

# TERMS AND CONDITIONS OF THE OFFERING

## GENERAL TERMS AND CONDITIONS OF THE INITIAL PUBLIC OFFERING

### General description

Evli Bank Plc ("**Company**") is preliminarily offering a maximum of 2,100,000 new series B shares in the Company ("**Offered Shares**" or "**Shares**") in a share issue ("**IPO**" or "**Share Issue**") to institutional investors in Finland and internationally ("**Institutional Offering**") and to private individuals and institutions in Finland ("**Public Offering**").

The Company has two share series. A series A share confers twenty (20) votes and a series B share confers one (1) vote at the General Meeting. The share series have identical entitlements to dividends and other profit distribution. The Offered Shares are series B shares and the maximum number of these shares represent approximately 9.9 percent of the Company's existing shares and approximately 0.6 percent of the votes that they confer before the IPO, and approximately 9.0 percent of all of the Company's shares and approximately 0.6 percent of the votes that they confer after the IPO, provided that the Offered Shares are subscribed in full.

In addition to the General Terms and Conditions of the IPO presented here, the terms and conditions of the IPO consist of the Special Terms and Conditions of the Institutional Offering and the Special Terms and Conditions of the Public Offering, which are presented in the sections "*Special Terms and Conditions of the Institutional Offering*" and "*Special Terms and Conditions of the Public Offering*" of the Prospectus approved by the Finnish Financial Supervisory Authority on 13 November 2015.

The lead manager of the IPO is Alexander Corporate Finance Oy ("**Lead manager**") and the place of subscription is Evli Bank Plc.

### The Share Issue

The Company's Extraordinary General Meeting of the Shareholders of 1 October 2015 authorized the Company's Board of Directors to issue no more than 3,000,000 of the Company's series B shares in one or more

lots. The authorization includes the right to deviate from shareholders' pre-emptive subscription rights. Pursuant to the authorization issued by the General Meeting of the Shareholders, the Company's Board of Directors resolved on 13 November 2015 to issue no more than 2,100,000 Shares in the Institutional Offering and Public Offering ("**the Share Issue**").

The Shares are offered in deviance from the shareholders' pre-emptive subscription rights in order to enable the listing of the Company's shares on the official list of NASDAQ OMX Helsinki Ltd ("**Helsinki Stock Exchange**"). The payment made to the Company for the approved subscription of a Share is entered in full in the invested unrestricted equity fund. Therefore, the Company's share capital will not increase in connection with the IPO. As a result of the IPO, the number of the Company's shares may increase to a maximum of 23,313,920 shares, which are divided into a maximum of 16,971,136 series A shares and a maximum of 6,342,784 series B shares.

### Placing Agreement

The Company and the Lead Manager signed a placing agreement ("**Placing Agreement**") on 13 November 2015 (see "**Arrangement of the IPO**" for more details). The Placing Agreement is conditional to certain customary terms and conditions.

### Lock-up Restrictions and other Commitments by Company Shareholders

The Company and the Lead Manager have agreed that subject to certain exceptions, the Company will not issue or otherwise transfer Company shares in its possession within the 365 days following the first trading day of the Offered Shares without the advance written consent of the Lead Manager (lock-up). The Company's lock-up commitment does not, however, apply to using the Company's shares as a consideration in mergers and acquisitions, or to Company shares transferred under any share-based incentive program established by the Company, provided

that the subscribers to or recipients of the shares for their part commit to a corresponding transfer restriction which will terminate after 366 days starting on the first trading day of the Offered Shares.

Certain of the Company's principal shareholders (Oy Scripo Ab, Prandium Oy and Ingman Group Oy Ab) have committed to not selling or otherwise transferring, directly or through their controlled corporations, Company shares owned by them before the IPO during the first 365 days following the first trading day of the Offered Shares without advance written consent from the Company and the Lead Manager (lock-up). The principal shareholders of the Company who have given the said commitment own approximately 55.8 percent of the Company's existing shares and approximately 55.8 percent of the votes that they confer before the IPO, and approximately 50.8 percent of all of the Company's shares and approximately 55.4 percent of the votes that they confer after the IPO, provided that the Offered Shares are subscribed in full.

