

## MERGER PLAN

### SPAREBANK 1 SR-BANK ASA AND SPAREBANK 1 SØRØST-NORGE

The boards of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge, each individually referred to as the “**Party**” and collectively referred to as the “**Parties**”, have drawn up a joint plan (the “**Merger Plan**”) for the merger of the banks (the “**Merger**”), cf. section 12-2 of the Financial Institutions Act, cf. section 12-3(2), cf. section 13-3(1) of the Public Limited Liability Companies Act.

The Merger Plan, together with a report prepared by the board pursuant to section 12-3(2) of the Financial Institutions Act, cf. section 13-9 of the Public Limited Liability Companies Act, will provide the basis for approving the Merger in accordance with section 12-3(1) of the Financial Institutions Act, cf. section 13-3(2) of the Public Limited Liability Companies Act.

#### 1 THE PARTIES

The Merger will take place between the following banks:

##### **Acquiring bank:**

Name: SpareBank 1 SR-Bank ASA

Org. no.: 937,895,321

Address: Christen Tranes Gate 35, 4007 Stavanger

Municipality: Stavanger

##### **Target bank:**

Name: SpareBank 1 Sørøst-Norge

Org. no.: 944,521,836

Address: Fokserødveien 12, 3241 Sandefjord

Municipality: Sandefjord

#### 2 BACKGROUND FOR AND GOALS OF THE MERGER

The boards of SpareBank 1 SR-Bank ASA (“**SR-Bank**”) and SpareBank 1 Sørøst-Norge (“**Sørøst-Norge**”) have agreed to merge the business operations of the banks. The Merger will take place by transferring Sørøst-Norge’s savings bank operations to what is today SR-Bank. The merged bank will continue to operate under the name SpareBank 1 Sør-Norge ASA, hereinafter referred to as “SpareBank 1 Sør-Norge”.

Both banks are the result of a series of mergers over many years. These mergers were driven by a desire to meet the opportunities and challenges the banking industry faced in a proactive manner by implementing structural measures in good times that ensure future competitiveness. The merged group will be:

- **A powerful financial group in which the Parties make each other stronger.** SR-Bank and Sørøst-Norge have no overlapping locations – the branch networks of both Parties and their subsidiaries complement each other. Therefore, from the moment the Merger is completed, the new group will use its new strength and capacity to generate further growth and development in the business sector and local communities in which the group operates.
- **A powerful bank based on the “concept of local banking”** that combines the close and familiar with the best digital solutions. A third of the financial group’s employees work in subsidiaries that contribute to a comprehensive customer offering for people and business. At the same time, the Merger will provide the entire region with a financial player that can offer larger companies a partner with expertise, product breadth and financial capacity.
- **A refinement and strengthening of the group’s decentralised operational management, specialist environments and decision-making structures** through strong local banks and centres of expertise located throughout the group’s geographical catchment area. Expert environments and corporate functions will be continued, and Stavanger and Sandefjord will remain centres of expertise. The merged bank will be known for its efficient decision-making processes, both internally and in the bank’s customer relationships. After the Merger, the group will be even better able to attract the best expertise by offering attractive jobs for professionals throughout Southern Norway.
- **A solid financial group with considerable capacity.** SpareBank 1 Sør-Norge will be the second largest Norwegian-owned bank and the largest bank in the SpareBank 1 Alliance with total lending (including transfers to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS) of approximately NOK 370 billion and total assets of approximately NOK 500 billion based on figures as per the date this Merger Plan was signed. Based on the Parties’ coverage as per the second quarter of 2023, the Common Equity Tier 1 (CET1) ratio will be 18.3%.
- **A bank with better access to capital, which will be dedicated to people and businesses in urban and rural districts throughout Southern Norway.** SpareBank 1 Sør-Norge will be a listed savings bank owned by shareholders and have IRB status and good access to capital in an international equity and bond market. This will strengthen the bank’s competitiveness and, in combination with economies of scale, stronger centres of expertise and greater capacity, help SpareBank 1 Sør-Norge provide customers with a better offering.
- **A group with strong local and long-term owners, where seven savings bank foundations will together initially own more than 40% of SpareBank 1 Sør-Norge.** This will provide a good foundation for long-term stable and local ownership through the local communities retaining the capital that has been built up over generations.
- **A strong challenger in the Norwegian banking market, as well as a counterweight to the trends of larger companies being headquartered in Oslo and of decisions and power being centred there.** SpareBank 1 Sør-Norge will be a powerful organisation with leading expertise in a number of fields. The group will have strong local roots throughout Southern Norway and create value for customers, employees, local communities and owners.
- **A powerful player through cooperation with, and co-ownership of, the SpareBank 1 Alliance.** Sørøst-Norge is currently part of the SpareBank 1 Alliance through SamSpar, while SR-Bank is a regional bank in the SpareBank 1 Alliance. The merged group will be part of the SpareBank 1 Alliance. The group will actively work to strengthen the SpareBank 1 Alliance in cooperation with the other SpareBank 1 banks,

where a strong brand, powerful product companies, jointly developing new digital solutions, dealing with regulatory requirements and exploiting economies of scale will be key.

