

# LHV Group's Share Option Programme for 2025–2029

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## Option Programme

### Purpose of the Option Programme

The purpose of the Option Programme is to create conditions where the long-term objectives and interests of the management and equivalent staff as well as key employees of AS LHV Group (hereinafter **LHV Group**) and the group companies would be harmonised with the long-term interests of the shareholders of LHV Group. The mutual interests are manifested in the professional and well-balanced management of the companies incorporated in LHV Group, continual improvement in economic results and the long-term progression in the goodwill of LHV Group.

### Persons Entitled to Participate in the Option Programme

The list of persons entitled to participate in the Option Programme will be established with the resolution of the Supervisory Board of LHV Group, which will be adopted on the basis of the proposal of the Remuneration Committee.

### Term and Scope of the Option Programme

The option programme shall have a term of 5 years with options issued based on the economic results for 2025–2029. The term of realisation of the options is added.

Within the framework of the option programme, options will be issued each year within a maximum of two per cent of the total number of the shares of LHV Group. The annual two-per-cent limit may be exceeded, if the excess is not greater than the unused part of the two per cent of the total number of shares in previous periods of the option programme. For example, on the third year, options may be issued within three per cent of the total number of shares, if no more than one-and-a-half per cent were issued in the previous two years. If during the validity of the option programme, the maximum limit of two per cent has been used for issuing options in the previous periods, no more than two per cent of the total number of shares may be issued in options in the following year.

## Options

### Subject and Underlying Assets of Options

The underlying asset of the option programme is the ordinary share of LHV Group (ISIN code: EE3100102203, hereinafter the **Shares**).

The persons who are entitled to participate in the Option Programme (hereinafter **Employees**) and the list of whom shall be established in accordance with these terms and conditions, shall have the right to acquire Shares under the terms and conditions and pursuant to the procedure stipulated in the option agreement to be entered into with the persons (hereinafter the **Options**).

The issuance and execution of Options shall be organised in such a way that this would not constitute a public offer of securities in the meaning of the Securities Market Act.

### Price of the Option

The Black-Scholes model shall be used for Option pricing, with the corresponding inputs determined by the Remuneration Committee of the Supervisory Board of AS Group.

The inputs for Option pricing include, *inter alia*, the type of the Share (LHV Group has one type of shares – ordinary shares), the nominal value and the proportion in the share capital of LHV Group. In case of occurrence of a corporate event which changes the above inputs (share capital increase or decrease, change in the nominal value of the share, issue of different types of shares, etc.), the number of Shares forming the underlying assets of the Options and/or the price of the Option shall be adjusted accordingly. The purpose of the adjustment of the price of

the Option is to preserve the initial value of the Option for the Employee. The corresponding arrangements shall be specified in the option agreements.

#### The Term and Means of Realisation of the Options

The Options shall have a minimum term of three years from the moment of the issue of the Options. The Options with different terms may be issued on one year, depending on the nature of the Employee's professional duties. The Supervisory Board of LHV Group shall have the right to determine the term of realisation of the Options, considering *inter alia* the Employee's impact on the risk profile.

A preservation period of a minimum of one year shall be applied to managers and equivalent staff, requiring the Option holder to retain ownership of the Shares acquired as a result of the exercise of the Options and not to transfer or encumber them in any way (including pledging).

The Options shall be realised either through the acquisition of own Shares or by way of an increase in the share capital and the issue of new Shares. The Supervisory Board of LHV Group shall have the right to determine the method of realisation of the Options from the moment of granting the Options until their exercise.

#### Other Material Conditions for the Options

The Options shall be granted personally to the Employee entitled to receive the Options. The Options cannot be exchanged, transferred, pledged, or otherwise encumbered or disposed of.

Based on a resolution of the Supervisory Board, the Employee may be offered the possibility to partially or fully compensate the value of the Options due for realisation in cash, in which case the corresponding Options shall be cancelled.

The Employee shall have no right to demand any monetary or non-monetary compensation, if the Options are partially or fully cancelled or if, for any reason, they cannot be exercised in accordance with the concluded option agreement.

