

## TERMS AND CONDITIONS OF THE TENDER OFFER

### Target of the Tender Offer

OP-Pohjola Group Central Cooperative ('OP-Pohjola' or the 'Offeror') offers to purchase all the issued and outstanding series A (the 'A Shares') and series K (the 'K Shares') shares (jointly the 'Shares') of Pohjola Bank Plc ('Pohjola' or the 'Company') that are not in the possession of the Offeror or the Company under the terms and conditions set out below in the tender offer (the 'Tender Offer').

### Payable Consideration

The consideration payable in the Tender Offer for each A Share is EUR 16.80 in cash and EUR 16.80 in cash for each K Share with respect to which the Tender Offer has been validly approved (the 'Offer Price').

In the event the Company decides to distribute dividends or other distributable assets pursuant to Chapter 13(1) of the Finnish Limited Liability Companies Act before the date of completion, which dividends or other distributable assets a shareholder who has approved the Tender Offer is entitled to, the amount of dividends or other distributable assets will be deducted from the Offer Price per Share, provided that the transaction relating to the completion of the Tender Offer has not been cleared before the record date of the distribution of dividends or other assets.

### Offer Period

The period for approval of the Tender Offer (the 'Offer Period') begins at 9:30 (Finnish time) on 24 February 2014 and ends at 16:00 (Finnish time) on 1 April 2014, unless the Offer Period is extended as set out below.

The Offeror may extend the Offer Period as set out below. The Offeror will publish a stock exchange release concerning the extension of the Offer Period (if any) at the latest on 2 April 2014. The Offeror will notify the public of any further extensions to the extended Offer Period at the latest on the first business day following the close of the extended Offer Period.

If the Offeror extends the Offer Period, it will terminate on the new ending date set by the Offeror, unless the extended Offer Period is discontinued as set out below. The maximum duration of the Offer Period (including any extensions) is ten (10) weeks. If the Preconditions for the Completion (as defined below) are not met due to a particular obstacle, such as a pending approval procedure of the Finnish Financial Supervisory Authority, the Offeror may extend the Offer Period beyond the ten-week (10) limit until the obstacle is removed and the Offeror has had a reasonable amount of time to react to the situation. In such case, the closing date of the extended Offer Period must be published at least two (2) weeks before the close of the extended Offer Period. Furthermore, any Extra Offer Period (as defined below) may continue for a period exceeding ten (10) weeks.

The Offeror may discontinue the extended Offer Period if all Preconditions for the Completion are met or if the Offeror has waived their fulfilment before the close of the extended Offer Period. The Offeror may also complete the purchase of Shares with respect to which the Tender Offer has been validly approved and the said approvals have not been validly cancelled as stated in the section entitled '*Share Payment Terms and Settlement*'. In the event that the Offeror discontinues the extended Offer Period, the Offeror must publish its decision concerning such discontinuation as soon as possible after the decision is made, and in any case, at the latest two (2) weeks before the close of the extended Offer Period to be discontinued. If the Offeror discontinues the extended Offer Period, the extended Offer Period will close on the earlier date announced by the Offeror.

Furthermore, the Offeror reserves the right to extend the Offer Period in connection with the Offeror announcing the outcome of the Tender Offer in accordance with the section entitled '*Announcing the Outcome of the Tender Offer*' (this type of extended Offer Period is referred to as an 'Extra Offer Period'). In the event of such Extra Offer Period, the Extra Offer Period will close on the date stated by the Offeror in connection with announcing the outcome of the Tender Offer. The closing date of the Extra Offer Period must be published at the latest two (2) weeks before the close of the Extra Offer Period.

### Preconditions for the Completion of the Tender Offer

The Offeror's obligation to approve the Shares with respect to which the Tender Offer has been validly approved and to complete the Tender Offer is conditional on the following preconditions (the 'Preconditions for the Completion') being

met or on the Offeror waiving, to the extent possible under applicable legislation, the fulfilment thereof on or by the date on which the Offeror announces the outcome of the Tender Offer:

1) the offer is validly approved for Shares that, together with the other Shares owned by the Offeror or those acquired thereby during or before the Offer Period, represent more than ninety (90) per cent of the Shares and votes issued by the Company;

2) all necessary permits, approvals and permissions are granted by the authorities, including but not limited to approvals issued by competition authorities (if any) as well as approval acquired pursuant to the notification procedure concerning the acquisition of a percentage of holding as referred to in sections 32a–32c of the Finnish Act on the Financial Supervisory Authority (878/2008, as amended) in such a manner that the terms and conditions possibly included in these approvals are acceptable to the Company and to the Offeror;

3) after the Tender Offer is undertaken, no material adverse changes occur in the business operations, assets, financial position or operating profits or losses of the Company or its subsidiaries or in the financial markets or authority regulations;

4) no competent court or authority has issued an order or undertaken actions that could prevent or delay the Tender Offer from being completed or which could materially affect the approval of the Tender Offer or which could prevent the Offeror from owning the Shares; and

5) the Company's Board of Directors has recommended that the shareholders approve the Tender Offer, and said recommendation remains in force without amendment.

