

TERMS AND CONDITIONS OF THE TENDER OFFER

Object of the Tender Offer

Through a voluntary public cash tender offer in accordance with Chapter 11 of the Finnish Securities Market Act (746/2012, as amended, the “**SMA**”) and subject to the terms and conditions set forth herein, Orkla ASA (“**Orkla**” or the “**Offeror**”) offers to acquire all of the issued and outstanding shares (the “**Shares**”) in Kotipizza Group Oyj (“**Kotipizza**” or the “**Company**”) that are not held by the Company or any of its subsidiaries (the “**Tender Offer**”).

The Offeror and the Company have on 22 November 2018 (the “**Signing Date**”) entered into the combination agreement (the “**Combination Agreement**”) pursuant to which the Tender Offer has been made by the Offeror.

Offer Price

The Tender Offer was announced by the Offeror on 22 November 2018. The Offer Price for each Share validly tendered in accordance with the terms and conditions of the Tender Offer is EUR 23.00 in cash (the “**Offer Price**”).

The Offer Price has been determined based on 6,351,201 issued and outstanding Shares as at the Signing Date. However, should the Company resolve to change the number of Shares issued and outstanding on the Signing Date as a result of a new share issue, reclassification, stock split or any other similar transaction with dilutive effect or issue option rights or any other rights entitling to shares, or should the Company distribute a dividend or otherwise distribute funds or any other assets to its shareholders in accordance with the Finnish Companies Act (624/2006, as amended, “**Finnish Companies Act**”), or should a record date with respect to any of the foregoing occur prior to any or all of the settlements of the completion trades (whether after the expiry of the Offer Period (as defined below) or any Subsequent Offer Periods (as defined below)) under the Tender Offer, the Offer Price shall be reduced accordingly on a euro-for-euro basis, whereby the offer price so reduced shall constitute the Offer Price as defined under these terms and conditions of the Tender Offer (it being understood that in the event of a change in the number of Shares, only the consideration payable for each Share will be adjusted accordingly without any reduction in the total aggregate consideration payable by the Offeror). Any reduction in the Offer Price, pursuant to the above, shall be announced by way of a stock exchange release. In the event that the Offer Price is increased or decreased, the Tender Offer acceptance period shall continue for at least a period of 10 business days following such announcement.

Offer Period

The offer period for the Tender Offer shall commence on 7 December 2018 at 9:30 a.m. (Finnish time) and expire on 15 January 2019 at 4:00 p.m. (Finnish time), unless the Offer Period is extended as set forth below (the “**Offer Period**”).

The Offer Period may be extended by the Offeror (i) from time to time until such time when all of the Closing Conditions (as defined below) have been satisfied or waived and (ii) with a Subsequent Offer Period (as defined below) in connection with the announcement of the final result of the Tender Offer whereby the Offeror also declares the Tender Offer unconditional, all as set forth below.

The Offeror will announce a possible extension of the Offer Period through a stock exchange release at the latest on 16 January 2019. The Offeror will announce a possible extension of an already extended Offer Period at the latest on the first (1st) Finnish banking day following the expiry of the extended Offer Period. The duration of any possible extension of the Offer Period or an already

extended Offer Period shall be at least two (2) weeks from the date of the announcement by the Offeror concerning such extension.

If the Offeror extends the Offer Period, the Offer Period will expire on the date and at the time until which the Offeror extends the Offer Period unless the extended Offer Period is discontinued as set forth below. The maximum duration of the Offer Period (including any extension of the Offer Period) is ten (10) weeks. However, if the Closing Conditions (as defined below) have not been fulfilled due to a particular obstacle as referred to in the Regulations and Guidelines 9/2013 (as amended) issued by the FIN-FSA such as, for example, pending approval by a competition or other regulatory authority, the Offeror may extend the Offer Period beyond ten (10) weeks until such obstacle has been removed and the Offeror has had a reasonable time to respond to the situation. The Offer Period may also be extended as required by applicable law (e.g. in event of a change in the Offer Price). The date of the expiry of the extended Offer Period will in such case be published at least two (2) weeks before such expiry. Further, any Subsequent Offer Period (as defined below) may extend beyond ten (10) weeks.

