an explanation duly delivered by 19 January 2021.	*
7.	2 February 2021	The end of the deadline for submission of requests for an explanation, which explanations are to be provided on 5 February 2021, and at the same time the end of the deadline for submission of requests for an explanation in general.	*
8.	5 February 2021	The day on which explanations will be provided as to requests for an explanation duly delivered by 2 February 2021.	*
9.	7 February 2021	The submission of proposals and counterproposals ends.	*
10.	10 February 2021	The submission of ballots and voting sheets ends (the end of voting).	Section 418 (2) (b) of the Business Corporations Act
11.	11 February 2021	The day the decision is passed (provided that the required majority votes for the decision and the votes of all shareholders are not delivered sooner).	Section 420 (2) of the Business Corporations Act
12.	Without undue delay after 11 February 2021	The announcement about the passing of the decision is published.	Section 420 (1) of the Business Corporations Act

\* *Legal regulations do not stipulate any specific requirements for exercising the right for an explanation and the right for making proposals and counterproposals in per rollam decision-making. Given the fact that the Company's Articles of Association do not stipulate the rules for per rollam decision-making, the Company's Board of Directors has evaluated individual options for exercising shareholder rights and has set the rules in such a way as to preserve the essence and purpose of shareholder rights as much as possible.*

#### **4. The record date for *per rollam* decision-making and an explanation of its significance and notice to the shareholders, whose shares are not recorded on their owner's account in the central or follow-up records**

4.1 In compliance with Section 418 (3) of the Business Corporations Act, it holds that unless the Company's Articles of Association specify otherwise, the record date for *per rollam* decision-

making is the seventh day preceding the day the draft decision was sent to all shareholders (the draft decision will not be sent but will be published, based on Paragraph 1.6 of this announcement in the manner for convening the General Meeting as determined by the Articles of Association of the Company). Assuming that the draft decision is posted on the Company's website and published in the Commercial Gazette on 26 January 2021 (see also the preliminary time schedule in Section 3 above), **the record date for *per rollam* decision-making will be 19 January 2021** (hereinafter the "**Record Date**") The significance of the Record Date is that the right to participate in *per rollam* decision-making and to exercise shareholder rights, including voting, is only granted to the person, who is registered as at the Record Date as a holder of a share (a shareholder) of the Company in the records of the Company's issue kept by Centrální depozitář cenných papírů, a.s. (hereinafter the "**Records of Issue**"), or the person authorized to represent such a shareholder in *per rollam* decision-making, unless it is proven that another person is the shareholder. An extract from the Records of Issue as at the Record Date will be procured by the Company.

- 4.2 In this context, we would like to inform the shareholders that if, as at the Record Date, their shares are not held on their owner's account in the central records of book-entry securities kept by Centrální depozitář cenných papírů, a.s. (hereinafter the "**Central Records**") or in the records following up on the central records (hereinafter the "**Follow-up Records**"), they will not be registered as shareholders of the Company in the Records of Issue as at the Record Date. To ensure that such shareholders or their representatives be allowed to duly participate in *per rollam* decision-making and to vote on the draft decision, these shareholders or their representatives must send, by the deadline for sending ballots (voting sheets) and in the manner for sending ballots (voting sheets) as specified in Paragraph 6.7 of this announcement, the original or a certified copy of the confirmation by the account holder, for whom the owner's account was opened in the Central or the Follow-up Records that establishes that:
- (a) the shares held on this owner's account are not owned as at the Record Date by the account holder but by the shareholder; or
  - (b) the shares held on this owner's account are not owned as at the Record Date by the account holder but by an additional account holder, who must be sufficiently identified in such a confirmation; such a case, the original or a certified copy of the confirmation of such an additional account holder or the original or a certified copy of the confirmation of other additional account holders, which will indicate that the shares in question are owned by the shareholder, must also be submitted to the Company by the deadline for sending ballots (voting sheets). Such confirmations by the account holder, an additional account holder and, as applicable, other additional account holders must be linked consecutively to each other in a way clearly showing that the shares in question are owned by the shareholder.
- 4.3 The confirmation of the account holder or an additional account holder (or other additional account holders) must contain at least the following: (i) the name, permanent address and date of birth of the shareholder or additional account holder in respect of which the confirmation is issued, if it is a natural person, or company name, registered office and identification (registration) number of the shareholder or other account holder in respect of which the confirmation is issued, if it is a legal entity, and (ii) the number of shares of the Company for which the confirmation is issued. For this purpose, a sample of such confirmation is available at the Company's website at [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section.
- 4.4 A foreign clause certifying a copy of the original of the confirmation of the account holder or an additional account holder (or additional account holders) must be superlegalized or furnished with an apostille, unless the Czech Republic has concluded an agreement on mutual legal

assistance with the country that issued the clause, based on which such a clause requires no further certification.

- 4.5 In the case that the confirmation of the account holder or an additional account holder (or additional account holders) is in a foreign language other than English or Slovak, the person submitting these documents is obligated to submit to the Company a certified translation of such documents into Czech, Slovak or English by the deadline for sending ballots (voting sheets) and in the manner for sending ballots (voting sheets) as specified in Paragraph 6.7 of this announcement. Such a translation must be sent by the said deadline in the proper form, i.e. must be superlegalized or furnished with an apostille, unless the Czech Republic has concluded an agreement on mutual legal assistance with the country that certified the translation, based on which such translations require no further certification.
- 4.6 In the case that the confirmation of the account holder or an additional account holder (or additional account holders), or its official translation, is sent to the Company electronically (i.e. to its databox (databox ID: crhxrez) or to its e-mail address [valnahromada@pfnwovens.com](mailto:valnahromada@pfnwovens.com)), such a confirmation must be sent in an authorized conversion pursuant to Section 22 (1) (a) of Act No. 300/2008 Coll., on Electronic Transactions and Authorized Conversion of Documents, as amended.
- 4.7 The Company reserves the right to prohibit participation in *per rollam* decision-making, including voting, to the persons, who will not be listed as at the Record Date in the extract from the Records of Issue as a shareholder or a share manager, as defined below, or their representatives or those who fail to submit, in accordance with the aforesaid, the confirmation of the account holder or an additional account holder (or additional account holders), including its translation, if required, which will prove beyond any doubt that such person is a shareholder.

## 5. Representation of shareholders in *per rollam* decision-making

- 5.1 A shareholder may participate in *per rollam* decision-making in person or be represented by a proxy holding a power of attorney (hereinafter the "**Agent**") or by a person who is registered in the register of the Company's registered shares as a share manager or as a person authorized to exercise rights related to the shares (hereinafter the "**Share Manager**").
- (a) Representation on the basis of a power of attorney
- 5.2 Every shareholder may grant a power of attorney to a natural person or a legal entity to represent the shareholder as the shareholder's Agent in *per rollam* decision-making and to exercise shareholder rights, including the right to vote, on behalf of the shareholder. The power of attorney must be in writing and if it authorizes the Agent to vote, **the shareholder's signature in the power of attorney must be certified** pursuant to Sec. 441 (2) of Act No. 89/2012 Coll., Civil Code, as amended, in conjunction with the requirement for official certification of a signature attached to a statement by a shareholder (i.e. a ballot or a voting sheet) pursuant to Sec. 419 (2) of the Business Corporations Act. The power of attorney must clearly indicate that it was granted for representation in this *per rollam* decision-making.
- 5.3 The power of attorney that the shareholder granted to the Agent for representation at the Company's General Meeting convened for 8 December 2020 and postponed at the Company's General Meeting to 8 January 2021 or at any other General Meeting of the Company cannot be used for representation of the shareholder in this *per rollam* decision-making, unless the power of attorney clearly specifies that it was also granted for legal acts and other steps in this *per rollam* decision-making and provided that the power of attorney meets other requirements for granting the power of attorney for this *per rollam* decision-making (e.g. the requirement of a certified signature for exercising voting rights).