All key persons of the Company with an employment or service relationship who own Company shares and their controlled corporations have committed to not selling or otherwise transferring, directly or through their controlled corporations, Company shares owned by them before the IPO during the first 365 days following the first trading day of the Offered Shares without advance written consent from the Company and the Lead Manager (lock-up). The said key persons of the Company with an employment or service relationship who own Company shares own approximately 26.4 percent of the Company's existing shares and approximately 26.4 percent of the votes that they confer before the IPO, and approximately 24.0 percent of all of the Company's shares and approximately 26.2 percent of the votes that they confer after the IPO, provided that the Offered Shares are subscribed in full. None of the said key persons of the Company with an employment or service relationship

who own Company shares own directly or through their controlled corporations more than five (5) per cent of the Company's shares or votes before the IPO.

In addition to their lock-up commitment, the aforementioned key persons, with an employment or service relationship who own Company shares, and the Company have also agreed that if the IPO is completed, the right of the said persons to convert their Company series A shares to Company series B shares in accordance with the procedure described in the Company's articles of association is restricted. The said persons will only be able to exercise their right of conversion in equal shares over a three-year period starting on the first trading day. Hence, the first 1/3 of the series A shares will be released for conversion into series B shares after 366 days starting on the first trading day of the Offered Shares and the rest annually after this so that it will be possible to convert all series A shares into series B shares after three years starting on the first trading day of the Offered Shares. The said key persons of the Company with an employment or service relationship who own Company shares own approximately 26.4 percent of the Company's existing shares and approximately 26.4 percent of the votes that they confer before the IPO, and approximately 24.0 percent of all of the Company's shares and approximately 26.2 percent of the votes that they confer after the IPO, provided that the Offered Shares are subscribed in full.

Other shareholders of the Company, who own approximately 17.8 percent of the Company's existing shares and approximately 17.8 percent of the votes that they confer before the IPO, and approximately 16.2 percent of all of the Company's shares and approximately 17.7 percent of the votes that they confer after the IPO, provided that the Offered Shares are subscribed in full, have not committed to any restrictions on the transfer of the Company's shares.

### **Subscription Price**

The subscription price ("**Subscription Price**") of each Offered Share in the Public Offering and Institutional Offering is EUR 6.75.

When determining the subscription price, the net asset value per share, the prevailing market conditions, the valuation ratio of other companies in the sector and the Company's earnings expectations, among other things, were taken into account.

### **Subscription Period**

The subscription period of the Institutional Offering will commence on 16 November 2015 at 9.00 am (Finnish time) and end no later than 25 November 2015 at 4.30 pm (Finnish time). The subscription period of the Public Offering will commence on 16 November 2015 at 9.00 am (Finnish time) and end no later than 25 November 2015 at 12.00 noon (Finnish time).

The members of the Board of Directors of the Company and the Company's subsidiaries, and their personnel and their immediate circle (see " - Allocation principles") may only subscribe for the Share Issue on 16 November 2015.

If the Share Issue is oversubscribed, the Company is entitled to discontinue the Institutional Offering and Public Offering at the earliest on 23 November at 4.00 pm (Finnish time). The Institutional Offering and Public Offering can be discontinued separately. If the Institutional Offering and/or Public Offering is discontinued, a stock exchange release will be published on the matter.

The Company's Board of Directors is entitled to extend the subscription period of the IPO. Any extensions of the subscription period will be announced in a stock exchange release which will indicate the new end date and time of the IPO subscription period. The Company's Board of Directors may extend or not extend the subscription periods of the Institutional Offering and the Public Offering separately. A stock exchange release concerning

the extension of the subscription period of the IPO must be issued no later than on the above-mentioned estimated end date of the Institutional or Public Offering.

### **Supplementing the Prospectus and the Right to Cancel a Subscription Commitment**

Subscription commitments made in the IPO are binding and cannot be modified or cancelled except for in the circumstances defined in the securities market act (746/2012, "**the Securities Markets Act**").

Under the Securities Markets Act, the Prospectus must be supplemented under certain circumstances, including errors or defects in the Prospectus or material new information that may have material significance to investors. Should the Prospectus be supplemented, investors who have committed to buying or subscribing securities before the publication of the correction or supplement, must be provided with the right to cancel their subscription within at least two (2) banking days as of the publication of the correction or supplement. The right to cancel may only be implemented if the error, defect or material new information is discovered before the securities have been delivered to investors.

