

**Merger plan**  
**for the merger between**  
**Norwegian Finans Holding ASA**  
**and**  
**Bank Norwegian ASA**

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## Merger plan

This merger plan was adopted on 16.03.2021 by the Boards of Directors of

The Transferring Company (hereafter "Transferring Company"):  
Norwegian Finans Holding ASA, Address: Snarøyveien 36, Lysaker, Municipality of business: Bærum  
Corporate identity number: 991 281 924

and

The Acquiring Company (hereafter «Acquiring Company»)  
Bank Norwegian ASA, Address: Snarøyveien 36, Lysaker, Municipality of business: Bærum  
Corporate identity number: 991 455 671

### 1. Background and reason for the merger

The Board of Directors in the Transferring Company and the Acquiring Company has prepared this plan with the purpose of merging the companies by discontinuing the Transferring Company and merging it into its daughter company for the following reasons. The Acquiring Company offers digital financial products and renders services related to consumer loans, credit cards and deposits, as well as a limited selection of insurance products. The Acquiring Company is a subsidiary of the Transferring Company. The Transferring Company is listed on the Oslo Stock Exchange with the ticker «NOFI» (ISIN: NO0010387004). To enable the listing of Bank Norwegian ASA on the Oslo Stock Exchange under the same terms as those of Norwegian Finans Holding ASA, Bank Norwegian ASA was converted from a Limited Liability Company (AS) to a Public Limited Company (ASA) in March 2021

A merger of the companies is expected to yield financial, governance and operational benefits. The companies' Boards of Directors believe that a merger between the Transferring and Acquiring Company is beneficial as the merger is expected to lead to positive synergies and reduced costs. The most pivotal expected benefits are listed below:

#### *Active ownership and corporate governance*

The acquiring company is the only operating company in the NOFI Group, and as group leader will give the shareholders and the Board of Directors a more direct formal ownership influence over the group's central operations. Considering the current plans for the future of Bank Norwegian it is superfluous to have a holding company exerting the business and activities of the group.

#### *Lower funding costs*

The Financial Undertakings Act requires the NOFI Group and other financial groups to issue subordinated capital and convertible debt (Minimum Requirement for own funds and Eligible Liabilities, hereinafter referred to as "MREL debt"), to ensure that crisis management can take place without the use of public funds. Furthermore, The Financial Supervisory Authority has decided that MREL debt shall be issued by the holding company in the financial group. A changed group structure where the Acquiring Company becomes group leader, allow fort MREL debt to be issued from the operating bank being the Acquiring Company. This is expected to result in lower funding costs compared to the current structure, where MREL debt will be issued by the holding company, being the Transferring Company. This is partly due to the fact that such

a funding structure will provide a cleaner, more understandable and attractive capital structure in relation to the organization of the operating activities. The Acquiring Company is also a more well-known player already in the market.

#### *Administration and cost considerations*

The current holding structure requires monthly, quarterly and annual financial reporting as well as other extensive reporting to the authorities. It is expected that a new structure, with the Acquiring Company as the ultimate group company, will lead to a reduction in costs. Further this structure will enable a more efficient production of accounting information to be presented to the management, Board of Directors and the market.

## **2. The merger**

### **2.1**

The Boards of Directors in the Acquiring Company and the Transferring Company have agreed to propose that the General Meetings of the two companies execute the merger in adherence to this plan by transferring in full, all the Transferring Company's assets, rights and liabilities to the Acquiring Company.

### **2.2**

The Transferring Company currently holds all the shares in the Acquiring Company. Therefore, the merger will be performed as a downstream merger (reversed parent-daughter merger). In this process the shares held by the Transferring Company will be transferred to the Acquiring Company. These shares will be distributed as merger consideration to the shareholders of the Transferring Company, as registered in the Central Securities Depository ("VPS") at the time the mergers enter into force (as described in item 6 below). No capital increase is required in the Acquiring Company in the merger process. Further, the listing on the Oslo Stock Exchange will be continued by the listing of the shares of the Acquiring Company. Hence, the shareholders will hold listed shares throughout the entire process. No additional consideration will be paid in connection to the merger. The merger entails a transfer of all assets, including the ownership of LIFI, rights and liabilities of the Transferring Company to the Acquiring Company. The Transferring Company will be liquidated when the merger enters into effect.

### **2.3**

On the date of this plan, the merging companies has the same share capital divided into the same number of shares. The number of shares is 186 904 268, each with a nominal value of NOK 1. The shareholders of the Transferring Company will receive one share in the Acquiring Company per share held in the Transferring Company at the time the merger enters into effect. If the number of issued shares is changed before the execution of the merger, the Board of Directors in the Acquiring Company will propose that the General Meeting resolve on an equivalent change to ensure that the number of issued shares remains the same in the two companies.

### **2.4**

The merger will be executed in accordance with the Public Limited Companies Act chapter 13 and the Financial Institutions Acts chapter 12.