- 5.4 In the case that the shareholder is to be represented by the Agent in exercising voting rights, the power of attorney must be delivered to the Company by the deadline for sending ballots (voting sheets) and in the manner for sending ballots (voting sheets) as specified in Paragraph 6.7 of this announcement. Details to prove the Agent's authorization to act on behalf of the shareholder are provided in Paragraphs 5.10 to 5.15 of this announcement.
- 5.5 The form of a power of attorney for representing the shareholder in *per rollam* decision-making is available at the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section. The power of attorney form is also available in paper form as at the date of this announcement at the Company's registered office and can be collected on business days between 9:00 a.m. and 5:00 p.m. (CET). Everyone may request at the e-mail address [valnahromada@pfnonwovens.com](mailto:valnahromada@pfnonwovens.com) or at the address of the Company's the registered office that the power of attorney form be sent to him in paper or electronic form at his own expense and risk.
- (b) A notice of granting or revoking a power of attorney
- 5.6 Every shareholder may notify the Company in the Czech, Slovak or English language about the granting or revocation of a power of attorney for representation in *per rollam* decision-making through the Company's databox (databox ID: crhxrez) or at [valnahromada@pfnonwovens.com](mailto:valnahromada@pfnonwovens.com). The e-mail, by which the Company is notified, must be furnished with a recognized electronic signature (i.e. a guaranteed electronic signature based on a qualified certificate). In the case that the notice does not allow to clearly identify the signed person or to assess compliance of the power of attorney with legal requirements or the requirements stipulated in the Articles of Association, the Company will have the right, but not the obligation, to ask the notifying person for additional information to eliminate any doubts.
- 5.7 A notice of granting a power of attorney must include the following information:
- (i) Name, permanent address and date of birth of the principal, if the principal is a natural person, or the corporate name, address of registered office and identification (registration) number of the principal, if the principal is a legal entity;
  - (ii) Name, permanent address and date of birth of the Agent, if the Agent is a natural person or the corporate name, address of registered office and identification (registration) number of the Agent, if the Agent is a legal entity;
  - (iii) Information that the power of attorney is granted for representation in this *per rollam* decision-making;
  - (iv) Information whether the Agent is authorized to grant a substitution power of attorney; and
  - (v) Date of the power of attorney.

If representation of the shareholder in *per rollam* decision-making is proven to the Company as specified above before the ballot is submitted by the Agent, the Company will not request the written power of attorney.

- 5.8 A notice of revocation of a power of attorney must include the following information:
- (i) Name, permanent address and date of birth of the principal, if the principal is a natural person, or the corporate name, address of registered office and identification (registration) number of the principal, if the principal is a legal entity;

- (ii) Name, permanent address and date of birth of the Agent, if the Agent is a natural person, or the corporate name, address of registered office and identification (registration) number of the Agent, if the Agent is a legal entity;
- (iii) Identification of the revoked power of attorney, including the date of the power of attorney and the scope of authorization granted in the power of attorney; and
- (iv) Date of revocation of the power of attorney.

The notice of revocation of a power of attorney must be delivered to the Company before the Agent sends in the ballot or voting sheet based on the power of attorney; if not, the Agent's vote will be counted in.

(c) A notice concerning the fact that the Share Manager is not authorized to exercise share-related rights

5.9 According to Section 418 (1) of the Business Corporations Act, the Share Manager is authorized to represent the shareholder in exercising all rights related to the shares recorded on the given account, including voting. The shareholder can notify the Company, in the manner specified in Paragraph 5.6 of this announcement, that the Share Manager is not authorized to exercise the share-related rights. Such a notice must include the following information:

- (v) Name, permanent address and date of birth of the shareholder, if the shareholder is a natural person, or the corporate name, address of registered office and identification (registration) number of the shareholder, if the shareholder is a legal entity;
- (vi) Corporate name, address of registered office and identification (registration) number of the Share Manager;
- (vii) Date starting which the Share Manager is not authorized to exercise share-related rights.

The notice about the fact that the Share Manager is not allowed to exercise share-related rights must be delivered to the Company before the Share Manager sends in the ballot or voting sheet; if not, the Share Manager's vote will be counted in.

(d) Proof of authorization to act on behalf of the shareholder

5.10 In the case that the shareholder is a legal entity, the person authorized to act on behalf of the shareholder must deliver to the Company the original or a certified copy of an extract from the relevant register or any other document not older than 3 (in words: three) months proving the existence of the shareholder and the authorization of such a person to act on behalf of the shareholder.

5.11 In the case that the shareholder is represented in *per rollam* decision-making based on a power of attorney, the original or a certified copy of the power of attorney must be sent to the Company. In the case that the shareholder is a legal entity, the Company must also receive the original of an extract from the relevant register or any other document not older than 3 (in words: three) months proving the existence of the shareholder and the person, who signed the power of attorney, to act on behalf of the shareholder. In the case that the Agent is a legal entity, the Company must receive, in addition to the documents mentioned above in this paragraph, the original or a certified copy of an extract from the relevant register or any other document not older than 3 (in words: three) months proving the existence of the Agent and the authorization of the given person to act on behalf of the Agent.

- 5.12 The Share Manager does not present a power of attorney. The Company must receive the original or a certified copy of an extract from the relevant register or any other document not older than 3 (in words: three) months proving the existence of the Share Manager exists and the authorization of the given person to act on behalf of the Share Manager.
- 5.13 Documents that are issued by foreign authorities or institutions or furnished with their certification clause and that prove the existence of a foreign legal entity or the authorization to act on behalf of a foreign legal entity must be superlegalized or furnished with an apostille, unless the Czech Republic has concluded an agreement on mutual legal assistance with the country that issued the document, based on which such documents require no further certification.
- 5.14 The person submitting documents drawn up in any foreign language other than Slovak and English must also include their certified translation into the Czech language. Such a translation must be superlegalized or furnished with an apostille, unless the Czech Republic has concluded an agreement on mutual legal assistance with the country that certified the translation, based on which such translations require no further certification.
- 5.15 Any of the documents specified above in Section 5 must be delivered to the Company by the deadline for sending ballots (voting sheets) in the manner for sending ballots (voting sheets) as specified in Paragraph 6.7 of this announcement. **Any of the documents specified above in Section 5 sent to the Company electronically (i.e. to its databox (databox ID: crhxrez) or to its e-mail address must be sent in an authorized conversion** pursuant to Section 22 (1) (a) of Act no. 300/2008 of Coll., on Electronic Transactions and Authorized Conversion of Documents, as amended.
- 5.16 The Company reserves the right to prohibit participation in *per rollam* decision-making to the persons who fail to deliver the required documents specified in Section 5 by the relevant deadline.

## 6. Rights of shareholders related to *per rollam* decision-making and the manner of exercising these rights

- 6.1 Shareholders can exercise their rights during *per rollam* decision-making, in particular, to vote, to request and receive an explanation concerning the matters related to the Company or entities controlled by the Company, provided that such an explanation is necessary for evaluating the matters that are to be decided on *per rollam* or for exercising shareholder rights, during *per rollam* decision-making and even after *per rollam* decision-making, provided that the requirements stipulated by law are met, and to submit proposals and counterproposals. The shareholders may exercise these rights in person or through their statutory body, their representatives or the Share Manager.

