	Owner: CEO	Policy PO-56 v01
	Approved on: 13 April 2022 by Resolution of General Meeting of Shareholders	Effective: 13 April 2022
SHARE OPTION SCHEME OF COOP PANK AS		

1. Objective of option scheme

The objective of the Share Option Scheme (hereinafter referred to as the “Option Scheme”) of Coop Pank AS (hereinafter referred to as the “Bank”) is to align the long-term objectives and interests of the management and employees of the Bank and its group companies (hereinafter referred to collectively as the “Group”) with the long-term interests of the shareholders of the Bank. Common interests are expressed in the professional and balanced management of the Group, which ensures the sustainable development and long-term growth of the Group in accordance with the objectives and strategy set.

2. Persons eligible to participate in the Option Scheme

The circle of persons entitled to participate in the Option Scheme is determined by the supervisory board of the Bank on the basis of the proposal of the Remuneration Committee of the Bank. Options are granted to employees with outstanding performance whose professional skills are critical to increasing the value of the Group over the longer term. The members of the supervisory board of the Bank (incl. the chairperson of the supervisory board) themselves do not have the right to participate in the Option Scheme.

3. Scope and term of Option Scheme

Each year, options will be issued under the Option Scheme up to a maximum of 1.0% of the total number of shares in the Bank, based on the number of shares in the Bank at the time of the grant.

Options will be issued on the basis of the Option Scheme for a period of three years (from April 2023 to April 2025 inclusive), to which the deadline for exercising the Options will be added.

4. Content and underlying asset of option

The underlying asset of the Option Scheme is the ordinary share of Coop Pank AS (ISIN code EE3100007857, hereinafter the Shares).


Persons entitled to participate in the Option Scheme, the circle of which will be determined by a decision of the supervisory board of the Bank, have the right to acquire the Shares on the terms and conditions set out in the option contracts to be entered into with them (hereinafter the “Options”).

The grant of options will be organised in such a way that it does not constitute a public offer of securities within the meaning of the Securities Markets Act.

5. Option price

The value of the Options is determined using the Black-Scholes model whose inputs are determined by the supervisory board of the Bank. Options are issued free of charge to the person entitled to receive them.

One of the inputs to the pricing of the Options is, among others, the type of the Bank’s share (the Bank has one type of shares – ordinary shares), the nominal or accounting value and the proportion in the Bank’s share capital. However, if any corporate event occurs that changes the above inputs (increase or reduction of share capital, change of nominal or accounting value of the share, issue of shares of a different class, etc.), the number of Shares underlying the Option and/or the Option price will be

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adjusted accordingly. The purpose of the adjustment of the Option price is to maintain the original value of the Option for the person entitled to receive the Options. The respective agreements are added to the option contracts.

6. Deadline and manner of exercising Options

The term of the Options is three years from the date of grant. The purchase price of the Shares paid by the recipient of the Option upon subscription of the Shares is 50% of the average closing price of the Shares for the 60 calendar days preceding the date of issue of the Options, but not less than the book value of the Shares. If the accounting value of the Share at the time of subscription is higher, the purchase price of the Share will be deemed to be the latter.

The exercise of options and the issue of Shares takes place by way of increasing the share capital of the Bank and the issue of new Shares, which will be decided by the general meeting of shareholders of the Bank or by the supervisory board of the Bank on the basis of the mandate received from the general meeting, and the pre-emptive subscription rights of existing shareholders will be excluded in respect of the new Shares to be issued pursuant to the provisions of subsection 345 (1) of the Commercial Code.

7. Other important terms and conditions of Options

The Options are granted to the person entitled to receive them in person. The Options may not be transferred, pledged or otherwise encumbered or disposed of.

The Options are inheritable.


8. Reduction or cancellation of Options

The Bank has the right to refuse to issue Shares to the person entitled to receive the Options, in whole or in part, if:

- the General Meeting of Shareholders of the Bank or the supervisory board, on the basis of the mandate received from the general meeting, does not adopt the resolution to increase the share capital of the Bank and to issue the Option Shares;
- the overall economic performance of the Group has deteriorated significantly compared to the previous period;
- the person entitled to receive the options no longer meets the performance criteria or does not meet the statutory requirements of the head of the credit institution (in the case of the Bank's subsidiaries, the head of the creditors and intermediaries) or employee;
- the Group no longer meets prudential requirements, or the risks of a Group company are not adequately covered by own funds;
- Options have been granted on the basis of data that proved to be materially inaccurate or incorrect.

The implementation of the Share Option Scheme is subject to the restrictions arising from the Credit Institutions Act, in particular the restrictions arising from § 57² of the Credit Institutions Act and the restrictions which are imperatively applicable to the Group.

The Remuneration Committee of the Bank makes proposals to the supervisory board to reduce or cancel options.

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The person entitled to receive the Options is be entitled to claim any monetary or non-monetary compensation from the Group in the event that the Options are reduced or cancelled, in whole or in part, or cannot be exercised for any other reason.

9. Exercise of Options

The main prerequisite for the exercise of the Options is a valid management relationship or employment relationship between a company belonging to the Group and the person entitled to receive the Options. Exceptions to the applicability of this point may be made by decision of the supervisory board.

Upon exercise of the Options, the person entitled to receive the Options will pay for the Bank's Shares underlying the Options in accordance with the terms and conditions set out in the Option Contract.

10. Entry into Option Contracts

The implementation of the terms and conditions of the Option Scheme and the detailed procedure for the exercise of the Options will be determined by the Option Contract to be entered into between the Bank and the person entitled to receive the Options.

The general meeting of shareholders of the Bank authorises the supervisory board of the Bank to issue the Options without a resolution of the general meeting of shareholders of the Bank on each occasion, provided that the Options and the Option Contracts to be entered into for the issue of the Options comply fully with these terms and conditions.

The supervisory board of the Bank has a duty to inform the general meeting of shareholders of the Bank. At the general meeting of the shareholders of the Bank following the issue of the Options, the supervisory board of the Bank presents to the general meeting of the shareholders of the Bank an overview of the Options issued, indicating at least the persons entitled to receive the Options, the number of Options granted to them and the exercise price of the Options.

The management board of the Bank enters into Option Contracts regarding the issue of the Options on the basis of a respective decision of the supervisory board of the Bank.

When entering into Option Contracts, the management board pf the Bank is obliged to ensure that Option Contracts are always entered into in accordance with the terms and conditions of the Option Scheme.

If the entitled person does not enter into an Option Contract within the time limit laid down by the resolution of the supervisory board, they forfeit the right to acquire the Share Options granted to them. If an entitled person does not want to participate in the Share Option Scheme, the supervisory board has the right (but not the obligation) to allow another entitled person to acquire the Share Options.