The Offeror reserves the right to cancel the Tender Offer in the event that one of the above conditions is not met.

The Offeror may waive its right to invoke unfulfilled Preconditions for the Completion to the extent allowed by law. In the event that all Preconditions for the Completion have been met at the close or discontinuation of the Offer Period or the Extended Offer Period or if the Offeror has waived its right to invoke unfulfilled preconditions, the Offeror will complete the Tender Offer in accordance with its terms and conditions after the close of the Offer Period by acquiring the Shares and paying the Offer Price to the shareholders of the Company who have validly approved the Tender Offer and have not validly withdrawn their approval.

### **Obligation to Raise and Obligation to Compensate**

The Offeror reserves the right to acquire Shares traded on NASDAQ OMX Helsinki Ltd (the 'Helsinki Stock Exchange') or through other means before and during the Offer Period (including extended Offer Periods and Extra Offer Periods).

If the Offeror or any other entity referred to in Chapter 11(5) of the Finnish Securities Markets Act (746/2012, as amended; the 'SMA') acquires Shares at a price higher than the Offer Price or otherwise on more favourable terms than those set out in the Tender Offer (excluding the deduction made from the Offer Price due to the distribution of dividends or other assets as set out in the section entitled '*Payable Consideration*') before the close of the Offer Period, the Offeror must amend its offer to correspond to said acquisition on more favourable terms pursuant to Chapter 11(25) of the SMA (*obligation to raise*). In such a case, the Offeror must immediately announce the inception of its obligation to raise, and it must pay the Offer Price plus the difference between the acquisition made on more favourable terms and the Offer Price, taking into consideration any distributions of dividends or other assets, to those security holders that have approved the Tender Offer in connection with the completion of the Tender Offer.

If the Offeror or any other entity referred to in Chapter 11(5) of the SMA acquires Shares at a price higher than the Offer Price or otherwise on more favourable terms during a period of nine (9) months following the close of the Offer Period, the Offeror must, in accordance with Chapter 11(25) of the SMA, compensate the difference between the acquisition on more favourable terms and the consideration offered in the Tender Offer to security holders who have approved the Tender Offer (*obligation to compensate*). In such a case, the Offeror must immediately announce the inception of its obligation to compensate, and it must pay the difference between the acquisition made on more favourable terms and the consideration offered in the Tender Offer to those security holders that have approved the Tender Offer within one month of the inception of its obligation to compensate.

However, pursuant to Chapter 11(25)(5) of the SMA, no obligation to compensate arises if the payment of a higher price than the Share Offer Price is based on an arbitral award issued in accordance with the Finnish Limited Liability

Companies Act, provided that the Offeror or other entity referred to in Chapter 11(5) of the SMA has not offered to acquire Shares on terms that are more favourable than those of the Tender Offer before or during the arbitral proceedings.

### **Approval of the Tender Offer**

Approval of the Tender Offer must be given for each book-entry account. The Company shareholder issuing the approval must have a cash account in a financial institution operating in Finland. Shareholders may only approve the Tender Offer unconditionally and as applying to all Shares that are in the book-entry account mentioned in the approval form at the moment when the transaction requiring approval and concerning the shareholder's Shares is completed. Approval given during the Offer Period will further remain in force until the close of any extended Offer Period or a discontinued extended Offer Period.

Most Finnish account operators will send their customers who are listed in the Company's shareholders' register maintained by Euroclear Finland Oy ('Euroclear') a notification of the Tender Offer as well as the related instructions and approval form. Shareholders who do not receive such notification from their account operator or their custodian bank may contact any office of an OP-Pohjola Group cooperative bank or Helsinki OP Bank Plc in order to acquire the necessary information and issue their approval.

Company shareholders with nominee registered Shares who wish to approve the Tender Offer must do so in accordance with the instructions of their nominee.

For pledged Shares, the approval of the Tender Offer requires the approval of the pledgee. Company shareholders with pledged Shares are liable for acquiring said approval. The pledgee's approval must be submitted in writing to the account operator.

Company shareholders who are listed in the Company's shareholders' register and who wish to approve the Tender Offer must fill out, sign and return the approval form to the account operator managing their book-entry account in accordance with any instructions issued and by the date set thereby or, if said account operator does not accept approval forms (e.g. Euroclear), said Company shareholders may contact any office of OP-Pohjola Group cooperative banks or Helsinki OP Bank Plc to approve the Tender Offer with respect to the Shares they own. The approval form must be submitted so that it is received during the Offer Period or, if the Offer Period has been extended, during the extended Offer Period, taking into account, however, the instructions issued by the relevant account operator. With regards to Extra Offer Periods, the approval form must be submitted so that it is received during the Extra Offer Period, taking into account, however, the instructions issued by the relevant account operator.