### 3 THE MERGER MODEL

The Merger will be implemented by merging the Parties in accordance with the provisions of sections 12-1 and 12-2 of the Financial Institutions Act, cf. sections 12-3 to 12-6 and 12-13(3), and the terms and conditions set out in this Merger Plan.

From a legal and accounting perspective, SR-Bank will be the acquiring institution. The Merger will be implemented by SR-Bank acquiring all of the assets, rights and liabilities of Sørøst-Norge upon completion of the Merger.

SR-Bank converted from a savings bank to a public limited company (ASA) in 2012. Its shares are listed on Oslo Børs. SR-Bank has two savings bank foundations among its largest owners: Sparebankstiftelsen SR-Bank and SpareBank 1-stiftinga Kvinnherad, which owned 29.3% and 2.4% of its shares, respectively, as at 30.9.2023.

Sørøst-Norge is a savings bank with an equity structure consisting of primary capital and share capital. Sørøst-Norge's equity certificate is listed on Oslo Børs and it had an ownership fraction of 60.70% as at 30.6.2023.

A number of savings bank foundations have been established in connection with Sørøst-Norge:

- SpareBank 1 Stiftelsen BV and Sparebankstiftelsen Nøtterøy-Tønsberg were established in connection with the merger of SpareBank 1 BV and SpareBank 1 Nøtterøy-Tønsberg. Sparebankstiftelsen Nøtterøy-Tønsberg received final settlement for the primary capital in SpareBank 1 Nøtterøy-Tønsberg in connection with completion of that merger.
- Sparebankstiftelsen Telemark and Sparebankstiftelsen Telemark – Holla og Lunde were established in connection with the merger of Sparebanken Telemark and Holla og Lunde Sparebank. Sparebankstiftelsen Telemark – Holla og Lunde received final settlement for the primary capital in Holla og Lunde Sparebank in connection with completion of the merger.
- Sparebankstiftelsen SpareBank 1 Modum was established upon the conversion of primary capital to share capital in SpareBank 1 Modum prior to its merger with Sørøst-Norge.

In connection with the Merger, the primary capital in Sørøst-Norge will be converted to share capital and other equity in SR-Bank, which will issue shares to SpareBank 1 Stiftelsen BV, Sparebankstiftelsen Telemark and Sparebankstiftelsen SpareBank 1 Modum as remuneration for the primary capital (cf. section 5 below). At the same time, SR-Bank will issue shares to Sørøst-Norge's equity certificate holders as remuneration for their equity certificates in Sørøst-Norge. The existing equity certificate holders include the five savings bank foundations that own equity certificates in Sørøst-Norge. A cash sum will also be paid as remuneration for the share capital and primary capital. This will be distributed proportionately between all holders of equity certificates in Sørøst-Norge and the three savings bank foundations that will receive remuneration for the primary capital in Sørøst-Norge (SpareBank 1 Stiftelsen BV, Sparebankstiftelsen Telemark and Sparebankstiftelsen SpareBank 1 Modum) based on the number of shares in SR-Bank each of them will receive.

The Merger is subject to the approval of SR-Bank's general meeting and Sørøst-Norge's supervisory board, as well as certain other conditions, cf. section 14 below. The Merger will be regarded as having been completed when the notification of entry into force has been registered in the Register of Business Enterprises ("**Implementation Date**").

## **4 ORGANISATION OF THE MERGED BANK**

### **4.1 General meeting**

SR-Bank is organised as a public limited company, and all of its shareholders have the right to participate in the bank's general meeting, with each share worth one vote.

All holders of equity certificates in Sørøst-Norge and the three savings bank foundations that will receive shares in the merged bank as remuneration for equity certificates and the conversion of primary capital in Sørøst-Norge, respectively, in connection with the Merger, will in their capacity as shareholders of SpareBank 1 Sør-Norge have the right to participate in SpareBank 1 Sør-Norge's general meeting.

### **4.2 Nomination committee**

SpareBank 1 Sør-Norge's nomination committee will have up to six members.

For the first election, the committee will be composed as follows:

- The chair of the nomination committee and three members will be elected by the general meeting of SR-Bank, of which one member will be from Sparebankstiftelsen SR-Bank
- Two members will be appointed by Sørøst-Norge's supervisory board, of which one member will be from the savings bank foundations in Sørøst-Norge

The election will be organised by the Parties' existing nomination committees, which will coordinate their work. The election will be conducted by the general meeting of SR-Bank (acquiring legal entity) prior to the Implementation Date, with effect from, and contingent on, completion of the Merger.

### **4.3 Board of directors**

The board of directors of SpareBank 1 Sør-Norge will have between six and eleven members. Between two and three members along with their personal deputies will be elected by, and from among, the employees. For the first election, the board will have eleven members, of which three will be employee-elected members.

