

## **FELLOW FINANCE PLC'S OPTION RIGHTS 2019**

The Board of Directors of Fellow Finance Plc ("the Board") proposes to the Fellow Finance Plc's ("the Company") Annual General Meeting convening on 3 April 2019 that the Annual General Meeting would decide on issuing option rights to the key employees of the Company and its subsidiaries ("the Group") under the following terms and conditions:

### **I OPTION RIGHT TERMS AND CONDITIONS**

#### **1. The number of option rights**

The maximum total number of option rights issued is 200,000 and they entitle their holders to subscribe for a total maximum of 200,000 Company's new shares or shares held by the Company ("the Share"). The Board shall decide whether the subscriber will receive new Shares or Shares held by the Company.

#### **2. Option rights**

The option rights shall be marked with 2019.

#### **3. Directing of option rights**

The option rights shall be issued free of charge for the Group's key employees deviating from the shareholders' pre-emptive subscription right. There is a weighty financial reason for the Company to issue option rights because the option rights are intended as an integral part of the incentive and commitment scheme of the key employees of the Group. Option rights intended to act as an incentive for the Company's key employees in their long-term work towards increasing the ownership value. Option rights are also used to commit the key employees to the employer.

#### **4. Offering of option rights**

The Board shall decide on offering the option rights to the key employees of the Company belonging to the Group or key employees to be recruited. The Board may decide on special terms and conditions concerning the receiving of the option rights.

The Board shall send a written notification concerning the offering of the option rights to the recipients of the option rights. The option rights shall be issued when the option right recipient has delivered an approval concerning the Board's offering.

The Board shall decide on offering the option rights 2019 by 30 August 2019.

Option rights are discretionary and one-time part of incentives. Option rights are not part of the option right recipient's employment or service contract and they are not regarded as a wage or fringe benefit. The option right recipient has no right to receive any compensation related to the option rights on any grounds during the employment or service or after the employment or service has been terminated.

The option right recipients themselves are responsible for all the taxes and tax consequences that are related to the receiving or using of the option rights.

The Company pays, if necessary, the transfer tax related to the option rights or the

Shares obtained with the option rights. The transfer tax paid by the Company may be taxable income for the option right holder.

#### **5. Transfer of option rights**

The Company shall hold the option rights on behalf of the option right holder until the beginning of the subscription period of the Shares.

The option rights may freely be transferred and pledged, when the relevant share subscription period has begun. The Board may, however, permit the transfer or pledge of option rights also before such date. The option right holder is obliged to inform the Company in writing if the holder transfers or pledges its option rights, without delay.

#### **6. Termination of the employment or service before the subscription period of the Shares**

Should a option right holder cease to be employed by or in the service of the Company belonging to the Group, such person shall, without delay, forfeit to the Company or its designee, without compensation, the option rights distributed to him or her, for which the share subscription period specified in section

11.2 has not begun, on the last day of such person's employment or service. As an exception to the above, the Board, at its discretion, may decide, when appropriate, that the option right holder is entitled to keep such option rights, or a part of them.

Should a stock option owner cease to be employed by or in the service of the Company belonging to the Group due to permanent disability or death or the statutory retirement or the retirement of a option right holder in compliance with the employment or service contract, or the retirement of a stock option owner otherwise determined by the Company, the Board shall decide on the right of the option right holder or his or her estate or dependents to keep the option rights distributed to the option right holder. The same applies if the rights and obligations of the option right holder under the employment or service are transferred to a new owner or holder during the employer's transfer of business or if the option right holder's employment or service with the Company belonging to the Group is terminated due to company arrangements.

The termination of the employment or service refers in these terms and conditions to the last day of validity of the option right holder's employment or service contract.

#### **7. Incorporation of option rights into the book-entry system**

The Board may decide on incorporating the option rights 2019 into the book-entry system. If the option rights have been incorporated into the book-entry system, the Company has the right to request and get transferred all forfeited option rights from the option right holder's book-entry account to the book-entry account appointed by the Company, without the consent of the option right holder.

In addition, the Company is entitled to register transfer restrictions and other respective restrictions concerning the option rights on the option right holder's book-entry account, without

the consent of the option right holder. The option right holder shall, during his employment or service or thereafter, have no right to receive compensation on any grounds for option rights that have been forfeited in accordance with these terms and conditions.

## **II SHARE SUBSCRIPTION TERMS AND CONDITIONS**

### **1. Right to subscribe for Shares**

Each option right entitles its holder to subscribe for one (1) new Share in the Company or Share held by the Company. The subscription price of the Share shall be credited to the Company's reserve for invested unrestricted equity.