Shareholders will submit their approval forms in the manner of their choosing at their own risk, and the approval form shall be considered to be delivered only after the account operator or an OP-Pohjola Group cooperative bank or Helsinki OP Bank Plc has de facto received it. The Offeror reserves the right to reject incorrect or incomplete approvals. The Offeror shall also be entitled to reject approvals that apply only to some of the shareholder's Shares on the same book-entry account.

By approving the Tender Offer, the Company's shareholders authorise the lead manager of the Tender Offer Pohjola or any party authorised thereby or the account operator managing their book-entry account to record any restrictions on the right of disposing Shares or sales provisos in their book-entry account after the shareholder has submitted the approval form for the Tender Offer. In addition, shareholders who have approved the Tender Offer authorise Pohjola or any party authorised thereby or the account operator managing their book-entry account to make other necessary entries and undertake other measures required by the technical completion of the Tender Offer and to sell all Shares owned by said shareholder as of the date of the transaction completing the Tender Offer to the Offeror in accordance with the terms and conditions thereof.

Shareholders may only approve the Tender Offer unconditionally and as applying to all Shares that are in their book-entry account, taking into consideration, however, their right to cancel their approval of the Tender Offer in accordance with the terms and conditions thereof. The Offeror shall also be entitled to reject approvals that apply only to some of the shareholder's Shares on the same book-entry account.

Shareholders who have validly approved the Tender Offer in accordance with the terms and conditions thereof and have not validly withdrawn their approval may not sell or otherwise dispose of any Shares with respect to which the Tender Offer has been approved. The restriction on the transfer of the Shares is recorded in the appropriate book-entry account after the shareholder has submitted the approval form for the Tender Offer. If the Tender Offer is not completed or the

shareholder validly withdraws its approval in accordance with the terms and conditions of the Tender Offer, the restriction on the transfer of the Shares will be removed from the book-entry account as soon as possible and approximately within three (3) business days of the notification of the waiver of the Tender Offer or of the date on which a withdrawal notification referred to in the terms and conditions of the Tender Offer is received.

### **Right of Withdrawal**

With regards to the Shares, a valid approval granted in accordance with the terms and conditions of the Tender Offer may be withdrawn pursuant to Chapter 11(16)(1) of the SMA at any time during the Offer Period or, if the Offer Period has been extended, during the extended Offer Period, until the Offeror announces that all Preconditions for the Completion are met or that the Offeror has waived them, thereby declaring the Tender Offer unconditional. After such declaration, approval granted for the Tender Offer cannot be withdrawn with respect to the approved Shares, except in situations where a third party publishes a competing public tender offer on the Shares before the Share sale is completed in accordance with the section entitled '*Share Payment Terms and Settlement*'.

The approval of the Tender Offer may validly be withdrawn on the condition that a written withdrawal notification is submitted to the same account operator to which the Tender Offer approval form concerning the Shares was submitted. If the approval form concerning the Shares is submitted to an office of OP-Pohjola Group cooperative bank or Helsinki OP Bank Plc, the withdrawal notification must be submitted to the same recipient. The holders of nominee registered securities must request that their nominee submit the withdrawal notification.

If a shareholder withdraws its approval for the Tender Offer in accordance with the terms and conditions thereof, the restriction on the transfer of the Shares registered in the shareholder's book-entry account will be removed as soon as possible and within about three (3) banking days of the date on which a withdrawal notification referred to in the terms and conditions of the Tender Offer is received.

At any time before the close of the Offer Period or, if the Offer Period has been extended, before the close of such extended Offer Period, shareholders shall be entitled to accept the Tender Offer again with respect to Shares vis-à-vis which the approval of the Tender Offer was withdrawn in accordance with the approval procedure described below in the section entitled '*Approval of the Tender Offer*'.

The account operator managing the book-entry account or the nominee may collect a fee for the withdrawal in accordance with their own applicable price lists.

Approval of the Tender Offer during a potential Extra Offer Period is binding and cannot be withdrawn, unless so required by mandatory legislation.

### **Announcing the Outcome of the Tender Offer**

The Offeror is estimated to announce the preliminary outcome of the Tender Offer on the first (1<sup>st</sup>) business day following the close of the Offer Period or that of the extended or discontinued Offer Period (as applicable), and the final outcome on or about the third (3<sup>rd</sup>) business day following the close of the extended or discontinued Offer Period (as applicable). The announcement of the final outcome will confirm (i) the percentage of Shares with respect to which the Tender Offer has been validly approved and not validly withdrawn, and (ii) whether the Tender Offer will be completed.