For the first election, the board will be elected from among the existing members of both Parties' boards as follows:

- The Chair of the Board and two members will be appointed by Sørøst-Norge's supervisory board, with at least one member from each gender
- The Deputy Chair of the Board and four members will be elected by SR-Bank's general meeting, with at least two members from each gender
- Two members along with their personal deputies will be elected by the employees of SR-Bank, with at least one member from each gender, and one member along with a personal deputy will be elected by the employees of Sørøst-Norge

From the Implementation Date, the Chair of the Board of Sørøst-Norge will be the Chair of the new board. The Chair of the Board of SR-Bank will be Deputy Chair of the new board. These will be elected for terms of two years.

The election will otherwise be organised by the Parties' existing nomination committees, which will coordinate their work. While organising the elections for the board of the merged bank, statutory requirements concerning the composition of the board, including suitability and gender representation requirements, as well as limits on

the number of offices, must be complied with. The election of the shareholder-elected members must be conducted by the general meeting of SR-Bank (acquiring legal entity) prior to the Implementation Date, with effect from, and contingent on, completion of the Merger.

#### **4.4 Group executive management team**

The current CEO of SR-Bank, Benedicte Schilbred Fasmer, will be the CEO of SpareBank 1 Sør-Norge, while the current CEO of Sørøst-Norge, Per Halvorsen, will be the Deputy CEO.

The CEO and Deputy CEO will head the merged institution together and share responsibilities and duties based on their expertise and personal qualities. Both will attend when the board of SpareBank 1 Sør-Norge holds its board meetings. The Deputy CEO will deputise for the CEO in the CEO's absence. The CEO will be responsible for the organisation and operations of the group, reporting to the board via the Chair of the Board.

The current CFO of SR-Bank, Inge Reinertsen, will be the CFO of the merged group. The current CFO of SpareBank 1 Sørøst-Norge, Roar Snippen will remain the CFO of Sørøst-Norge up to the Implementation Date and then become part of the group executive management team within the area of finance and economics in the merged group.

#### **4.5 Auditor**

SR-Bank's auditor (PriceWaterhouseCoopers AS) will continue to be the auditor until the general meeting of the merged bank has elected a new auditor.

#### **4.6 Head office and market area**

SpareBank 1 Sør-Norge's head office will be in Stavanger.

The merged group is expected to be regarded as a very attractive employer that will attract the best expertise from across Southern Norway. Strong expert environments and corporate functions will continue to work in both Stavanger and Sandefjord, and possibly elsewhere in Southern Norway where appropriate.

The group's market area will be comprised of the two groups' current market areas.

#### **4.7 Organisational model**

From the Implementation Date, the group executive management team will consist of twelve to fourteen members, and an effort will be made to achieve a balance of about one third from Sørøst-Norge and two thirds from SR-Bank. The bank's subsidiaries will be organised into defined business areas with the responsible manager in the group executive management team serving as the chair of the subsidiary's board. The Deputy CEO's responsibilities will include responsibility for coordinating and further developing the two banks' subsidiaries such that structures that ensure the joint development of market power and profitability are established as quickly as possible.

The Merger will not result in any redundancies. Everyone will be invited to play a part in creating "SpareBank 1 Sør-Norge – a powerful, future-oriented relationship bank."

When organising and selecting managers, the group will, to the extent possible, strive to achieve balanced management teams that are chosen wisely and take into account expertise, suitability, location and gender. The new group will be a significantly larger organisation and will offer many new and exciting job opportunities. One of the goals is to offer attractive local jobs for professionals who can be managed from different locations. None of the current locations will be closed because of the Merger.

The plan is to facilitate flexibility that helps the group's employees remain in the same geographic locations. Therefore, SpareBank 1 Sør-Norge's main focus will be on how the overall expertise in the new group can best be utilised. Some employees and managers will, however, see changes in their responsibilities and duties.

Following the Merger, the CEO will continuously evaluate the group's organisational structure and distribution of responsibilities in cooperation with the board.

#### **4.8 Affiliation with the SpareBank 1 Alliance**

The merged bank will be part of the SpareBank 1 Alliance (see section 2).

#### **4.9 Integration**

The Parties will establish an integration project designed to specify the goals and activities necessary to ensure a successful Merger, and to mobilise the organisation to ensure sufficient resources are available to drive the subsequent change work forward. The work will be led by the Deputy CEO, with participation from both organisations.

