

Proposal by the Board of Directors of Vostok Emerging Finance Ltd regarding long-term incentive program

The Board proposes a long-term share incentive plan ("**LTIP 2019**") for up to five (5) key employees in the Company in accordance with the below. LTIP 2019 is a three year performance based incentive program which is based on the same structure and retains the same economic characteristics for the participants and the same criteria for measuring performance as the depository receipt based incentive programs from 2016-2018.

The objective of LTIP 2019 is to encourage the employees to financially commit to the long-term value growth of Vostok Emerging Finance, and thereby align their interests with those of the shareholders. LTIP 2019 will be an important tool for Vostok Emerging Finance to retain the best talent for the Company, which is vital for the ability to provide long-term value growth for its shareholders.

LTIP 2019 requires that the Annual General Meeting resolves (i) to adopt the New Bye-Laws (as defined below) and (ii) on an issue of the Incentive Shares (as defined below) to the participants in LTIP 2019, in accordance with the Board's proposals for the Annual General Meeting in items 14(b) and 14(c) below.

Adoption of LTIP 2019 (item 14(a))

Summary of LTIP 2019

LTIP 2019 is based on the following structure:

- A new share class in Vostok Emerging Finance ("**Incentive Shares**") is introduced in accordance with the proposed amendments of the bye-laws of the Company (the "**New Bye-Laws**").
- According to the New Bye-Laws, the Incentive Shares, under certain conditions, will be reclassified as Vostok Emerging Finance common shares ("**Common Shares**"), which following registration will be admitted to trading on Nasdaq First North in the form of Swedish Depository Receipts of the Company ("**SDR**").
- The number of Incentive Shares that will be reclassified as Common Shares is dependent on the extent to which the performance measure has been met during the period 1 January 2019 – 31 December 2021 (the "**Measurement Period**"). Incentive Shares that are not reclassified into Common Shares will be redeemed by the Company.
- In addition, reclassification of the Incentive Shares into Common Shares requires that the participant is employed by the Vostok Emerging Finance group, and has kept the Investment SDRs (as defined below), throughout the three-year vesting period, ending after release of Vostok Emerging Finance's interim financial report for the period January-March 2022 (the "**Vesting Period**").
- Participation requires a personal investment in SDRs in the Company (the "**Investment SDRs**").
- In total, the participants in LTIP 2019 may subscribe for up to 12,400,000 Incentive Shares, and upon reclassification one (1) Incentive Share will be reclassified into one (1) Common Share.

Comparison with 2016-2018 LTIPs

In the 2016-2018 long-term incentive plans (the "**2016-2018 LTIPs**"), the participants were granted rights to receive SDRs, free-of-charge, subject to the terms and conditions of the plans. The differences between these programs and the LTIP 2019 are mainly technical such that the employee will subscribe for Incentive Shares that will be converted to SDRs at the end of the program rather than be given a

right to receive SDRs as per the 2016-2018 LTIPs. LTIP 2019 will retain the same economic characteristics for the participants and the same targets for measuring performance. As was the case with the 2016-2018 LTIPs, a personal holding of Investment SDRs will be a condition to participate in LTIP 2019.

Adoption of the plan

Participants in LTIP 2019

Five (5) employees in Vostok Emerging Finance will be entitled to participate in LTIP 2019.

Personal investment in SDRs

In order to participate in LTIP 2019, the employees are required to invest in Investment SDRs when giving notice of participation and subscribing for the Incentive Shares.

The Investment SDRs may be SDRs acquired for LTIP 2019 or the employee may allocate SDRs already held to LTIP 2019 (which are not already allocated to the 2017 or 2018 LTIPs) as Investment SDRs.

General terms and conditions for the Incentive Shares

The Incentive Shares shall be governed by the New Bye-Laws. The New Bye Laws will be supplemented by an agreement to be entered into with the respective participants prior to subscribing for the Incentive Shares.

The main terms and conditions for the Incentive Shares according to the New Bye-Laws and/or the separate agreements between Vostok Emerging Finance and each respective participant are the following:

- The participants will subscribe for Incentive Shares for USD 0.01 for each Incentive Share (i.e. the par value of outstanding and fully paid Common Shares).
- If and to the extent the performance-based condition for reclassification of the Incentive Shares has been fulfilled, the Incentive Shares will be reclassified after the Vesting Period. Upon reclassification, one (1) Incentive Share will be reclassified to one (1) Common Share.
- To the extent that the performance-based condition for reclassification of the Incentive Share has not been fulfilled, the Incentive Share will be redeemed by Vostok Emerging Finance after the Measurement Period. In addition, the Board has the right to redeem an Incentive Share at any time if redemption is requested by the participant.
- In order to align the participants' and shareholders' interests, the participants will be compensated for dividends and other value transfers to the shareholders during the Measurement Period. However, dividend compensation will be paid only if and to the extent the performance-based condition for reclassification of the Incentive Shares have been fulfilled.
- The agreements with the participants will include an irrevocable request from the participant to redeem the participant's Incentive Shares (all or a portion as the case may be) if (a) the participant has not allocated the committed Investment SDRs prior to 31 December 2019, *or* (b) the participant transfers, sells, pledges, lends or otherwise disposes of the Investment SDRs during the Vesting Period, *or* (c) the participant ceases to be employed by the Vostok Emerging Finance group, subject to certain exceptions as set out below, during the Vesting Period, *or* (d) in case a redemption is necessary to ensure that LTIP 2019 is compliant with laws and regulations. As regards (c) above, a participant will not be required to request redemption of the Incentive Shares in the event of (i) death, disability or retirement. In addition, the Board may decide to waive redemption in any particular case.
- The agreements with the participants also include a right for Vostok Emerging Finance to reclaim

the subsidy (see below), if the participant transfers the Incentive Shares prior to reclassification or redemption of the Incentive Shares.