A cancellation of a subscription commitment must include all shares covered by the subscription commitment. Supplements to the Prospectus will be announced with a stock exchange release and on the internet at [www.evli.com/ipo](http://www.evli.com/ipo). The release will also state the investors' right to cancel their subscription commitments.

### **Procedure for Cancelling Subscription Commitments**

Investors who wish to cancel their subscription under the cancellation right arising from the supplementing of the Prospectus as described above, must notify in writing the place of subscription where the commitment was made. Subscription commitments may not, however, be cancelled through the Company's internet service. Instead, cancellation must be made at the

Company's offices at Aleksanterinkatu 19 A, FI-00100 Helsinki, Finland or by sending a written notification of the cancellation by fax or e-mail. More detailed instructions regarding such cancellation must be requested in advance by telephone (+358 9 4766 9575) from Evli Bank Plc's subscription location. Any cancellation of a subscription commitment covers the subscription commitment in full. The cancellation right terminates when the period entitling to the cancellation right has lapsed. When a subscription commitment is cancelled, the place of subscription will return the sum paid on the Offered Shares to the bank account notified in the subscription commitment. The funds will be returned as soon as possible following cancellation, approximately within three (3) banking days of delivery of the cancellation notification to the place of subscription. If an investor's bank account is in a different financial institution than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the returned funds.

#### **Right to Cancel the IPO**

The Company's Board of Directors is entitled to cancel the IPO at any time prior to the execution of the IPO on the basis of market conditions, the financial standing of the Company or a material change in the Company's business operations, for example. If the Board of Directors cancels the IPO, any paid Subscription Price will be returned to subscribers within approximately three (3) banking days of the Board's decision to the bank account notified in the subscription commitment. If a subscriber's bank account is in a different financial institution than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on returned funds.

#### **Decisions regarding the IPO and Allocation of Offered Shares**

The Company's Board of Directors will resolve on or about 26 November 2015 on the final number of Offered Shares, the division of the final number of Offered Shares between the Institutional Offering and the Public Offering and on the full or partial approval of subscription commitments and offers given in the IPO. The minimum number of Offered Shares offered in the Public Offering will be at least 10 percent of the Offered Shares in the IPO or, if fewer subscription commitments than this are given in the Public Offering, the full number of subscription commitments given in the Public Offering. The Company's Board of Directors will decide upon the procedure in the case of over- and undersubscription, and may also decide not to execute the IPO.

The Company will announce the result of the IPO on or about 26 November 2015 with a stock exchange release, and also on the internet at the address [www.evli.com/ipo](http://www.evli.com/ipo).

#### **Allocation Principles**

In the case of oversubscription, the company will strive to approve the subscription commitments given in the Public Offering fully up to 100 Offered Shares per investor. For the portion exceeding this, the Company will strive to distribute Offered Shares in the mutual ratio of the amounts of the unfulfilled subscription commitments. However, the Company can take into account the status of the party giving the subscription commitment as a client of the Company and allocate more Offered Shares for such investors than to other investors participating in the Share Issue. The Company will evaluate the client's overall customership by taking into account most essentially the duration of the customership and the assets managed by the Company on behalf of the client, and other possible factors that are significant in evaluating the overall customership. All natural persons and institutions that have

a valid client relationship agreement with the Company or one of its Group companies at the end of the subscription period are deemed to be the Company's clients.

A separate employee offering will not be arranged in the IPO, but the members of the Company's and its Finnish subsidiaries' Boards of Directors and personnel, and their immediate circle pursuant to Chapter 12(4) of the Securities Markets Act may subscribe for Offered Shares during the first day of the subscription period. The personnel of the Company or its Finnish subsidiaries may subscribe for no more than ten (10) percent of the Offered Shares in total. In a possible oversubscription situation, the aim will be to distribute Offered Shares in the mutual ratio of the amounts of the subscription commitments.

#### **Entry of Offered Shares in Book-entry Accounts**

The investor must have a book-entry account with a Finnish account operator or one that operates in Finland, and must notify his/her book-entry account number in conjunction with the subscription. It is estimated that the Offered Shares distributed in the IPO will be entered in the investors' book-entry accounts on 1 December 2015.