### **2. Share subscription and payment**

The share subscription period for the Shares subscribed for with option right 2019 shall be between 1 March 2022 and 28 February 2023.

Should the last day of the subscription period of the Share not be a banking day, the Share subscription may be made on a banking day following the last Share subscription day. The Share subscription shall take place at the head office of the Company or in another location and manner to be determined later. Upon subscription, payment for the Shares subscribed for shall be made to the bank account designated by the Company. The Board shall decide on all measures concerning the share subscription.

### **3. Share subscription price**

The Share subscription price of the option rights shall be determined based on the Company's weighted average rate of the exchange of shares between 1 March and 1 April 2019. The Share subscription price of the option rights may be decreased in certain cases mentioned in section 7 below. The Share subscription price shall, nevertheless, always amount to at least EUR 0.01. The subscription price of the Share shall be credited to the Company's reserve for invested unrestricted equity.

### **4. Registration of Shares**

Shares subscribed for and fully paid shall be registered on the book-entry account of the subscriber.

### **5. Shareholder rights**

The dividend rights of the new Shares and other shareholder rights shall commence when the Shares have been entered into the Trade Register. If the Share subscriber is given Shares held by the Company, the subscriber shall receive the dividend rights and other shareholder rights when the Shares have been registered on the book-entry account of the subscriber.

### **6. Share issues, option rights and other special rights entitling to Shares before share subscription**

Should the Company, before the share subscription, decide on an issue of shares or an issue of new option rights or other special rights entitling to shares so that the shareholders have pre-emptive rights to subscription, an option right holder shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board by

adjusting the number of Shares available for subscription, the share subscription prices or both of these.

## **7. Rights in certain cases**

### **7.1. Placing in liquidation or deregistrating**

Should the Company be placed in liquidation before the share subscription, the option right holder shall be given an opportunity to exercise his or her share subscription right, within a period of time determined by the Board. Should the Company be deregistrating, before the share subscription, the option right holder shall have the same right as, or an equal right to, that of a shareholder.

### **7.2. Merger, division or transfer of domicile**

Should the Company resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the option right holders shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for Shares, within a period of time determined by the Board. Alternatively, the Board may grant the option right holder a right to convert the option rights into option rights issued by another company in a manner defined in the merger or demerger plan or otherwise defined by the Board or sell their option rights prior to the registration of the execution of a merger or a demerger. After that, no share subscription right or conversion right shall exist. The same process shall apply to cross-border mergers or demergers, or a transfer of the Company's domicile from Finland into another member state of the European Economic Area. The Board shall decide on the impact of potential partial demerger on the option rights. In the above situations, the option right holders shall have no right to require that the Company redeems the option rights from them at fair value.

### **7.3 Acquisition or redemption of the Company's own shares and acquisition of option rights and other special rights entitling to shares**

Acquisition or redemption of the Company's own shares or acquisition of option rights or other special rights entitling to shares shall have no impact on the rights of the option right holders. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the option right holders shall be made an equivalent offer.

### **7.5 Redemption right and obligation**

Should a redemption right and obligation to all of the Company's shares, as referred to in Chapter 18 Section 1 of the Limited Liability Companies Act, arise to any of the shareholders, prior to the end of the share subscription period, on the basis that a shareholder possesses over 90 percent of the shares and the votes of the shares of the Company, the option right holders shall be given a possibility to use their right of share subscription by virtue of the option rights, within a period of time determined by the Board, or the option right holders shall have an equal obligation to that of shareholders to transfer their stock options to the redeemer, even if the transfer right defined in section 1.5 above had not begun.

## **III OTHER MATTERS**

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of or relating to these option rights shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the Finland Chamber of Commerce. The place of arbitration is Helsinki,

Finland and the arbitral tribunal is composed of one arbitrator. The language of arbitration is Finnish or English.

The Board may decide on the technical amendments to these terms and conditions resulting from incorporation of option rights into the book-entry system, as well as on other amendments and specifications to these terms and conditions which are not considered as essential. Other matters related to the option rights shall be decided on by the Board, and the Board may give stipulations binding on the option right holder.

The Company shall be entitled to gratuitously withdraw the option rights which have not been transferred or which shares have not been subscribed for from the option right holder if the option right holder acts against these terms and conditions, or against the instructions given by the Company on the basis of these terms and conditions, or against applicable law, or against the regulations of the authorities.

The Company may maintain a register of the option right holders to which the option right holders' personal data is recorded. The Company may send all announcements regarding the option rights to the option right holders by e-mail. These option right terms and conditions have been prepared in Finnish.