

SHARE OPTION PROGRAM OF COO

Purpose

The purpose of the share option (hereinafter: **Option Program**) is to determine the conditions under which a person is entitled to acquire shares of Arco Vara AS (hereinafter: **Company**) in accordance with the conditions specified in the Option Program.

Person(s) eligible to participate in the Option Program

Sander Sisask (personal identification code 39408262796; hereinafter: **COO**), who is the Chief Operating Officer of Arco Vara AS since 2nd of January 2023.

Option content and underlying assets

The underlying assets of the option program are the shares of the Company (ISIN code EE3100034653, hereinafter: the **Shares**).

The person entitled to participate in the Option Program has the right to acquire Shares in accordance with the terms and conditions of this Option Program (hereinafter: the **Option**).

Option volume

Based on the Option Program, the Option will be issued for a maximum of 18,750 Shares.

Option price

The COO is entitled to exercise the Option free of charge, i.e. the price of the Option is 0 EUR.

Term and method of exercising the option

For the COO the term of the Option is three years from the approval of the Option Program by the Annual General Meeting of the Company.

The execution of the Option and the issuing of the Shares will take place by increasing the share capital of the Company and issuing new Shares, which will be decided by the general meeting of shareholders of the Company. The Company undertakes to ensure the increase of the share capital of the Company and the issue of new Shares within 6 months after the expiry of the Option in line with the Option Program.

The extent of the increase of the share capital and the number of new Shares to be issued for the COO shall be determined on the basis of the following conditions:

- i. if the COO has not been recalled or his employment contract has not been terminated before 31.12.2023 - to increase the share capital of the Company by EUR 6,125 and to issue 8,750 Shares to the COO;
- ii. if the COO has not been recalled or his employment contract has not been terminated between 01.01.2024 and 31.12.2024 - to increase the share capital of the Company by EUR 3,500 and to issue 5,000 Shares to the COO;

iii. if the COO has not been recalled or his employment contract has not been terminated between 01.01.2025 and 31.12.2025 - to increase the share capital of the Company by EUR 3,500 and to issue 5,000 Shares to the COO.

Additionally, during the period 2023 Q1 - 2025 Q4 the average ROE per every 12 months is required to be at least 12%, i.e. the calculation is made for the whole 36-month period, as a result of the average ROE calculation the ROE per every 12 months has to be at least 12%. The actual ROE during a certain period may be less than 12%, the ROE requirement is fulfilled in case the condition is met based on the average ROE calculation as described previously. The final calculation will be made during 15 days after 2025 Q4 is over. In case the ROE requirement is not met, no Shares will be issued even if other conditions set in the Share Option Program are fulfilled.

If the COO is in office or his employment contract is in force until the expiry of the Option, the Option shall be exercised in the maximum amount of the Option provided in the Option Program, i.e. the Share Capital will be increased by EUR 13,125 and 18,750 Shares will be issued, provided that the COO has fulfilled all obligations in line with the Option Program.

Execution of the Option

The execution of the Option by the COO is divided into three stages as follows:

- i. The COO undertakes separately to inform the Management Board of the Company within 30 days after 31.12.2023 of his wish to exercise the Option in respect of 8,750 Shares;
- ii. The COO undertakes separately to inform the Management Board of the Company within 30 days after 31.12.2024 of his wish to exercise the Option in respect of an additional 5,000 Shares;
- iii. The COO undertakes separately to inform the Management Board of the Company within 30 days after 31.12.2025 of his wish to exercise the Option for an additional 5,000 Shares.

If the COO does not inform the Management Board of the Company in accordance with the conditions set forth above, he loses the right to exercise the Option in respect of the Shares the COO did not inform the Management Board of the Company.

Other terms of the option

The Option is granted to the person entitled to receive the Option in person. The option cannot be transferred, pledged or otherwise encumbered or disposed of.

The Option cannot be exercised in cash, i.e. the COO has no right to claim any monetary or non-monetary compensation if the Option is canceled or cannot be exercised for any other reason.