Performance-based conditions for reclassification of the Incentive Shares

The number of Incentive Shares that shall be reclassified into Common Shares is based on the level of fulfilment of the performance-based condition during the Measurement Period.

The performance condition is based on the measurement of Vostok Emerging Finance's average annual net asset value development per share ("**NAV per share**") during the Measurement Period. The target levels (entry and stretch) for the performance condition are 10 percent average NAV per share development as entry level and 20 percent average NAV per share development as stretch target.

If the entry level is reached, 20 percent of the Incentive Shares will be reclassified into Common Shares. If the stretch target is reached, 100 percent of the Incentive Shares will be reclassified into Common Shares. If the performance level is between the entry level and stretch target, the Incentive Shares will be reclassified on a linear basis. All Incentive Shares that are not reclassified into Common Shares will be redeemed by Vostok Emerging Finance after the Measurement Period.

See the New Bye-Laws for more information regarding the performance-based condition.

Allocation – subscription for Incentive Shares

LTIP 2019 is proposed to comprise up to 1,240,000 Investment SDRs entitling participants to subscribe for, in aggregate, up to 12,400,000 Incentive Shares. LTIP 2019 will comprise up to the following number of Investment SDRs and Incentive Shares for different categories of participants:

- the CEO of Vostok Emerging Finance can allocate up to 558,000 Investment SDRs, entitling the CEO to subscribe for up to 5,580,000 Incentive Shares; and
- other members of the management team and key employees (4 individuals) can allocate up to 682,000 Investment SDRs in total, entitling them to subscribe for up to 6,820,000 Incentive Shares in total.

The number of Incentive Shares that a participant may subscribe for is based on the participants' competence, area of responsibility as well as the number of Investment SDRs allocated to LTIP 2019. The Board will determine the final number of Investment SDRs allocated to each participant. The Board may decide that any Investment SDRs not allocated to the CEO shall be allocated to other members of management and key employees.

Reclassification

Reclassification of the Incentive Shares to Common Shares will be made after the Measurement Period. The maximum number of Incentive Shares that can be reclassified amounts to 12,400,000. Maximum outcome assumes full participation in LTIP 2019, no personnel turn-over during the Vesting Period, and that the performance condition has been fulfilled during the Measurement Period (i.e. that the stretch target have been achieved).

Information about the outcome of LTIP 2019 will be presented in the Annual Report for 2021.

Subsidy of tax impact

Vostok Emerging Finance will grant a cash subsidy to the participants in LTIP 2019 to compensate for the tax impact arising due to the fact that the subscription price for the Incentive Shares is below fair market value (see below under the heading "Cost, scope and effects on key ratios". The cash subsidy

will correspond to, and cover, the tax impact for the participant and may also cover the subscription price for the Incentive Shares.

Costs, scope and effects on key ratios

PwC has provided a valuation model for the Incentive Shares using the Monte Carlo method. The valuation derived is based on input from the Company. Based on a price for Vostok Emerging Finance's SDRs of SEK 2.19 and the market conditions that prevailed on 2 April 2019, the value per Incentive Share has been estimated to be SEK 0.32.

Based on the assumption of full participation in LTIP 2019 (i.e. 5 participants, in total 1,240,000 Investment SDRs and 12,400,000 Incentive Shares) and a total fair market value of the Incentive Shares of SEK 3.96 m (based on an estimated value per Incentive Share of SEK 0.32), the total cost for LTIP 2019, including social security costs, is estimated to amount to approximately SEK 10.5 m.

Given that the actual cost for Vostok Emerging Finance will be based on the prevailing price of Vostok Emerging Finance's SDRs in connection with subscription of the Incentive Shares, Vostok Emerging Finance's costs may deviate from the estimates set out above.

The maximum dilution due to LTIP 2019 is no more than 1.9 percent in terms of shares outstanding and fully paid and votes. The number of Incentive Shares may change during the Measurement Period due to intervening bonus issues, reverse splits, splits, rights issues and/or other similar events.

The costs and dilution are expected to have a marginal effect on Vostok Emerging Finance's key ratios.

Preparation and administration

Vostok Emerging Finance's Board has prepared LTIP 2019 in consultation with external advisors during the first months of 2019.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of the agreements with the participants in LTIP 2019, in accordance with the mentioned terms and guidelines and the New Bye-Laws. To this end, the Board of Directors shall be entitled to make adjustments to meet regulatory and tax requirements or market conditions. The Board of Directors may also make other adjustments, including deciding to reduce the number of Incentive Shares that shall be reclassified for all participants, or for certain categories of participants, covered by the LTIP 2019, if significant changes in the Vostok Emerging Finance group or its operating environment would result in a situation where the decided terms and conditions of LTIP 2019 no longer serve their purpose, however, always observing the provisions of the New Bye-Laws and any adjustments shall only be made in order to fulfil the main objectives of LTIP 2019.

April 2019

The Board of Directors of Vostok Emerging Finance Ltd