### **Shareholders bear the cost of *per rollam* decision-making.**

- 6.2 For clarity, this paragraph provides the basic requirements for exercising individual shareholder rights during *per rollam* decision-making. More information about exercising shareholder rights is provided in this announcement, see the references in this overview.

Deadlines for exercising the voting right	Formal requirements for exercising the voting right	More information
<b>Voting right</b>		
Starts on: <b>26 January 2021</b>  Ends on: <b>10 February 2021</b>	<p><b>The shareholders have the right to vote on the draft decision by sending their ballot to the Company:</b></p> <ul style="list-style-type: none"> <li>• At least 90% of the votes of all shareholders of the Company are required to pass the draft decision.</li> <li>• If the shareholder does not send in his ballot, it will be assumed that the shareholder votes against the draft decision. <u>Therefore, it is also possible to vote AGAINST by not voting at all.</u></li> <li>• The ballot form will be posted on the Company's website on the day the draft decision is published.</li> <li>• The signature on the ballot must be certified and/or furnished with an apostille or superlegalized.</li> <li>• The ballot can be delivered:               <ul style="list-style-type: none"> <li>(i) by post to the Company's registered office;</li> <li>(ii) electronically to the e-mail address: valnahromada@pfnonwovens.com;</li> <li>(iii) electronically to the Company's databox.</li> </ul> </li> </ul>	More information: Paragraphs <b>Chyba! Nenalezen zdroj odkazů.</b> to 6.10 of this announcement
	<p><b>Every shareholder must send to the Company the following documents in order to be able to exercise their voting right:</b></p> <ul style="list-style-type: none"> <li>(a) <i>A natural person registered in the Records of Issue:</i> ballot</li> <li>(b) <i>A natural person not registered in the Records of Issue:</i> (i) ballot, (ii) the confirmation of the account holder or an additional account holder</li> <li>(c) <i>A legal entity registered in the Records of Issue:</i> (i) ballot, (ii) extract from the relevant register (not older than 3 months) proving the existence of the shareholder and the authorization of the given person to act on behalf of the shareholder</li> <li>(d) <i>A legal entity not registered in the Records of Issue:</i> (i) ballot, (ii) extract from the relevant register (not older than 3 months) proving the existence of the shareholder and the authorization of the given person to act on behalf of the shareholder, (iii) the confirmation of the account holder or an additional account holder</li> </ul>	More information: Paragraphs 4.2 to <b>Chyba! Nenalezen zdroj odkazů.</b> and <b>Chyba! Nenalezen zdroj odkazů.</b> to 6.10 of this announcement
	<p><b>The shareholder can be represented in <i>per rollam</i> decision-making by the Agent or the Share Manager. The Agent or the Share Manager must also provide the Company with the following documents:</b></p> <ul style="list-style-type: none"> <li>(a) <i>Agent – a natural person:</i> the original or a certified copy of the power of attorney</li> <li>(b) <i>Agent – a legal entity:</i> (i) the original or a certified copy of the power of attorney, (ii) extract from the relevant register (not older than 3 months) proving the existence of the Agent and the authorization of the given person to act on behalf of the Agent</li> </ul>	More information: Section <b>Chyba! Nenalezen zdroj odkazů.</b> of this announcement

	<p>(c) <i>Share Manager</i>: extract from the relevant register (not older than 3 months) proving the existence of the Share Manager and the authorization of the given person to act on behalf of the Share Manager</p> <p>In the case that the shareholder is a legal entity and is represented by the Agent, it is necessary to provide an extract from the relevant register (not older than 3 months) proving the existence of the shareholder and the authorization of the person, who signed the power of attorney, to act on behalf of the shareholder.</p> <p>The signature on the power of attorney of the Agent must be certified and/or furnished with an apostille or superlegalized.</p> <p>The shareholder can notify the Company about the granting or revocation of the power of attorney or about the fact the Share Manager is not authorized to exercise share-related rights.</p>	
	<p><b>Joint provisions concerning delivery of documents related to performance of the voting right:</b></p> <ul style="list-style-type: none"> <li>• Any document sent electronically (i.e. to databox or e-mail address) must be sent in an authorized conversion in compliance with applicable laws.</li> <li>• Documents issued in selected countries by foreign authorities or institutions or furnished with their certification clause that prove the existence of a foreign legal entity or the authorization to act on behalf of the foreign legal entity must be superlegalized or furnished with an apostille.</li> </ul>	
<p><b>Right to an explanation</b></p>		
<p>Starts on: <b>6 January 2021</b></p> <p>The last day for sending requests, to which an explanation will be provided by 27 January 2021: <b>19 January 2021</b></p> <p>The end of the deadline for submission of requests for an explanation, which explanations are to be provided on 5 February 2021, and at the same time the last day of the deadline for submission of requests for an explanation in general: <b>2 February 2021</b></p>	<p><b>The shareholders have to right to request and receive from the Company an explanation concerning the Company or the entities controlled by the Company, provided that such an explanation is necessary for evaluating the draft decision or for exercising shareholder rights.</b></p> <ul style="list-style-type: none"> <li>• The explanation request form is posted on the Company's website.</li> <li>• The signature on the explanation request does not need to be certified.</li> <li>• The explanation request can be delivered: <ul style="list-style-type: none"> <li>(i) by post to the Company's registered office;</li> <li>(ii) electronically to the e-mail address: valnahromada@pfnonwovens.com (with a recognized electronic signature);</li> <li>(iii) electronically to the Company's databox.</li> </ul> </li> <li>• In the case that the shareholder does not hold shares on his owner's account in the Central Records or in the Follow-up Records as at the Record Date, the request must include the account holder's confirmation.</li> </ul>	<p>More information: Paragraphs 6.11 to <b>Chyba! Nenalezen zdroj odkazů.</b> of this announcement</p>
<p><b>Right to make proposals and counterproposals</b></p>		

<p>Starts on: <b>6 January 2021</b></p> <p>Proposals and counterproposals will be posted on the Company's website as soon as they are delivered.</p> <p>The last day for sending proposals and counterproposals, to which the Board of Directors' opinion will be posted: <b>5 February 2021</b></p> <p>Ends on: <b>7 February 2021</b></p>	<p><b>The shareholders have the right to make proposals and counterproposals on the draft decision that is to be decided on <i>per rollam</i>, although, given to the nature and structure of the <i>per rollam</i> decision-making process, such proposals or counterproposals will not be voted on.</b></p> <ul style="list-style-type: none"> <li>• The proposal or counterproposal form is posted on the Company's website.</li> <li>• The signature on a proposal or counterproposal does not need to be certified.</li> <li>• Proposals and counterproposals can be delivered the same way as explanation requests.</li> <li>• In the case that the shareholder does not hold shares on his owner's account in the Central Records or in the Follow-up Records as at the Record Date, the proposal or counterproposal must include the account holder's confirmation.</li> </ul>	<p>More information: Paragraphs <b>Chyba! Nenalezen zdroj odkazů.</b> to <b>Chyba! Nenalezen zdroj odkazů.</b>5 of this announcement</p>
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(a) Voting right