### **5 EXCHANGE RATIO**

#### **5.1 Basis for determining the exchange ratio**

The exchange ratio and the merger remuneration have been set following negotiations between the Parties and are based on a process that included the following:

- Financial due diligence by both parties conducted by Ernst & Young AS
- Limited legal due diligence by SR-Bank conducted by Advokatfirmaet Selmer AS and by Sørøst-Norge conducted by Advokatfirmaet Thommessen AS
- A review of the banks' balance sheets as at 30.6.2023, with an assessment of any added and lower value of assets and liabilities, as well as an updated review as at 30.9.2023
- An emphasis on book and value-adjusted equity and expected normalised profit
- The fact that SR-Bank will conduct a share issue worth up to NOK 1 billion on market terms before the Implementation Date

#### **5.2 Further information on the exchange ratio**

Book equity as at 30.6.2023 was NOK 27,036 million in SR-Bank and NOK 12,475 million in Sørøst-Norge (after hybrid capital was deducted). Taking into account identified added and lower values on the Parties' balance sheets, additional dividends, the share issue and profit analysis (including adjustment for, among other things, one-off items), the Parties agreed on an exchange ratio of 68.88% for SR-Bank and 31.12% for Sørøst-Norge, corresponding to price/book parity as at 30.6.2023, less and adjusted for the share issue and additional dividend of 1.045.

Sørøst-Norge's current capital structure consists of primary capital and share capital. The ownership ratio as at 30.6.2023 was calculated at 60.70%, and a total of 140,098,561 equity certificates have been issued.

The remuneration for the takeover of Sørøst-Norge's business will be settled in the form of (i) shares in the merged bank, which will be issued to Sørøst-Norge's existing equity certificate holders, (ii) shares in the merged bank issued to those savings bank foundations that have not received final settlement for their primary capital in connection with previous mergers in Sørøst-Norge, and (iii) a cash sum as remuneration for existing equity certificate holders in Sørøst-Norge.

Based on the exchange ratio specified above, SR-Bank will issue a total of 111,187,338 shares as remuneration for the share capital and primary capital in Sørøst-Norge. Of these, 67,485,793 shares will be remuneration for the equity certificates in Sørøst-Norge and 43,701,545 shares will be remuneration for the primary capital in Sørøst-Norge. This means that one equity certificate in Sørøst-Norge will provide 0.481702 of a share in SR-Bank. The subscription price per share will match the final estimated book value per share at a corporate level on the date the board of directors decide to complete the Merger. Cash remuneration of NOK 4.33235 per equity certificate in Sørøst-Norge will also be paid. In the calculation of the remuneration, the primary capital in Sørøst-Norge was theoretically converted to share capital.

In connection with the Merger, the capital in Sørøst-Norge will be converted into share capital and other equity in SR-Bank. The remuneration for this primary capital will be distributed on the basis of the distribution formula set out in article 8-2 of Sørøst-Norge's articles of association. This means that these remuneration shares will be distributed as follows: 48.14% to SpareBank 1 Stiftelsen BV, 36.44% to Sparebankstiftelsen Telemark and 15.42% to Sparebankstiftelsen SpareBank 1 Modum. As remuneration for the primary capital in Sørøst-Norge, SR-Bank will therefore issue 21,037,924 shares to SpareBank 1 Stiftelsen BV, 15,924,843 shares to Sparebankstiftelsen Telemark and 6,738,778 shares to Sparebankstiftelsen SpareBank 1 Modum. These shares are included in the total remuneration of 111,187,338 shares referred to above.

These three savings bank foundations will also receive cash remuneration totalling NOK 393,044,263.78 as remuneration for Sørøst-Norge's primary capital. This cash remuneration will be distributed as follows: NOK 189,211,508.58 for SpareBank 1 Stiftelsen BV, NOK 143,225,329.72 for Sparebankstiftelsen Telemark and NOK 60,607,425.47 for Sparebankstiftelsen SpareBank 1 Modum.

This results in the following distribution of shares as remuneration to the owners of SpareBank 1 Sørøst-Norge:

| Recipient                                     | Total shares       | Remuneration for share capital | Remuneration for primary capital |
|---|--------------------|--------------------------------|----------------------------------|
| SpareBank 1 Stiftelsen BV                     | 32,666,869         | 11,628,945                     | 21,037,924                       |
| Sparebankstiftelsen Telemark                  | 25,033,916         | 9,109,073                      | 15,924,843                       |
| Sparebankstiftelsen SpareBank 1 Modum         | 15,623,606         | 8,884,828                      | 6,738,778                        |
| Sparebankstiftelsen Nøtterøy-Tønsberg         | 5,262,839          | 5,262,839                      | 0                                |
| Sparebankstiftelsen Telemark - Holla og Lunde | 4,948,876          | 4,948,876                      | 0                                |
| Other owners of Sørøst-Norge                  | 27,651,232         | 27,651,232                     | 0                                |
| <b>Total</b>                                  | <b>111,187,338</b> | <b>67,485,793</b>              | <b>43,701,545</b>                |

No fractional shares in SR-Bank will be issued as remuneration. Instead, such fractional shares will be aggregated into whole shares that will be sold. The proceeds of the sale will be distributed proportionately between those who would have received fractional shares. SR-Bank will arrange the sale of the shares and distribution of the proceeds of the sale.