### **3. Approval of the merger and other decisions by the General Meeting**

#### **3.1 Time of the General Meeting**

This merger plan will be presented to the General Meetings of both the merging companies on the same day; April 27<sup>th</sup>, 2021.

#### **3.2 Proposed resolution to the General Meeting of the Acquiring Company**

The Board of Directors of the Acquiring Company shall propose that the General Meeting of the Acquiring Company resolve the following:

- (i) "The proposed merger of Bank Norwegian ASA as the Acquiring company and Norwegian Finans Holding ASA as the transferring company is adopted in adherence with the merger plan proposed by the Board of Directors.
- (ii) The merger is executed by the transfer of all assets, rights and liabilities from Norwegian Finans Holding ASA to Bank Norwegian ASA. Norwegian Finans Holding ASA is wound up and deleted from the Register of Business Enterprises upon the execution of the merger.
- (iii). As consideration, the shareholder of Norwegian Finans Holding ASA will receive one share in Bank Norwegian ASA per share held in Norwegian Finans Holding ASA for shares that they are registered as owners of in VPS at the Effective Date (the "Remuneration Shares").
- (iv) The articles of associations included in Appendix (iii) of the merger plan is adopted and enters into effect at the time of the registration of the merger with the Register of Business Enterprises."

#### **3.3 Proposed resolution to the General Meeting of the Transferring Company**

The Board of Directors of the Transferring Company shall propose that the General Meeting of the Transferring Company resolve the following:

- (i) "The proposed merger of Bank Norwegian ASA as the Acquiring company and Norwegian Finans Holding ASA as the Transferring company is adopted in adherence with the merger plan proposed by the Board of Directors.
- (ii) The merger is executed by the transfer of all assets, rights and liabilities from Norwegian Finans Holding ASA to Bank Norwegian ASA. Norwegian Finans Holding ASA is wound up and deleted from the Register of Business Enterprises at the execution of the merger.
- (iii) As consideration the shareholder of Norwegian Finans Holding ASA will receive one share in Bank Norwegian ASA per share held in Norwegian Finans Holding ASA for shares that they are registered as owners of in VPS at the Effective Date (the "Remuneration Shares").

### **4. Notifications to the Register of Business Enterprises**

#### **4.1**

Each party shall as soon as possible and no later than a month after the General Meetings' adoption of the merger plan, notify the Register of Enterprises of the merger plan, cf. the PLC Act § 13-13 and the financial institutions act § 12-3(2).

#### **4.2**

The decisions of the general meetings on the adoption of the merger plan shall be notified to the Register of Business Enterprises by the merging companies in accordance with the Public Limited Liability Companies Act § 13-13 and the financial institutions act § 12-3(2) as soon as possible after

the General Meetings have been held. On the basis of the registration of the merger decisions, the Register of Business Enterprises will announce a creditors' notice deadline of six weeks which must expire before the merger can be completed. After the expiry of the creditors' notice deadline, and provided that the conditions for carrying out the merger as described in section 2 are met, the decisions under section 5 may be implemented by new notification to the Register of Business Enterprises.

#### 4.3

The Register of Business Enterprises must receive notification of the execution of the merger in adherence to the item 6 in this merger plan.

### **5. Conditions for the execution of the merger**

The execution of the merger is conditional on:

- (i) that the General Meetings of the respective companies adopt resolutions in adherence to the proposals set out in section 3, including the amendment of the articles of association of the Acquiring Company as set out in section 7.2;
- (ii) that the Norwegian Financial Supervisory Authority or Ministry of Finance has granted the necessary approvals to execute the merger in adherence to the Financial institutions Act § 12-1 on acceptable terms;
- (iii) that the deadline for objections set out in the PLC Act § 13-15 has expired; and
- (iv) that no circumstances that significantly change the basis of the merger has occurred before the expiration of the creditors' notice deadline;(v) potential third party consents required for the execution of the merger has been granted; and
- (vi) no objections impeding the execution of the merger has been raised by the creditors.

The respective Boards of Directors of the Acquiring Company and the Transferring Company determines, on behalf of the companies, whether these conditions for the execution of the merger has been met.

### **6. Execution of the merger**

The Acquiring Company will notify the Register of Business Enterprises of the execution of the merger when the conditions of section 5 have been met, cf. the PLC Act § 13-17 (1).

At the time the notification is registered in the Register of Business Enterprises (the "Effective Date"), the Transferring Company's assets, rights and obligations shall be deemed to have been transferred to the Acquiring Company, cf. § 13-17 of the Public Limited Liability Companies Act, and the shareholders in the Transferring Company receive one share in the Acquiring Company per share in the Transferring Company they were registered as owners of in VPS at the Effective Date. At the same time, the Transferring Company is dissolved. The merger will be registered and take effect outside the opening hours for trading on the Oslo Stock Exchange.

## **7. Provisions on the merged company**

### **7.2 Articles of association**

From the Effective Date, the Articles of Association of the Acquiring Company shall be as specified in Appendix (iii), however, so that the General Meeting of the Acquiring Company may decide on a capital change as described in section 2.3 to ensure that the number of shares in the Acquiring Company and Transferring Company is equal at the Effective Date.