- 6.3 The Company's registered capital amounts to EUR 10,867,185.16 (in words: ten million eight hundred and sixty-seven thousand one hundred and eighty-five euros and sixteen cents) and is divided into 8,763,859 (in words: eight million seven hundred and sixty-three thousand eight hundred and fifty-nine) registered book-entry shares with a nominal value of EUR 1.24 (in words: one euro and twenty-four cents) each. All of the Company's shares have been accepted for trading on a regulated market – on the Prime Market of the Prague Stock Exchange (Burza cenných papírů Praha, a.s.). Each share comes with 1 (in words: one) vote. Hence, the total number of votes in the Company is 8,763,859 (in words: eight million seven hundred and sixty-three thousand eight hundred and fifty-nine).
- 6.4 The Company's Board of Directors expects to publish the draft decision to be passed by *per rollam* decision-making on 26 January 2021 in the manner for convening the General Meeting, i.e. by notice published in the Commercial Gazette and posted on the Company's website. The ballot and voting sheet forms will be published, together with the draft decision, at the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section. The voting will start on that day. **Although this announcement contains a preliminary text of the draft decision that will be decided on *per rollam*, this announcement is only an announcement of the requirements for *per rollam* decision-making and not a draft decision pursuant to Section 418 of the Business Corporations Act. Therefore, do not vote until the draft decision is published.**
- 6.5 The ballot and voting sheet forms will especially contain the text of the draft decision and the box to check whether the shareholder votes FOR or AGAINST the draft decision and, if applicable, how many of its votes are FOR or how many of its votes are AGAINST. **The Company will only take into account the number of votes of a shareholder which is specified in the ballot (voting sheet) as voting FOR or voting AGAINST; if a ballot (voting sheet) does not specify the number of votes by which a given shareholder has voted, the Company will deem the shareholder to have voted FOR or AGAINST by all of its votes, depending whether the shareholder checked the box for voting FOR, or the box for voting AGAINST in the ballot (voting sheet). The Company will disregard in relation to a given shareholder the ballots and voting sheet forms from which it will not be clear whether and with how many votes the shareholder voted FOR or AGAINST.** The ballot form will be intended for the shareholders voting on their own behalf or for their Agents, the voting sheet

form will be intended for Agents and Share Managers who will represent several shareholders in *per rollam* decision-making. **In case the shareholder does not send in the ballot (voting sheet) by the deadline, or in case the Company disregards the ballot (voting sheet) in relation to the given shareholder in accordance with the above rules, it will be assumed that the shareholder votes against the draft decision.** Therefore, **it will be possible to also vote AGAINST** by not filling out and not sending the ballot to the Company.

- 6.6 The deadline for sending ballots (voting sheets) will start running on the day the draft decision is published (i.e. presumably on 26 January 2021) and, in compliance with Section 418 (2) (b) of the Business Corporations Act, will end after 15 days. The deadline for sending ballots will thus end on **10 February 2021 at 11:59:59 p.m. (CET)**. Ballots (voting sheets) delivered after the deadline will be disregarded and so will be the ballots (voting sheets) of the shareholders who will not be allowed to participate in *per rollam* decision-making due to the reasons specified in this announcement (in particular based on Paragraphs 4.7 and 5.16 above).
- 6.7 Filled-out ballots (voting sheets) can be delivered to the Company in one of the following ways:
- (i) to the mailing address of the Company's registered office in person (or in representation) or through a postal service operator. In such a case, the signature of the person authorized to sign the ballot (voting sheet) must be certified; or
  - (ii) electronically to the e-mail address valnahromada@pfnonwovens.com. In such a case, the signature of the person authorized to sign the ballot (voting sheet) must be certified and the filled-out ballot (voting sheet) must be delivered in an authorized conversion pursuant to Section 22 (1) (a) of Act No. 300/2008 of Coll., on Electronic Transactions and Authorized Conversion of Documents; or
  - (iii) electronically to the Company's databox (databox ID: crhxrez). In such a case the signature of the person authorized to sign the ballot (voting sheet) must be certified and the filled-out ballot (voting sheet) must be delivered in an authorized conversion pursuant to Section 22 (1) (a) of Act No. 300/2008 of Coll., on Electronic Transactions and Authorized Conversion of Documents.
- 6.8 The decision will be passed on the day the last vote of all shareholders of the Company is delivered or by expiry of the deadline for sending ballots (voting sheets), provided that the number of votes required to pass the decision is achieved. Therefore, in the case that the votes of all shareholders are not delivered to the Company before the deadline for sending ballots (voting sheets), the decision will pass on 11 February 2021, provided that at least the minimum number of votes required by law votes for it in a proper and timely manner. Given the fact that the draft decision is about the forced passage of participation securities to the principal shareholder of the Company, at least 90% of the votes of all shareholders of the Company is required to pass the decision.

#### Resolution of conflicts arising from exercising the voting right

- 6.9 In the case that the Company receives several ballots (voting sheets) from the same shareholder, including from his authorized Agent or the Share Manager, such a shareholder's votes on his ballot (voting sheet) that the Company received first will be counted in only.
- 6.10 In the case that the shareholder does not wish to count in the votes on the ballot (voting sheet) sent in by his Agent or the Share Manager, the shareholder can notify the Company about the revocation of the power of attorney based on Paragraph 5.8 of this announcement or can notify the Company that the Share Manager is not authorized to exercise the voting right attached to the share based on Paragraph 5.9 of this announcement. Such notification must be sent to the

Company before the votes on the ballot (voting sheet) filled out by the Agent or the Share Manager are delivered to the Company.

(b) Right to an explanation

6.11 Neither the Business Corporations Act nor any other law stipulates the requirements or procedure, based on which the shareholders can exercise their right to an explanation in compliance with Section 357 et seq. of the Business Corporations Act, in the case of *per rollam* decision-making. In order to preserve the right of shareholders to an explanation as much as possible, the Company hereby stipulates the requirements, under which the shareholders can exercise the right to an explanation in the case of *per rollam* decision-making. The Company wants to make sure that the shareholders are given an explanation at their request in sufficient time before the deadline for sending ballots (voting sheets) to the Company expires.

The Company guarantees to the shareholders eligible to vote on the draft decision (hereinafter the “**Eligible Shareholder**”) the right to request and receive from the Company an explanation concerning the matters related to the Company or entities controlled by the Company, provided that such an explanation is necessary for reviewing the draft decision that is to be decided on *per rollam* or for exercising shareholder rights as part of *per rollam* decision-making.

6.12 The Eligible Shareholder can submit his explanation request in writing only in one of the following ways:

- (i) to the mailing address of the Company’s registered office in person (or in representation) or through a postal service operator; or
- (ii) electronically to the e-mail address [valnahromada@pfnonwovens.com](mailto:valnahromada@pfnonwovens.com); in such a case, the e-mail message must include a recognized electronic signature (i.e. a guaranteed electronic signature based on a qualified certificate) of the shareholder or his Agent; or
- (iii) electronically to the Company’s databox (databox ID: crhxrez).

6.13 **Explanation requests can be delivered to the Company starting today until 11:59:59 p.m. (CET) on 2 February 2021.**

6.14 In addition to the explanation requested from the Company, the explanation request must include (i) the name, permanent address and date of birth of the shareholder, if the shareholder is a natural person or the company name, registered office and identification (registration) number of the shareholder, if the shareholder is a legal entity and (ii) the name, permanent address and date of birth of the shareholder’s Agent, if the shareholder’s Agent is a natural person or the company name, registered office and identification (registration) number of the shareholder’s Agent, if the shareholder’s Agent is a legal entity, provided that the shareholder’s explanation request was submitted by the shareholder’s Agent and (iii) the contact e-mail address or phone number for the Company’s needs. The signature of the shareholder (or his Agent) on the explanation request does not need to be certified.