### 5.3 Distributions and changes to capital

Prior to the Implementation Date, the Parties must not approve or distribute any dividends or equity repayments (including purchasing treasury shares/equity certificates or otherwise) other than paying the partial cash remuneration to equity certificate holders and the partial settlement for the primary capital in Sørøst-Norge in line with section 5.2 of the Merger Plan. However, this shall not hinder:

- Utilisation of profits within the limits of the Parties' stipulated dividend policies with a view to the distribution ratio defined as a share of the period's consolidated profit after tax that is paid out as dividends on shares and equity certificates, as well as the distribution of gift funds, as further regulated below. The Parties agree that any utilisation of profits prior to the Implementation Date shall comply with the following principles:
  - (i) The utilisation of profits shall be based on the exchange ratio of 68.88% for SR-Bank and 31.12% for Sørøst-Norge.
  - (ii) The size of any distribution made by each Party will be determined by SR-Bank first deciding how much SR-Bank will distribute. This amount is hereinafter referred to as the "**SR Dividend**".
  - (iii) The SR Dividend must constitute 68.88% of the total amount distributed by the Parties, hereinafter referred to as the "**Total Dividend**". The Total Dividend will therefore be calculated using the following formula:  
$$(SR\ Dividend/68.88) \times 100 = Total\ Dividend$$
  - (iv) Sørøst-Norge may distribute an amount in dividends and gifts limited to a maximum of 31.12% of the Total Dividend, and this amount is hereinafter referred to as the "**Sørøst-Norge Dividend**". The Sørøst-Norge Dividend will therefore be calculated using the following formula:  
$$(31.12 \times Total\ Dividend) / 100 = Sørøst-Norge\ Dividend$$
  - (v) If Sørøst-Norge does not have sufficient distribution capacity to distribute the Sørøst-Norge Dividend as calculated pursuant to paragraphs (i) to (iv) above, then SR-Bank will reduce its distributions pursuant to paragraph (ii) to an amount that enables Sørøst-Norge to distribute the Sørøst-Norge Dividend pursuant to paragraph (iv).
  - (vi) The Parties will hold the board meetings at which the dividends will be proposed on the same date, as far as is practicable. The Parties will also hold a general meeting and supervisory board meeting to adopt the SR Dividend and the Sørøst-Norge Dividend, respectively, on the same date, as far as is practicable.
- Buying back treasury shares/equity certificates as part of an already approved savings programme for employees and/or bonus programmes for executive personnel.

Prior to the Implementation Date, no mergers, demergers, increases in primary capital or issues of new, or sale of existing, shares/equity certificates, changes to the nominal value of shares/equity certificates or granting of



options or issuing of any subscription rights shall be carried out, other than (i) the issue in SR-Bank which has been taken into account in determining the exchange ratio, (ii) the sale of treasury shares/equity certificates as part of an already approved savings programme for employees, and/or bonus programme for executive personnel, and (iii) what occurs as part of the Merger pursuant to this Merger Plan.

## **6 ACCOUNTING AND TAX IMPLEMENTATION**

### **6.1 Accounting implementation**

Pursuant to IFRS, the Merger will be recognised as a transaction at fair value on the date the Merger is implemented. SR-Bank has been identified as the acquiring party pursuant to IFRS. The implementation date with respect to accounting will be the date on which risk and control are transferred.

Since the Merger requires the approval of the Ministry of Finance and implementation is contingent on the Ministry of Finance granting tax exemptions (cf. section 6.2 below), it will be assumed that accounting implementation has taken place when notification has been received by the Register of Business Enterprises pursuant to section 12-6 of the Financial Institutions Act, i.e. on the Implementation Date. Transactions in the target bank, Sørøst-Norge, will be deemed to have taken place from an accounting perspective at SR-Bank's expense from and including this date, and income and costs associated with the assets, rights and liabilities being assumed by SR-Bank upon the Merger will be assigned to SR-Bank from that date.

### **6.2 Tax implementation**

It is assumed that the Merger will take place with tax continuity. The merger of a public limited company and a savings bank requires an application for, and decision on, tax exemptions from the Ministry of Finance and implementation of the Merger is contingent on a positive decision on tax exemption (cf. section 14 below).

The Merger will be implemented for tax purposes with continuity in accordance with such a decision and on the conditions set out in such a decision. The tax implementation date will coincide with implementation under company law and accounting law, i.e. on the Implementation Date.

## **7 TERMS AND CONDITIONS FOR EXERCISING RIGHTS AS AN OWNER OF SHARES IN THE MERGED BANK AND FOR INCLUSION IN THE REGISTER OF SHAREHOLDERS**

The rights associated with shares issued in connection with the Merger may be exercised from registration of the capital increase and the Merger in the Register of Business Enterprises, i.e. the Implementation Date, cf. section 10-11 of the Public Limited Liability Companies Act. SR-Bank shall ensure that new shareholders are included in the register of shareholders without delay.