#### **Ownership Rights and Shareholders' Rights**

The Company has two share series. A series A share confers twenty (20) votes and a series B share confers one (1) vote at the General Meeting. The share series have identical entitlements to dividends and other profit distribution.

The Offered Shares confer the same rights as the Company's other series B shares and confer rights to dividends and other asset distribution, and to other share-related rights in the Company after the Offered Shares are registered in the trade register maintained by the National Board of Patents and Registration on or about 1 December 2015. The rights related to the Offered Shares may be used once the

shares have been entered in the investor's book-entry account.

#### **Trading with the Company's Shares**

Before the execution of the IPO, the Company's shares have not been subject to trading on any regulated market or multilateral trading facility. The Company will submit its listing application to the Helsinki Stock Exchange to admit the Company's series B shares for trading on the official list of the Helsinki Stock Exchange. Trading is expected to commence on the official list of the Helsinki Stock Exchange on or about 2 December 2015. The trading symbol for the Company's series B shares is "EVLI" and the ISIN code is FI4000170915.

#### **Capital Transfer Tax and Operating Fees**

Capital transfer tax is not collected on the subscription of Offered Shares. Account operators charge a fee in accordance with their price list for maintaining the book-entry account and storing the shares.

#### **Offering Offered Shares outside Finland**

The regulations of some countries may set restrictions on participating in the IPO. Additional information on restrictions on offering Offered Shares is presented in the section of the Prospectus entitled "Important information on the Prospectus."

The Company's Board of Directors has the right to reject any subscription of Offered Shares that the Company's Board of Directors deems to be in breach of a law, rule or regulation.

#### **Available documents**

The documents pursuant to Chapter 5(21) of the Limited Liability Companies Act will be available from the Company's office at the address Aleksanterinkatu 19 A, FI-00100, Helsinki, Finland.

#### **Other matters**

Other factors and practical measures related to the IPO will be resolved by the

Company's Board of Directors.

### **Applicable law**

The law of Finland shall apply to the IPO. Any disputes arising from the IPO will be resolved in a competent court in Finland.

## **SPECIAL TERMS AND CONDITIONS OF THE INSTITUTIONAL OFFER**

### **Offered Shares**

Preliminarily a maximum of 1,800,000 Offered Shares will be offered in the Institutional Offering for institutional investors in Finland and certain other countries. The number of Offered Shares can be higher or lower than the number stated herein. The Offered Shares can be transferred between the Institutional Offering and Public Offering depending, among other things, on the distribution of demand for the Offered Shares between the Institutional Offering and Public Offering.

Offered Shares are offered to institutional investors outside the USA in accordance with Regulation S under the United States Securities Act of 1933. The Offered Shares have not been registered and will not be registered according to the United States Securities Act of 1933, and they must not be offered or sold in the USA. Additional information on restrictions on offering Offered Shares is presented in the section of the Prospectus entitled "Important information on the Prospectus."

### **Participation right**

Investors whose subscription offer covers at least 7,500 Offered Shares may participate in the Institutional Offering.

The Lead Manager and the Company have the right to reject any subscription offer partially or wholly if it has not been made in accordance with these terms and conditions.

### **Subscription Places**

In the Institutional Issue, the institutional

investors' subscription offers are received by the Company.

### **Payment of Offered Shares and approval of subscriptions**

Institutional investors pay the Offered Shares corresponding to the approved subscription offer in accordance with the instructions given by the Company in such a manner that the payment is in the Company's account no later than 30 November 2015 at 4.00 pm (Finnish time). The company is entitled, if necessary, to demand from the provider of the subscription offer an account on his/her ability to pay for the Offered Shares corresponding to the offer, or for the amount corresponding to the offer to be paid in advance, at the time the subscription offer is being issued or prior to the subscription offer being approved. In such a case, the payable amount is the Subscription Price multiplied by the number of Offered Shares in accordance with the subscription offer. No interest will be paid on any amounts to be returned. Any refunds will take place on the third (3) banking day following the allocation of the Offered Shares, on or about 1 December 2015.

A confirmation notification will be delivered on approved subscription offers or investors will be notified about these in another manner as soon as practically possible after the allocation of the Offered Shares, on or about 26 November 2015.