6.15 The explanation request form in *per rollam* decision-making is available on the Company’s website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section. The explanation request form in *per rollam* decision-making is also available in paper form as at the date of this announcement at the Company’s registered office on business days between 9:00 a.m. and 5:00 p.m. (CET). Everyone may request at the e-mail address [valnahromada@pfnonwovens.com](mailto:valnahromada@pfnonwovens.com) or at the address of the Company’s the registered office that the explanation request form be sent to him in paper or electronic form at his own expense and risk.

- 6.16 In the case that the shareholder's shares are not held, as at the Record Date, on his owner's account in the Central Records or the Follow-up Records, the request must include the confirmation of the account holder or an additional account holder based on Paragraph 4.2 of this announcement. In the case that the shareholder submits his request through his Agent or in the case that the shareholder is a legal entity, the request must include the power of attorney (unless the Company has received a notice of granting a power of attorney based on Paragraph 5.7 of this announcement) or an extract from the relevant register or any other document proving the existence of the shareholder (or the shareholder's Agent) and the authorization of such a person to act on behalf of the shareholder (or the shareholder's Agent), which meets the requirements specified in Paragraph 5.11 of this announcement; the signature on the power of attorney for exercising the right to an explanation does not need to be certified.
- 6.17 The explanation request is considered to be duly delivered only if (i) it is delivered by the deadline specified in Paragraph 6.13 of this announcement, (ii) it contains all information specified in Paragraph 6.14 of this announcement and (iii) it includes all necessary documents specified in Paragraph 6.16 of this announcement. The Company will disregard any explanation request which was not duly delivered to the Company and the shortcomings of which were not remedied by the deadline for sending explanation requests as specified in Paragraph 6.13 of this announcement.
- 6.18 The Company will post the explanations on its website [www.pfnwovens.cz](http://www.pfnwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section by the following dates:
- the Company will provide an explanation to requests duly delivered to the Company by 19 January 2021 on 27 January 2021;
  - the Company will provide an explanation to requests duly delivered to the Company from 20 January 2021 to 2 February 2021 on 5 February 2021.
- 6.19 In case an explanation is complex, the Company will provide it within 15 days of its receipt of the request, but no earlier than the date otherwise specified for the submission of a request pursuant to para 6.18 hereof, even if it is no longer necessary for exercising shareholder rights in *per rollam* decision-making.
- 6.20 An explanation may be provided in the form of a summary answer to several questions of similar content. It is assumed that the shareholder received the explanation if it was posted on the Company's website [www.pfnwovens.cz](http://www.pfnwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section no later than the date, or by the deadline, otherwise specified for providing explanations in Paragraph 6.18 or 6.19 of this announcement.
- 6.21 The Board of Directors may refuse to provide an explanation in whole or in part if (i) its provision could cause harm to the Company or entities controlled by the Company, (ii) it is inside information or classified information under another law, or (iii) the requested explanation is available to the general public. The Board of Directors has to inform the Supervisory Board about the intended procedure as per the preceding sentence.

If the Supervisory Board agrees with such procedure by the Board of Directors, the Board of Directors will refuse to provide an explanation, in full or in part, and will inform the shareholder on the reasons for such refusal within the deadline otherwise specified for providing an explanation pursuant to paragraph 6.18 hereof.

If the Supervisory Board disagrees with such procedure by the Board of Directors, the Board of Directors will provide an explanation on the date, or by the deadline, determined for providing an explanation pursuant to paragraphs 6.18 or **Chyba! Nenalezen zdroj odkazů.** hereof.

- 6.22 **Given the deadlines for sending ballots (voting sheets), the Company recommends to the shareholders to submit their potential requests for an explanation on the draft decision to the Company as soon as possible after this announcement. The preliminary draft decision included in this announcement will correspond in all material aspects to the draft decision that the Company will publish in the Commercial Gazette and post on its website.**
- (c) Right to make proposals and counterproposals
- 6.23 Just like in the case of the shareholders' right to an explanation, the law does not stipulate the requirements or procedure, based on which the shareholders can make proposals and counterproposals pursuant to Section 361 et seq. of the Business Corporations Act in the case of *per rollam* decision-making or based on which qualified shareholders (i.e. the Company's shareholders holding shares whose total nominal value amounts to at least 3% of the Company's registered capital) can ask to include matters determined by these shareholders in the agenda of *per rollam* decision-making.
- 6.24 Taking into account the nature and structure of the *per rollam* decision-making process and the nature of the draft decision submitted for *per rollam* decision-making (*the approval of the forced passage of the Company's participation securities to the principal shareholder at the request of this principal shareholder*), only the proposal submitted by the Company's Board of Directors is decided on *per rollam*.
- 6.25 The shareholders' proposals or counterproposals, or their justification, may influence the shareholders' voting on the draft decision, wherefore the Company will publish the shareholders' proposals and counterproposals, potentially including the Company's opinion, under the conditions specified below, although they will not be put to a vote in this *per rollam* decision-making.
- 6.26 The Company will enable Eligible Shareholders to make proposals and counterproposals to the draft decision to be decided on *per rollam*, although such proposals or counterproposal will not be voted on in this *per rollam* decision-making due to the nature and structure of the *per rollam* decision-making process. The proposals and counterproposals, or their justification and the Board of Directors' opinion on such proposals and counterproposals, will be posted on the Company's website under the conditions specified in this announcement.
- 6.27 In case a draft decision to be decided on *per rollam*, i.e. a draft decision that corresponds, in all material respects, to the preliminary draft decision as specified in Section 8 hereof, is not passed, the Company will initiate, within 30 days of publishing the fact that the draft decision was not passed, new *per rollam* decision-making in writing on the shareholders' proposals and counterproposals in the order they were delivered to the Company. In such a case, the process of such *per rollam* decision-making in writing would correspond in all material aspects to the process, based on which the Company proceeds in this decision-making *per rollam*.
- 6.28 Eligible Shareholders can submit their proposals and counterproposals only in writing, in one of the ways specified in Paragraph 6.12 of this announcement for explanation requests.
- 6.29 Proposals and counterproposals must be delivered to the Company by 11:59:59 p.m. (CET) on 7 February 2021.
- 6.30 In addition to the wording of the proposal or counterproposal, the proposal or counterproposal must include the information specified in (i) to (iii) of Paragraph 6.14 of this announcement for explanation requests.