## **8 THE RIGHTS HOLDERS OF EQUITY CERTIFICATES AND SUBSCRIPTION RIGHTS IN SØRØST-NORGE SHALL HAVE IN THE MERGED BANK**

The holders of equity certificates in Sørøst-Norge, as well as the savings bank foundations that receive shares as remuneration for the primary capital in Sørøst-Norge, will have the rights of shareholders in SR-Bank, as these rights are set out in the legislation in force at any given time and the merged bank's articles of association.

## **9 SPECIAL RIGHTS OR BENEFITS AFFORDED TO BOARD MEMBERS, CEOS OR INDEPENDENT EXPERTS UPON COMPLETION OF THE MERGER**

No special rights or benefits will be afforded to board members or the CEOs of SR-Bank and Sørøst-Norge upon implementation of the Merger.

No special rights or benefits will be afforded to independent experts upon implementation of the Merger.

## **10 COMPANY LAW DECISIONS IN SØRØST-NORGE**

### **10.1 Approval of the Merger Plan**

It is proposed that Sørøst-Norge's supervisory board adopt the following resolution:

The Merger Plan dated 26.10.2023 concerning the merger of SpareBank 1 SR-Bank ASA (org. no. 937 895 321), as the acquiring bank, and SpareBank 1 Sørøst-Norge (org. no. 944 521 836), as the target bank, is approved. SpareBank 1 Sørøst-Norge will be dissolved upon completion of the Merger.

### **10.2 Subscription of shares**

Upon its approval of the Merger Plan, the supervisory board shall adopt the following resolution:

In accordance with the Merger Plan, the subscription of shares in SpareBank 1 SR-Bank ASA corresponding to what existing equity certificate holders in SpareBank 1 Sørøst-Norge shall receive as remuneration for the equity certificates in SpareBank 1 Sørøst-Norge, and that SpareBank 1 Stiftelsen BV, Sparebankstiftelsen Telemark and Sparebankstiftelsen SpareBank 1 Modum shall receive as remuneration for the primary capital in SpareBank 1 Sørøst-Norge, is approved.

## **11 COMPANY LAW DECISIONS IN SR-BANK**

### **11.1 Approval of the Merger Plan**

It is proposed that SR-Bank's general meeting adopt the following resolution:

The Merger Plan dated 26.10.2023 concerning the merger of SpareBank 1 SR-Bank ASA (org. no. 937 895 321), as the acquiring bank, and SpareBank 1 Sørøst-Norge (org. no. 944 521 836), as the target bank, is approved. SpareBank 1 Sørøst-Norge will be dissolved upon completion of the Merger.

### **11.2 Decision to increase share capital and amendments to the articles of association**

Upon its approval of this Merger Plan, SR-Bank's general meeting shall adopt the following resolution:

- a) *The share capital will be increased by NOK 2,779,683,450 through the issuance of 111,187,338 new shares.*
- b) *The nominal value shall be NOK 25 per share.*
- c) *The subscription price shall equal the last estimated book value per share at a group level at the time the board of directors decides to complete the Merger.*
- d) *The shareholders shall not have preferential rights with respect to subscribing to, or being awarded, the new shares. Existing holders of equity certificates in SpareBank 1 Sørøst-Norge, in addition to SpareBank 1 Stiftelsen BV, Sparebankstiftelsen Telemark and Sparebankstiftelsen SpareBank 1 Modum, shall subscribe to a total of 37,862,947 shares as remuneration for the equity certificates. As remuneration for*

*existing equity certificates and the primary capital in SpareBank 1 Sørøst-Norge, SpareBank 1 Stiftelsen BV shall subscribe to 32,666,869 shares, Sparebankstiftelsen Telemark 25,033,916 shares and Sparebankstiftelsen SpareBank 1 Modum 15,623,606 shares.*

- e) The shares will be deemed to have been subscribed to when Sørøst-Norge's supervisory board has approved the Merger Plan.*
- f) Settlement for the shares will take place simultaneously with completion of the merger of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge, cf. section 12-6 of the Financial Institutions Act. The shares will be issued as remuneration for SpareBank 1 Sørøst-Norge's transfer of assets, rights and liabilities as contributions in kind to SpareBank 1 SR-Bank ASA in accordance with the plan for the merger of the banks (the Merger Plan).*
- g) The shares shall carry rights in the bank, including the right to dividends from and including the date the capital increase is registered in the Register of Business Enterprises.*
- h) The costs associated with the Merger and issuance of shares cannot be specified as they are included in the costs linked to a larger strategic and structural process.*
- i) Section 2-1 of the articles of association will be amended such that the provision specifies the share capital and the number of outstanding shares after the capital increase.*

### **11.3 New company name**

As part of the implementation of the Merger, SR-Bank will change its name to SpareBank 1 Sør-Norge. Upon its approval of this Merger Plan, SR-Bank's general meeting shall adopt the following resolution:

*"Article 1-1 of the institution articles of association shall be amended with effect from the Implementation Date of the Merger of SR-Bank and SpareBank 1 Sørøst-Norge (as defined in the Merger Plan for this Merger dated 26.10.2023) to read: The name of the institution is SpareBank 1 Sør-Norge. The institution is a public limited company. The institution's registered business office and head office are in Stavanger."*