## **SPECIAL TERMS AND CONDITIONS OF THE PUBLIC OFFER**

### **Offered Shares**

Preliminarily a maximum of 300,000 Offered Shares will be offered in the Public Offering for subscription by private individuals and institutions in Finland. The number of Offered Shares can be higher or lower than the number stated herein. The Offered Shares may be transferred between the Institutional Offering and Public Offering depen-

ding, among other things, on the distribution of demand for the Offered Shares between the Institutional Offering and Public Offering. However, the minimum number of Offered Shares offered in the Public Offering will be at least 10 percent of the Offered Shares in the IPO or, if fewer subscription commitments than this are given in the Public Offering, the full number of subscription commitments given in the Public Offering.

### **Participation right**

A Public Offering subscription commitment must include at least 100 and up to 7,499 Offered Shares. The subscription commitments given by the same investor at one or more places of subscription are combined into one subscription commitment to which the above-mentioned maximum amount is applied.

The Offered Shares of the Public Offering will be offered for subscription by private individuals and institutions in Finland. Investors whose permanent address or domicile is in an ETA member state and who give their subscription commitment in Finland may participate in the Public Offering.

The Lead Manager and the Company have the right to reject any subscription commitment partially or wholly if it has not been made in accordance with these terms and conditions.

### **Making the Subscription and Paying the Subscription Reservation Fee**

The IPO's places of subscription are:

- Evli Bank Plc's internet service at the address [www.evli.com/ipo](http://www.evli.com/ipo). Subscriptions can be made using the internet service with Evli Bank, Danske Bank, S-Bank, Nordea Bank, Pohjola Bank and Ålandsbanken's online banking codes. The subscription must be paid for when making the subscription and the subscriber must ensure that the subscription payment does not exceed

any daily limit for the transfer of assets from his/her own bank account. The subscription may not be made using the internet service if the payment is not made at the same time.

- Evli Bank Plc's office at the address Aleksanterinkatu 19 A, FI-00100, Helsinki, Finland, on weekdays from 9 am until 4 pm (Finnish time). The subscriber must provide proof of identity when making the subscription. A person making a subscription for an institution must also indicate that they have the authority to make the subscription. The subscription payment must be made according to the instructions given on the subscription form to Evli Bank Plc's bank account.
- Evli Bank Plc's subscription location where a subscription can be submitted by fax or e-mail. More detailed instructions for carrying out the subscription by e-mail or fax and paying for the subscription must be requested in advance from Evli Bank Plc's subscription location by telephone at +358 9 4766 9575.

A subscription commitment is deemed to have been given when the investor, when making an investment at Evli Bank Plc's office, has left a signed a subscription form at the place of subscription in accordance with the instructions of the place of subscription, or, if making a subscription through the internet service, has confirmed the subscription with his/her banking codes, and has paid the subscription reservation payment.

The subscription reservation payment per share is the Subscription Price. The payment of a subscription made with a subscription form delivered to the subscription location must be made to Evli Bank Plc's bank account immediately after delivering the subscription form in accordance with the instructions given on the subscription form. The payment of a subscription made in the internet service is carried out while making the subscrip-

tion using online banking codes.

A subscription commitment given in the Public Offer is binding and cannot be changed, and its cancellation is only possible in situations referred to and in the manner specified in the section above titled " - Supplementing the Prospectus and right to cancel a subscription commitment."

When making a subscription, any more detailed instructions given by the subscription location must be taken into account.

Subscription commitments of the members of the Company's Board of Directors and its staff (see "Terms and conditions of IPO - Allocation principles") are received by the Company at its office at Aleksanterinkatu 19 A, FI-00100 Helsinki, Finland.

#### **Approval of Subscriptions**

A confirmation of the accepted subscriptions will be sent on or about 26 November 2015 to investors who have given a

subscription commitment. Regardless of the confirmation notification and its receipt, the subscription commitment is binding.

In situations in which subscriptions in accordance with a subscription commitment have been rejected or cut, the Subscription Price of both the rejected and the cut subscriptions will be returned to the bank account notified in the subscription commitment within approximately three (3) banking days of the Board's allocation decision. If an investor's bank account is in a different financial institution than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on returned funds.