- 6.31 The proposal or counterproposal form in *per rollam* decision-making is available on the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section. The proposal or counterproposal form in *per rollam* decision-making is also available in paper form as at the date of this announcement at the Company's registered office on business days between 9:00 a.m. and 5:00 p.m. (CET). Everyone may request at the e-mail address [valnahromada@pfnonwovens.com](mailto:valnahromada@pfnonwovens.com) or at the address of the Company's the registered office that the proposal or counterproposal form be sent to him in paper or electronic form at his own expense and risk.
- 6.32 Paragraph 6.16 of this announcement will similarly apply to the documents that must be attached to proposals or counterproposals in *per rollam* decision-making.
- 6.33 The proposal or counterproposal is considered to be duly delivered only if (i) it is delivered by the deadline specified in Paragraph 6.29 of this announcement, (ii) it contains all information specified in Paragraph 6.30 of this announcement and (iii) it includes all necessary documents specified in Paragraph 6.32 of this announcement. The Company will disregard any proposal and counterproposal which was not duly delivered to the Company and the shortcomings of which were not remedied by the deadline for sending proposals or counterproposals as specified in Paragraph 6.29 of this announcement.
- 6.34 The Company will post the duly delivered proposal or counterproposal, or its justification, if provided in the proposal or counterproposal, at its website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section as soon as it receives the proposal or counterproposal. In the case that the proposal or counterproposal is delivered to the Company by 5 February 2020, the Company will also post the Board of Directors' opinion on the proposal or counterproposal.
- (d) Right of Qualified Shareholders with respect to *per rollam* decision-making
- 6.35 Taking into account the nature and structure of the *per rollam* decision-making process and the nature of the draft decision submitted for *per rollam* decision-making (*the approval of the forced passage of the Company's participation securities to the principal shareholder at the request of this principal shareholder*), qualified shareholders cannot ask to include matters determined by these shareholders in the agenda of *per rollam* decision-making. However, qualified shareholders have the right to ask the Board of Directors to convene a General Meeting to discuss their proposed matters pursuant to Section 366 of the Business Corporations Act. In the case that the epidemiological situation makes it impossible to hold a General Meeting, the Company will decide whether or not the proposed matters should be decided on *per rollam* in writing. In such a case, the process of such *per rollam* decision-making in writing would correspond in all material aspects to the process, based on which the Company proceeds in this decision-making *per rollam*.
- (e) Information about how and where the documents related to *per rollam* decision-making can be obtained
- 6.36 The shareholders may become acquainted with this announcement of *per rollam* decision-making and with the documents necessary for passing the draft decision on the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section and will also be available to the shareholders for perusal at the Company's registered office on business days between 9:00 a.m. and 5:00 p.m. (CET), from the day this announcement is published until the day the fact that the draft decision was passed *per rollam* is published.
- 6.37 The shareholders may become acquainted with draft decision in the form of notarial deed on the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per*

*rollam 2021* section and it will also be available to the shareholders for perusal at the Company's registered office on business days between 9:00 a.m. and 5:00 p.m. (CET), from the day it is published until the day the fact that the draft decision was passed *per rollam* is published.

- 6.38 The shareholders may become acquainted with potential explanation requests and provided explanations, the shareholders' proposals and counterproposals and the Board of Directors' potential opinion on these proposals and counterproposals on the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Valná hromada/Per rollam 2021* section and they will also be available to the shareholders for perusal at the Company's registered office on business days between 9:00 a.m. and 5:00 p.m. (CET), from the day they are published for 30 (in words: thirty) days following the day the fact that the draft decision was passed *per rollam* was published.
- 6.39 The shareholders may ask questions concerning the *per rollam* decision-making process and check whether or not their ballot (voting sheet) was duly delivered and their votes counted in at the e-mail address [valnahromada@pfnonwovens.com](mailto:valnahromada@pfnonwovens.com).
- 7. Request of the principal shareholder to convene a General Meeting or to start *per rollam* decision-making for the purposes of approval of a forced passage of all participation securities of the Company**
- (a) Request of the principal shareholder
- 7.1 On 4 January 2021, the Company's Board of Directors received a New Request from PFNonwovens Holding, as the principal shareholder of the Company, dated 4 January 2021, to convene a General Meeting of the Company and to submit to the General Meeting for approval the draft decision concerning the passage of all remaining participation securities of the Company to the principal shareholder pursuant to Section 375 of the Business Corporations Act. In the New Request, PFNonwovens Holding noted that it only took this step for formal reasons and requested that a General Meeting of the Company be presented for purposes of voting with a draft decision on the forced passage of participation securities as soon as possible. This New Request is in all material aspects identical to the Previous Request delivered by PFNonwovens Holding to the Company on 27 October 2020. In the New Request, PFNonwovens Holding asked that the draft decision concerning the passage of all other participation securities of the Company to the principal shareholder be decided on *per rollam* in writing due to the current situation with the COVID-19 pandemic as described in Section 1 of this announcement.
- 7.2 Together with the New Request, PFNonwovens Holding delivered to the Company:
- (i) an asset account statement of PFNonwovens Holding showing that PFNonwovens Holding owned as at 31 December 2020 a total of 7,887,497 registered book-entry shares issued by the Company having a nominal value of EUR 1.24 each, whose aggregate nominal value amounts to 90.000027 % of the registered capital of the Company and to which a 90.000027% share of voting rights in the Company is attached, and thus PFNonwovens Holding is, pursuant to Section 375 of the Business Corporations Act, the principal shareholder of the Company, and thus has the right to request the convocation of the General Meeting of the Company for the purposes of approving the forced passage of all other participation securities of the Company, i.e. the registered book-entry shares issued by the Company having a nominal value of EUR 1.24 each, ISIN: LU0275164910 to PFNonwovens Holding pursuant to Section 375 *et seq.* of the Business Corporations Act;

- (ii) justification of the consideration amount according to Section 376 (1) and Section 391 (1) of the Business Corporations Act (hereinafter the "**Justification of the Consideration Amount**;" and
- (iii) decision of the Czech National Bank (hereinafter the "**CNB**") pursuant to Section 391 of the Business Corporations Act, ref. no. 2020/130962/CNB/570, dated 22 October 2020, whereby the CNB gave PFNonwovens Holding its consent to pass the Company's General Meeting's resolution concerning the passage of all other participation securities of the Company to the principal shareholder (hereinafter the "**Decision of the CNB**"). The Decision of the CNB came into legal effect on 23 October 2020.

(b) Decisive information for determining the Consideration Amount

7.3 In the New Request, PFNonwovens Holding proposes consideration for the passage of all other participation securities of the Company to the principal shareholder in the amount of CZK 719,50 (in words: seven hundred and nineteen Czech Crowns and fifty hellers) per participation security of the Company (hereinafter the "**Consideration Amount**"). PFNonwovens Holding proved the Consideration Amount by means of the Justification of the Consideration Amount. After having assessed whether PFNonwovens Holding had duly justified the Consideration Amount, the CNB decided to give its consent to pass the Company's General Meeting's resolution concerning the passage of all other participation securities of the Company to PFNonwovens Holding.

(c) Other contents of the New Request and attached documentation

7.4 Regarding other contents of the New Request and attached documentation, the Company's Board of Directors says the following:

1. Conclusions of the Justification of the Consideration Amount are as follows:

- (i) The Consideration Amount of CZK 719.50 per share of the Company is higher than the average trading price of the Company's shares on regulated markets before the request for the CNB's consent.
  - The shares of the Company are relatively liquid (according to the average daily trading volume and the average daily number of traded shares). In the case of the shares of the Company, for the period of the last 6 months preceding the request for the CNB's consent (i.e. from 4 March 2020 to 3 September 2020) the total trading volume of the shares of the Company on regulated markets amounts to CZK 111,028,618 and the total number of shares traded in this way amounts to 177,364 shares, at a total number of 2,320 trades.
  - The Consideration Amount can also be justified by using the average trading price with the shares of the Company on regulated markets over the period of 6 months preceding the submission of the request for the CNB's consent, where the average trading price of the shares of the Company on regulated markets (i.e. weighted average) was CZK 625.99. This demonstrates that the proposed Consideration Amount of CZK 719.50 per share is higher than the average trading price of shares of the Company in the given period. The Consideration Amount of CZK 719.50 per share of the Company is therefore adequate.
- (ii) The Consideration Amount of CZK 719.50 per share of the Company equals the price for which the principal shareholder acquired the shares of the Company in the relevant period, i.e. during 12 months preceding the submission of the request for the CNB's consent.