### **7.3 The Board of Directors and management of the Acquiring Company**

A new Board of Directors of the Acquiring Company will be appointed in an extraordinary general meeting after the execution of the merger. There will be no changes in the management team of the Acquiring Company in conjunction with the merger.

### **7.4 The significance of the merger for employees**

No measures will be taken in relation to the employees of the Acquiring Company in conjunction with the merger. The only employee in the Transferring Company is the Group CEO, who will formally be employed in the Acquiring Company on same terms. Reference is made to the Board of Directors' report on the merger and its significance for the employees. All employees will be informed about the merger and will be given the opportunity to discuss and express their views in accordance with the provisions set out in the company legislation and the Working Environment Act. The merger plan with appendices and the Board of Directors' report will be made available to the employees in accordance with the PLC Act § 13-11 (2).

## **8. Accounting and tax related implementation**

The merger will be carried out with accounting and fiscal effect from January 1<sup>st</sup>, 2021. There is no value added tax implications of such a merger. From this time, transactions in the Transferring Company are considered to have been made at the Acquiring Company's expense.

The merger is carried out with accounting continuity (group continuity), so that the Acquiring Company takes over the Transferring Company's accounting positions in connection with the transferred assets, rights and liabilities. The merger is carried out with tax continuity in accordance with the Tax Act, Chapter 11, so that tax positions and acquisition dates for assets, rights and obligations in the Transferring Company are continued in the Acquiring Company. This means that the merger will not trigger taxation in Norway for any of the merging companies.

For Norwegian shareholders, the merger will not trigger capital gains taxation. The initial value of the individual shareholder's shares in the Transferring Company will be transferred to the consideration shares the relevant shareholder receives in the Acquiring Company.

An assessment of the tax consequences has been obtained from an independent tax adviser, PWC, for the 8 largest countries where the shareholders are domiciled, with the main conclusions as shown in Appendix 2. Foreign shareholders are themselves expected to investigate the tax consequences of the merger in their home country.

## **9. Terms for shareholder rights**

There are no special conditions for the exercise of rights as a shareholder in the Acquiring Company or for registration in the shareholder register of the Acquiring Company.

## **10. Rights for shareholders with special rights and holders of subscription rights**

10.1 There are no shareholders in the Transferring Company who have special rights as mentioned in the Public Limited Liability Companies Act § 13-6 (1) no. 5.

10.2 There are no subscription rights as mentioned in the Public Limited Liability Companies Act §§ 11-1, 11-10 and 11-12 or other special rights in the Transferring Company.

## **11. Special rights and benefits**

Members of the Board, general manager or independent experts will not have any particular right or benefit from the merger, cf. Public Limited Liability Companies Act § 13-6 (1) no. 6.

## **12. Costs**

The costs relating to the merger are carried in entirety by the Acquiring Company.

## **13. Authorization to make changes in the merger plan**

The Boards of the merging companies may agree on minor changes to the merger plan if this is deemed necessary or desirable and will not be to the detriment or inconvenience of any of the companies or their shareholders without the amended merger plan having to be submitted to the General Meeting for new consideration.

## **14. Disputes**

Any disputes between the merging companies related to this merger plan shall be settled in accordance with Norwegian law. Oslo District Court is adopted as legal venue.

*Fornebu, March 16, 2021*

**For Norwegian Finans Holding ASA:**

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**Klaus-Anders Nysteen**

Chairman

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**Knut Arne Alsaker**

Director

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**Christine Rødsæther**

Director

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**Anita Marie Hjerkin Aarnæs**

Director

---

**Kjetil Andreas Garstad**

Director

---

**Izabella Kibsgaard-Peterson**

Director

---

**Hans Torsten Georg Larsson**

Director

**For Bank Norwegian ASA:**

---

**Klaus-Anders Nysteen**

Chairman

---

**Lars Ola Kjos**

Director

---

**Christine Rødsæther**

Director

---

**John Einar Høsteland**

Director

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**Charlotte Munk Ager**

Director

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**Izabella Kibsgaard-Peterson**

Director

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**Hans Torsten Georg Larsson**

Director

The following is annex to this merger plan:

- (i) Current articles of association of the Acquiring Company
- (ii) Current articles of association of the Transferring Company
- (iii) Draft articles of association for the Acquiring Company after the merger
- (iv) Copy of the annual accounts, annual reports and auditor's reports of the Transferring Company for the three financial years <https://www.banknorwegian.no/Omoss/InvestorRelations>
- (v) Copy of the annual accounts, annual reports and auditor's reports of the Acquiring Company for the three financial years <https://www.banknorwegian.no/Omoss/InvestorRelations>
- (vi) Independent Expert report on the merger plan from external auditor Deloitte, cf. Public Limited Liability Companies Act § 13-10.
- (vii) Report on the merger from the Boards of Directors of Acquiring and Transferring Companies.
- (viii) Main conclusions from independent assessment by PWC on tax treatment of foreign shareholders