### **11.4 Amendments to the articles of association**

Upon approval of the Merger Plan, the general meeting shall also approve amendments to the following provisions of the articles of association:

Article 3-1, first paragraph, of the institution's articles of association shall be amended with effect from the Implementation Date of the Merger of SR-Bank and SpareBank 1 Sørøst-Norge (as defined in the Merger Plan for this Merger dated 26.10.2023) to read:

*"The board of directors comprises six to eleven members and shall be balanced. Two to three members along with personal deputies shall be elected by, and from among, the employees."*

Article 5-1, first and second sentences, of the institution's articles of association shall be amended with effect from the Implementation Date of the Merger of SR-Bank and SpareBank 1 Sørøst-Norge (as defined in the Merger Plan for this Merger dated 26.10.2023) to read:

*"The nomination committee comprises up to six members who are elected by the general meeting for a period of one year. Sparebankstiftelsen SR-Bank and one other savings bank foundation shall be represented on the nomination committee."*

## 12 FURTHER DETAILS ON THE IMPLEMENTATION OF THE MERGER

### 12.1 Introduction

The Parties must, within the framework set out by applicable competition law, prepare an implementation plan that contains activities that must be carried out to ensure the Merger is implemented on the terms and conditions set out in the Merger Plan. The implementation plan will be updated on an ongoing basis and for each activity must specify who is responsible for implementation and when the activity will be implemented.

Upon implementation of the Merger, the Register of Business Enterprises will be notified of the deletion of Sørøst-Norge. Implementation activities that have not been performed by the Implementation Date will be transferred to SR-Bank, unless otherwise is agreed.

### 12.2 Employees

As of the Implementation Date, SR-Bank will assume employer responsibility for all employees of Sørøst-Norge. The rights and obligations arising from employment in Sørøst-Norge and that exist on the Implementation Date will be transferred to SR-Bank in accordance with the rules on transfers of undertakings in chapter 16 of Act no. 62 of 17.6.2005 relating to working environment, working hours and employment protection, etc. ("**Working Environment Act**") and applicable collective wage agreements.

Seniority from Sørøst-Norge will be continued in the merged bank.

Discussions will be held with the employee representatives in both Parties in accordance with section 16-5 of the Working Environment Act and applicable collective wage agreements.

Collective wage agreements will be transferred to SR-Bank, unless SR-Bank reserves its rights in relation to relevant trade unions in accordance with the provisions and deadlines of the Working Environment Act. The individual terms and conditions that follow from such collective wage agreements will be retained for the transferred employees until the period covered by the collective wage agreement expires or until a new collective wage agreement is concluded.

The employees' pension schemes will be continued within the framework of current legislation and harmonised at a later date.

Other personal insurance and personnel and welfare benefits will in principle be continued at the same level as before the Merger, although some schemes may be adjusted and harmonised. The details surrounding this will be clarified before the Implementation Date.

Employees who are transferred will, before the Merger is implemented, be provided with information about their rights and obligations under the Working Environment Act, including the right to opt out of transferring to a new employer, cf. section 16-6 of the Working Environment Act. Such information must be provided so that people can exercise their right to opt out before the statutory minimum deadline and before the Implementation Date.

The employees of both Parties must also be briefed on the Merger Plan, its annexes and the board report on the Merger, cf. section 12-3(2) of the Financial Institutions Act and section 13-11(2) of the Public Limited Liability Companies Act.

### **12.3 Responsibility for operations up to the Implementation Date**

Each of the Parties will be responsible for the operation of each of the banks until the Implementation Date. Each Party will, from the date of this Merger Plan being agreed until the Implementation Date, conduct its banking operations in the usual manner, which includes acting loyally towards each other.

If circumstances arise with respect to a Party that may have a bearing on implementation of the Merger, the other Party must be contacted without undue delay.

Matters related to ongoing operations, the integration process or other matters that may have a bearing on implementation of the Merger will be discussed between the Parties as necessary. In this context, a smaller coordination committee will be established that will meet regularly for such discussions until the Merger has been implemented. This coordination committee will consist of the banks' chairs of the boards, CEOs and chief employee representatives.

### **12.4 Costs of implementing the Merger**

The Parties' costs related to common advisers up to the Implementation Date will be covered by each Party paying half of them. Each of the Parties will also cover their own costs and expenses in connection with the negotiations on this Merger Plan and the other work on the Merger. Costs incurred after the Implementation Date will be covered by SR-Bank.

## **13 CHANGES TO THE MERGER PLAN**

The boards of SR-Bank and Sørøst-Norge may, after the general meeting and the supervisory board, respectively, have both approved the Merger Plan, and on behalf of the general meeting and the supervisory board, respectively, implement minor amendments to the Merger Plan and appended documents if this is deemed necessary or desirable and does not cause harm or disadvantage to the shareholders or equity certificate holders. The CEOs of SR-Bank and Sørøst-Norge may make such changes to the Merger Plan and associated documents as may be required by the Register of Business Enterprises, if the changes are of a purely formal or technical nature and do not entail financial consequences. Other changes will be discussed in the coordination committee and approved by the banks' boards.