- The highest price of one share of the Company for which the principal shareholder acquired a share of the Company in 12 months preceding the submission of the request for the CNB's consent (i.e. premium price) was CZK 719.5. The amount CZK 719.5 per share is the same as the premium price and is thus adequate Consideration Amount for the squeeze out of the Company's shareholders.
- (iii) The Consideration Amount of CZK 719.50 per share of the Company is higher than the value of the share of the Company that was determined in the Justification of the Consideration Amount drawn up by the principal shareholder in accordance with the requirement of *The CNB's Information for the Valuation of Participation Securities for the Purposes of Compulsory Takeover Bids, Public Draft Contracts and Squeeze Outs* ("**CNB Information**").
- PFNonwovens Holding submitted, in accordance with the requirements of CNB Information, the Justification of the Consideration Amount, which was prepared in compliance with the principles required in Chapter no. 4 of CNB Information and has the content essentials required by Chapter no. 5 of CNB Information.
  - On the basis of the Justification of the Consideration Amount drawn up by PFNonwovens Holding, the amount of CZK 719.5 per share is higher than the value of the share of the Company in the amount of CZK 670, which was determined in the Justification of the Consideration Amount drawn up by PFNonwovens Holding in accordance with the requirements of CNB Information for such justifications of the consideration amount, and is thus adequate consideration for the squeeze out of shareholders of the Company.
2. The payout of the Consideration Amount to entitled entities will be arranged by PFNonwovens Holding in accordance with the New Request through Česká spořitelna, a.s., with its registered office at Prague 4, Olbrachtova 1929/62, zip code: 140 00, ID No.: 45244782, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171 (hereafter the "**Authorized Entity**"). According to the Company's Board of Directors, the Authorized Entity, which is a holder of a banking license, meets the requirements pursuant to Section 378 of the Business Corporations Act.
- (d) Statement of the Company's Board of Directors on the adequacy of the Consideration Amount
- 7.5 In accordance with Section 377 (2) of the Business Corporations Act, the Company's Board of Directors presents the following statement on the adequacy of the Consideration Amount proposed by PFNonwovens Holding:
- (i) The Company's Board of Directors has become acquainted in detail with the New Request and its attachments, including the Justification of the Consideration Amount and the Decision of the CNB.
  - (ii) The Board of Directors has no objections to the content of the Justification of the Consideration Amount. According to the Company's Board of Directors, the Justification of the Consideration Amount meets the requirements pursuant to Section 376 (1) and Section 391 (1) of the Business Corporations Act.
  - (iii) After having assessed whether PFNonwovens Holding had duly justified the Consideration Amount, the CNB decided to give its consent to PFNonwovens Holding to pass the Company's General Meeting's resolution concerning the passage of all other participation securities of the Company to PFNonwovens Holding.

- (iv) The proposed Consideration Amount corresponds to the opinion of the Company's Board of Directors regarding the value of one share of the Company and the Company as a whole.
- 7.6 On the basis of the aforesaid, the Company's Board of Directors considers the Consideration Amount to be adequate.
- (e) Notice to pledgees
- 7.7 The Company calls on the pledgees, in whose favor a pledge on the Company's shares was set up, to communicate the existence of such a pledge in writing to the address of the Company's registered office or to the e-mail address [mfranek@pfnonwovens.com](mailto:mfranek@pfnonwovens.com).
- (f) Information for the holders of the Company's pledged shares
- 7.8 The holders of the Company's pledged shares are obliged to provide the Company with written information about the pledge and the name of the pledgee sent to the address of the Company's registered office or to the e-mail address [mfranek@pfnonwovens.com](mailto:mfranek@pfnonwovens.com), as soon as they learned about the convocation of the General Meeting.
- (g) Rights of shareholders to information and access to documentation relating to the forced passage
- 7.9 The shareholders, or possibly other persons, to whom it applies by law, have in connection with the draft decision the following rights:
- (a) the right to peruse information about the principal shareholder of the Company, the Justification of the Consideration Amount, the Decision of the CNB and information of the Company about the procedure pursuant to Section 375 of the Business Corporations Act at the address of the Company's registered office during business days between 9:00 a.m. and 5:00 p.m. (CET); and
- (b) the right to request information about the principal shareholder of the Company, the Justification of the Consideration Amount, the Decision of the CNB and information of the Company about the procedure pursuant to Section 375 of the Business Corporations Act, where a copy of these documents will be issued free of charge without undue delay upon receipt of the request. A request may be sent to the e-mail address [mfranek@pfnonwovens.com](mailto:mfranek@pfnonwovens.com) or in writing to the address of the Company's registered office, unless the shareholder specifies in his request that he wishes to receive such information by mail, such information will be ready for him at the registered office of the Company.
- 7.10 Information about the principal shareholder of the Company, the Justification of the Consideration Amount, the Decision of the CNB and information of the Company about the procedure pursuant to Section 375 of the Business Corporations Act is also available on the Company's website [www.pfnonwovens.cz](http://www.pfnonwovens.cz) in the *Investoři a média/Nucený přechod akcií* section.

## 8. Preliminary text of the draft decision to be decided *per rollam* and its justification

### (1) Approval of the forced passage of participation securities of the Company to the principal shareholder

Preliminary text of the draft decision      The General Meeting

- I. determines that the principal shareholder of the Company within the meaning of Section 375 of Act. No. 90/2012 of Coll., on Business Companies and Cooperatives (Business Corporations Act), is PFNonwovens Holding s.r.o., a limited liability company incorporated and existing pursuant to laws of the Czech Republic, with its registered office at Hradčanské náměstí 67/8, Hradčany, 118 00 Prague 1, Czech Republic, Identification no.: 046 07 341, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 250660 (hereinafter the "Principal Shareholder"). As at the day of submission of the request for convocation of the General Meeting by the Principal Shareholder (i.e. as at 4 January 2021) and as at the Record Date for the General Meeting's decision-making *per rollam* in writing, the Principal Shareholder holds 7,887,497 registered book-entry shares issued by the Company, the aggregate nominal value of which corresponds to 90.000027% of the registered capital of the Company and to which a 90.000027% share in the voting rights in the Company is attached;
- II. decides on the passage of the ownership right to all the participation securities, which were issued by the Company and are held by participation security holders other than the Principal Shareholder, to the Principal Shareholder (the "Passage of Participation Securities"). The Passage of Participation Securities will come into effect one month after the registration of this resolution in the Commercial Register was published (the "Effective Date"). The Board of Directors of the Company will request, without undue delay following the Effective Date, the registration of the ownership right of the Principal Shareholder to all the participation securities originally held by other holders of the Company's participation securities in the relevant records of securities;
- III. determines that the Principal Shareholder will provide the other holders of the Company's participation securities with consideration for their participation securities, the ownership right to which will pass to the Principal Shareholder as part of the Passage of Participation Securities, in the amount of CZK 719.50 (in words: seven hundred and nineteen Czech Crowns and fifty hellers) per participation security. Each original holder of the participation securities will notify the Principal Shareholder's agent, i.e. Česká spořitelna, a.s., with its registered office at Prague 4, Olbrachtova 1929/62, zip code: 14000, Czech Republic, Identification no.: 452 44 782, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171 (the "Agent"), of the following details within 14 days of the Effective Date:
  - a. in the case that the holder of the participation securities is a natural person residing in the Czech Republic: name, surname, birth certificate number (or similar identifier (such as NID) or date of birth, if not assigned), bank account number and code of bank;