The Options may be bequeathed.

### **Issue and realisation of the Options**

#### Issue of the Options

The issue of the Options shall be governed by the obtainment of the objectives and performance criteria of LHV Group, the group companies and the Employee in the given year.

The Remuneration Committee shall make a proposal to the Supervisory Board of LHV Group for the issue of the Options.

#### Reduction or Cancellation of the Options

The Supervisory Board of LHV Group shall have the right to refuse to realise the Options partially or fully, if:

- the general meeting of LHV Group and/or the Supervisory Board of LHV Group, based on the decision of the general meeting, does not adopt a resolution on increasing the share capital and issuing new Shares or acquiring own Shares;
- the Employee's employment relationship has been terminated pursuant to Section 88 of the Employment Contracts Act (extraordinary termination of the employment contract by the employer for reasons arising from the employee) or, in the event of an amendment to the Employment Contracts Act, on similar grounds;
- the Employee's professional relationship has been terminated due to a breach of professional duties (including culpable conduct), unsuitability for the position, or loss of trust;
- the general economic results of LHV Group or its relevant subsidiary have deteriorated significantly compared to the previous period;
- LHV Group or its relevant subsidiary no longer meets prudential requirements, or the risks of the respective company are not adequately covered by own funds;

- the Employee no longer meets the performance criteria or the legal requirements established for a manager or employee, including suitability requirements;
- the Employee's actions have led to a deterioration in business performance indicators;
- the Employee has not acquired or maintained the necessary qualifications for the position, including professional certification or a required license;
- the Employee has participated in causing damage to LHV Group or its relevant subsidiary, including reputational damage, or is responsible for such damage;
- the Employee has engaged in misconduct or made a serious error, such as a violation of internal rules governing conduct or risk management;
- there are significant deficiencies in the risk management of the unit where the Employee works;
- regulatory penalties, including criminal, administrative, or disciplinary sanctions, have been imposed or there is reason to believe they will be imposed, where the Employee's actions contributed to the penalty;
- the granting of the Options was based on data that turned out to be materially inaccurate or incorrect.

The implementation of the option programme shall always comply with the restrictions arising from legal acts, including the Credit Institutions Act, as well as the requirements for performance-based pay and the principles set out in the supervisory authorities' guidelines. The Remuneration Committee shall make a proposal to the Supervisory Board of LHV Group for the reduction or cancellation of the Options.

#### Realisation of the Options

The primary precondition for the exercise of the Options is the decision of the Supervisory Board of LHV Group on the exercise of the Options concerning the Employees.

Upon the exercise of the Options, the Employee shall pay for the Shares acquired as a result of the exercise of the Options in accordance with the option agreement concluded with them.

#### Competence of the Supervisory Board

The general meeting of the shareholders of LHV Group authorizes the Supervisory Board of LHV Group, without the need for a separate decision of the general meeting, to:

- issue Options, provided that the Options and the option agreements concluded for their issuance comply with the terms of the option programme;
- determine, at its sole discretion, the method of exercising the Options specified in the option programme (either through the acquisition of own Shares or by increasing the share capital and issuing new Shares) and the related conditions;
- decide, at its sole discretion, whether and how to offer Employees the possibility to compensate the value of the Options due for exercise in cash and to cancel the corresponding Options (with the right to delegate this authority to the Management Board of LHV Group).

The Supervisory Board of LHV Group shall have the obligation to inform the general meeting of the shareholders of LHV Group. At the general meeting of the shareholders of LHV Group following the issue of the Options, an overview of the issued Options shall be presented, specifying at least the number of Options issued and the exercise price of the Options.

#### Entry into Option Agreements

The option agreements for the issuance of the Options shall be signed on behalf of LHV Group by the Chairman of the Management Board based on the relevant resolution of the general meeting and/or the Supervisory Board of LHV Group. The option agreement concluded with the Chairman of the Management Board shall be signed by the Chairman of the Supervisory Board of LHV Group.

The Management Board of LHV Group is obliged to ensure, upon entry into the option agreements, that the agreements are concluded with full compliance to these terms and conditions.