## **14 TERMS AND CONDITIONS FOR THE MERGER'S ENTRY INTO FORCE**

Implementation of the Merger is contingent on:

- 1) SR-Bank's general meeting and Sørøst-Norge's supervisory board deciding to approve the Merger Plan with the necessary majority by the end of December 2023.
- 2) The notice to creditors period of six weeks pursuant to section 12-5(2) of the Financial Institutions Act, cf. section 13-15 of the Public Limited Liability Companies Act, having expired and the relationship with the Parties' creditors who have raised objections having been clarified.
- 3) The Ministry of Finance and the Financial Supervisory Authority of Norway (Finanstilsynet) giving the necessary approval of the Merger Plan and not imposing conditions that materially alter the assumptions made by the Parties when entering into the Merger Plan.
- 4) The Ministry of Finance granting tax exemptions on terms and conditions acceptable to (i) each of the Parties' boards for any gains from the transfer of business, assets, rights and liabilities from Sørøst-Norge to SR-Bank, and (ii) a majority of the boards of those savings bank foundations that own equity certificates in Sørøst-Norge for any gains from the exchange of equity certificates in the Sørøst-Norge

for shares in the merged bank and for the receipt of shares in the merged bank as remuneration for conversion of the primary capital in Sørøst-Norge to share capital and other equity in the merged bank.

- 5) The Norwegian Competition Authority not imposing conditions which, in the opinion of the Parties, materially alter the assumptions on which the Parties have based the Merger Plan.

The board of each Party will assess whether any conditions imposed by public authorities covered by sections 4 and 6 above are of such a nature that they materially alter the assumptions made by the Party when entering into the Merger Plan, whether any terms and conditions for tax exemptions covered by section 5 above are acceptable, and whether any terms and conditions for the consent of the contracting parties pursuant to section 2 above are acceptable. If the board(s) of one or both Parties conclude(s) that the terms and conditions set out in sections 2, 4, 5 or 6 above have not been fulfilled and the board concerned will not waive the relevant condition, the Parties' general meeting/supervisory board may demand new negotiations or withdraw the Party's endorsement of the Merger Plan.

The banks will endeavour to complete the Merger by 1.7.2024, or if this is not possible, as soon as possible thereafter, although by no later than 1.7.2025 (the "**Termination Date**"). If the terms and conditions for entry into force are not met by the Termination Date, the Merger will lapse unless the board of each Party agrees before this deadline to extend the deadline for implementation.

## **15 GOVERNING LAW AND DISPUTE RESOLUTION**

This Merger Plan is subject to, and will be interpreted in accordance with, Norwegian law.

The Parties must endeavour to resolve amicably any disagreements between the Parties relating to the Merger Plan and annexes. If such negotiations are not successful, the Parties agree to arbitration pursuant to the Act relating to Arbitration of 14.5.2004.

If the matter concerns a disagreement in which the subject of the dispute totals less than NOK 5 million, the matter will be referred to a sole arbitrator after written proceedings, if the arbitrator themselves does not also request an oral hearing. If the Parties cannot agree on the composition of the arbitration tribunal, the member or members to whom the disagreement relates shall be appointed by the district recorder in Oslo.

The dispute shall in all circumstances be treated confidentially. Arbitration proceedings shall be subject to a duty of non-disclosure. The same applies to the decisions of the arbitration tribunal, although such that this will not hinder the Parties' compliance with their obligations under applicable law and stock exchange rules.

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Annexes:

1. Articles of association of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge
2. Half-yearly reports for 2023 for SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge
3. For financial statements, annual reports and audit reports for SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge for the last three years, please see: <https://www.sparebank1.no/nb/sr-bank/om-oss/investor/finansiell-info/rapporter.html> and <https://www.sparebank1.no/nb/sorost/om-oss/investor/finansiell-info/kvartals-og-aarsrapporter.html>

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Stavanger, 26.10.2023

The Board of Directors of SpareBank 1 SR-Bank ASA

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Name: Dag Mejdell

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Name: Kate Henriksen

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Name: Trine Sæther Romuld

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Name: Jan Steffen Skogseth

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Name: Kjetil Skjæveland

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Name: Camilla Aldona Cakste Tepfers

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Name: Sally Lund-Andersen

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Name: Kristian Kristensen

Sandefjord, 26.10.2023

The Board of Directors of SpareBank 1 Sørøst-Norge

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Name: Finn Haugan

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Name: John-Arne Haugerud

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Name: Maria Tho

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Name: Lene Svenne

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Name: Heine Wang

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Name: Jan Erling Nilsen

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Name: Lene Marie Aas Thorstensen

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Name: Frede Christensen

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Name: Hanne Myhre Gravdal