- b. in the case that the holder of the participation securities is a natural person residing outside the Czech Republic, who wishes to receive the consideration to a bank account maintained by a financial institution in the Czech Republic: name, surname, birth number (or similar identifier (such as NID) or date of birth, if not assigned), bank account number and code of bank;
- c. in the case that the holder of the participation securities is a natural person residing outside the Czech Republic, who wishes to receive the consideration to a bank account maintained by a financial institution outside the Czech Republic: name, surname, birth number (or similar identifier (such as NID) or date of birth, if not assigned), permanent residence address, bank account number (IBAN), code of bank/BIC, name of the financial institution maintaining the bank account and its address, name and surname of the owner of the bank account;
- d. in the case that the holder of the participation securities is a legal entity having its registered office in the Czech Republic: name of the legal entity, identification number, bank account number, code of bank;
- e. in the case of the holder of the participation securities is a legal entity having its registered office outside the Czech Republic, which wishes to receive the consideration to a bank account maintained by a financial institution in the Czech Republic: name of the legal entity, identification number (or similar number), bank account number, code of bank; and
- f. in the case that the holder of the participation securities is a legal entity having its registered office outside the Czech Republic, which wishes to receive the consideration to a bank account maintained by a financial institution outside the Czech Republic: name of the legal entity, identification number (or similar number), registered office, bank account number (IBAN), code of bank/BIC, name of the financial institution maintaining the bank account and its address, name of the bank account;

by using the relevant form for a natural person or a legal entity (residing/with registered office in or outside the Czech Republic, as applicable), which will be available on the Company's website to be downloaded, or in a similar form (hereinafter the "Bank Account Notification"). The signature of the original holder of the participation securities on the Bank Account Notification must be certified and the Bank Account Notification must be delivered to the address: Česká spořitelna, a.s., CEN 8430 Back Office investičních produktů, Budějovická 1518/13b, 140 00 Prague 4, Czech Republic, by standard mail, registered mail or courier service, while the upper left corner of the respective envelope must in each case state the following: "PFNonwovens," The following documents must be attached to the Bank Account Notification: (i) if the Bank Account Notification is signed by the agent of the original holder of the participation securities, the original or a certified copy of the power of attorney with a certified signature authorizing such the agent to act on behalf of the holder of the participation securities dated on or before the date of

signing of the Bank Account Notification; (ii) if the original holder of the participation securities and/or its agent is a legal entity, the original or a certified copy of an extract from the relevant register of the original holder of the participation securities and/or its agent (as appropriate) or of another official document which confirms that the person who signed the Bank Account Notification, or, as the case may be, the power of attorney under (i) above, is authorized to act on behalf of the original holder of the participation securities and/or its agent (as appropriate), issued on or before the date of signing of the power of attorney under letter (i) above (applicable to the extract of the owner of the participation securities) and on or before the date of signing of the Bank Account Notification (applicable to the extract of the owner of the participation securities as well as to the extract of the proxy), but not earlier than 3 months before the date of the Bank Account Notification. All documents must be in the Czech, Slovak or English language. Documents in other languages must be accompanied with a simple translation into any of the above languages; and

- IV. determines that the consideration in the amount specified in Paragraph III above (potentially increased by the interest as prescribed by the applicable laws) will be provided by the Principal Shareholder via its agent to each original holder of the participation securities without undue delay following the registration of the ownership right of the Principal Shareholder to the participation securities, which passed as part of the Passage of Participation Securities to the Principal Shareholder, in the relevant records of securities and, at the latest, within 5 days of the date of such registration. The agent will provide the consideration to the holders of the participation securities of the Company as at the Effective Date, unless the pledge over these participation securities is proven to be established, in which case the consideration will be provided to the pledgee; this is not applicable if the holder proves that the pledge ceased to exist prior to the passage of the ownership right. In case a pledge over the participation securities is established as at the Effective Date, the holder of these participation securities as at the Effective Date will ensure that the pledgee provides the agent with the details and documents pursuant to Paragraph III by the deadline and in the manner specified therein. The agent will be pay the consideration for a period of 3 months from the Effective Date. After this period, the details pursuant to Paragraph III above will be communicated in writing directly to the Principal Shareholder in the manner specified in Paragraph III above to the address of the registered office of the Principal Shareholder.

*Justification:* On 4 January 2021, the Company's Board of Directors received a request from PFNonwovens Holding s.r.o., as the Principal Shareholder of the Company, dated 4 January 2021, to convene a General Meeting of the Company and to submit a draft decision for the passage of all other participation securities of the Company to PFNonwovens Holding s.r.o. pursuant to Section 375 of the Business Corporations Act (hereinafter the "**New Request**"). Based on the New Request, PFNonwovens Holding s.r.o. proposes consideration for the passage of all other shares of the Company to PFNonwovens Holding s.r.o. in the amount of CZK 719,50 (in words: seven hundred and nineteen Czech Crowns and fifty hellers) per share of the Company (hereinafter the "**Consideration Amount**"). In the New Request, PFNonwovens Holding s.r.o. asked to decide on the draft decision *per rollam* in writing due to the current epidemiological situation in the Czech Republic, which

prevents the holding of a regular General Meeting of the Company on 8 January 2021.

PFNonwovens Holding s.r.o has proven that it is the Principal Shareholder of the Company pursuant to Section 375 of the Business Corporations Act, and thus has right to request the convocation of the General Meeting of the Company for the purposes of approving the forced passage of participation securities of the Company to PFNonwovens Holding s.r.o., i.e. registered book-entry shares issued by the Company with a nominal value of EUR 1.24 each, ISIN: LU0275164910, pursuant to Sec. 375 et seq. of the Business Corporations Act.

Since the New Request included, among other things, a draft decision concerning the forced passage of participation of securities of the Company to PFNonwovens Holding s.r.o., the required information and documentation were delivered to the Company together with the New Request, the New Request met also other essentials required by generally binding legal regulations and the Company's Articles of Association and PFNonwovens Holding s.r.o. asked to pass the draft decision *per rollam* in writing, the Board of Directors proposes that the General Meeting decide on the draft decision *per rollam* in writing. The preliminary draft decision of the General Meeting *per rollam* in writing is submitted in the wording of the New Request as delivered by PFNonwovens Holding s.r.o. to the Company.

In the case that the General Meeting approves the draft decision proposed by PFNonwovens Holding s.r.o., the Company's Board of Directors will submit, in accordance with Section 384 of the Business Corporations Act, a proposal for registration of this passed decision in the Commercial Register. The ownership right to the shares of the Company will pass onto PFNonwovens Holding s.r.o. one (1) month after the registration of the passed decision in the Commercial Register is published. PFNonwovens Holding s.r.o. will provide the Consideration Amount to entitled entities by means of the agent (as defined in the text of the preliminary draft decision) by the deadline specified in the text of the preliminary draft decision. Information regarding the payout of the Consideration Amount will be posted on the Company's website.

*[the page with signatures follows]*



**Board of Directors of PFNonwovens a.s.**

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Name: Michal Smrek

Position: Member of the Board of Directors

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Name: Jakub Dyba

Position: Member of the Board of Directors