The Offeror is estimated to announce the preliminary percentage of Shares validly offered during the potential Extra Offer Period on the first (1<sup>st</sup>) business day following the close of the Extra Offer Period, and the final percentage on or about the third (3<sup>rd</sup>) business day following the close of the Extra Offer Period.

### **Share Payment Terms and Settlement**

Shares with respect to which the Tender Offer has been validly approved in accordance with the terms and conditions thereof and if the said approval has not been validly withdrawn will be sold at the latest on the fifth (5<sup>th</sup>) business day following the close of the Offer Period or, if the Offer Period has been extended or discontinued, following the close of the extended or discontinued Offer Period. The Shares will be sold on the Helsinki Stock Exchange, provided that the rules applied to trading in securities at the Helsinki Stock Exchange allow for such sale. Otherwise the Shares will be sold outside of the Helsinki Stock Exchange. The trades will be cleared on or about the third (3<sup>rd</sup>) business day following the aforementioned completion trades (the '*Settlement Date*'). The Offer Price of the Shares will be paid on the Settlement Date to the cash account of the shareholder's book-entry account on the Settlement Date, or with respect to nominee registered shares, to the bank account set out in the approval form. In the event that the shareholder's bank

account is not in the same financial institution as their book-entry account, the Offer Price of the Shares will be paid to the shareholder's bank account in accordance with the payment transaction schedule applied to transactions between financial institutions so that it is available on the shareholder's bank account after approximately two (2) business days have elapsed from the Settlement Date.

With regards to any potential Extra Offer Periods, the Offeror will publish the terms and conditions applied to the payment and settlement of Shares with respect to which the Tender Offer has been approved during such Extra Offer Period in connection with the announcement of the Extra Offer Period. The completion trades concerning such Shares with respect to which the Tender Offer has been validly approved in accordance with the terms and conditions of the Tender Offer during the Extra Offer Period will, however, be carried out at least every two (2) weeks.

The Offeror reserves the right to withhold the payment of the Offer Price in the event payment is prevented or interrupted due to a force majeure. The Offeror shall, however, make the payment immediately after the force majeure preventing or interrupting the payment has been resolved.

### **Transfer of Ownership**

Title to the Shares validly tendered in the Tender Offer will pass to the Offeror on the Settlement Date against the payment of the Share Offer Price. In the event of an Extra Offer Period, title to the Shares validly tendered in the Tender Offer during the Extra Offer Period will pass to the Offeror against payment of the Share Offer Price as announced by the Offeror in the stock exchange release regarding the Extra Offer Period.

### **Transfer Tax and Other Charges**

The Offeror will pay any potential transfer tax levied in connection with the Share transaction in Finland.

Each shareholder shall be liable for fees charged by the relevant account operators, asset managers, nominees or other parties for the release of collateral or for removing any other potential restrictions preventing the Share transaction in addition to being liable for fees arising from the withdrawal of the shareholder's approval in accordance with the section entitled '*Right of Withdrawal*'. The Offeror will be liable for other customary fees arising from the book-entry account entries required by the Tender Offer as well as from completing trades regarding Shares in accordance with the Tender Offer or from paying the Offer Price of the Shares.

### **Other Matters**

The Offeror reserves the right to amend the terms and conditions of the Tender Offer in accordance with Chapter 11(15)(2) of the SMA.

The Offeror reserves the right to extend the Offer Period and to amend the terms and conditions of the Tender Offer (including the potential lapse of the Tender Offer) in accordance with Chapter 11(17) of the SMA if a third party publishes a competing public tender offer regarding the Shares during the Offer Period or any extension thereof.

The Offeror is entitled to decide on all other matters related to the Tender Offer at its own discretion to the extent allowed by applicable legislation.

The Tender Offer is not being made, directly or indirectly, in or into Australia, South Africa, Hong Kong, Japan, Canada or the United States, and the Offer Document and related documents may not be transmitted into Australia, South Africa, Hong Kong, Japan, Canada or the United States (including, but not limited to, by e-mail, mail, facsimile or telephone), and the Tender Offer may not be approved in the ways stated above in or from Australia, South Africa, Hong Kong, Japan, Canada or the United States. Copies of the Offer Document and related documents are not being, and may not be, mailed or otherwise distributed transmitted to in or into Australia, South Africa, Hong Kong, Japan, Canada, or the United States or to parties managing Shares (in this capacity) on behalf of Australian, South African, Hong Kong, Japanese, Canadian or US persons, and parties who receive such documents (including parties managing Shares on behalf of the owner) may not distribute or transmit them into or from Australia, South Africa, Hong Kong, Japan, Canada or the United States under threat of the approval of the Tender Offer being void.