The Offeror may discontinue any extended Offer Period should all the Closing Conditions (as defined below) be fulfilled or waived by the Offeror before the expiry of the extended Offer Period, and execute the sale and purchase of the Shares validly tendered and not properly withdrawn in accordance with section "*Terms of Payment and Settlement of Shares*" below. Should the Offeror discontinue the extended Offer Period, the Offeror will announce its decision thereon through a stock exchange release as soon as possible after such decision has been made and, in any case, at least two (2) weeks before the expiry of the extended Offer Period to be discontinued. If the Offeror discontinues the extended Offer Period, the extended Offer Period will expire on such earlier date and at the time indicated in such announcement made by the Offeror.

The Offeror also reserves the right to extend the Offer Period in connection with the announcement of the final result of the Tender Offer as set forth in section "*Announcement of the Result of the Tender Offer*" (such extended Offer Period shall be referred to as the "**Subsequent Offer Period**"). In the event of such Subsequent Offer Period, the Subsequent Offer Period will expire on the date and at the time determined by the Offeror in the announcement concerning the final result of the Tender Offer. The expiration of a Subsequent Offer Period will be announced at least two (2) weeks before the expiry of such Subsequent Offer Period.

Conditions to Completion of the Tender Offer

The obligation of the Offeror to accept for payment the tendered Shares and to complete the Tender Offer shall be subject to the fulfillment or, to the extent permitted by applicable law, waiver by the Offeror of the following conditions (jointly the "**Closing Conditions**") on or prior to the date of the Offeror's announcement of the final result of the Tender Offer in accordance with Chapter 11, Section 18 of the SMA (date of such announcement of the final result, the "**Result Announcement Date**"):

- 1) the valid tender of Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than ninety percent (90%) of the issued and outstanding Shares and voting rights of the Company calculated in accordance with Chapter 18, Section 1 of the Finnish Limited Liability Companies Act (21.7.2006/624);
- 2) the receipt of all necessary regulatory approvals, permits and consents, including without limitation competition clearances, and that any conditions set in such permits, consents or clearances, including, but not limited to, any requirements for the disposal of any assets of the Offeror or the Company or any reorganization of the business of the Offeror or the Company, do not have material significance to the Offeror (as referred to in the Regulations

and Guidelines 9/2013, as may be amended or re-enacted from time to time, issued by the FIN-FSA and the Helsinki Takeover Code);

- 3) no Material Adverse Change having occurred on or after the Signing Date;
- 4) the Offeror not, on or after the Signing Date, having received information that constitutes a Material Adverse Change that occurred on or prior to the Signing Date;
- 5) no information made public by the Company or disclosed by the Company to the Offeror being materially inaccurate, incomplete, or materially misleading, and the Company not having failed to make public any information that was required to be made public by it under applicable laws, including the rules of Nasdaq Helsinki, provided that, in each case, the information made public, disclosed or not disclosed or the failure to disclose information constitutes a Material Adverse Change;
- 6) no court or regulatory authority of competent jurisdiction having given an order or issued any regulatory action preventing or enjoining the completion of the Tender Offer;
- 7) the Board of Directors of the Company having issued its unanimous recommendation that the shareholders of the Company accept the Tender Offer and the recommendation remaining in full force and effect and not being modified or changed, save for any technical modification required or advisable under applicable laws or the Helsinki Takeover Code so long as the recommendation to accept the Tender Offer is upheld and the change is not detrimental to the Offeror;
- 8) the Combination Agreement not having been terminated and remaining in force and no event having occurred that, with the passage of time, would give the Offeror the right to terminate the Combination Agreement provided that the time for curing set out in the Combination Agreement has lapsed without the Offeror's right to terminate having thereby ceased to exist; and
- 9) the undertakings of the Major Shareholders and Management Shareholders to accept the Tender Offer remaining in force in accordance with their terms save for withdrawals, breaches or terminations of such undertakings to the extent that the withdrawn, breached or terminated undertakings individually or in the aggregate concern less than seven and a half percent (7.5%) of the Shares.

“Material Adverse Change” means

(A) any divestment or reorganization of all or any material part of the assets of the Company or its affiliated entities, taken as whole; or

(B) any event, condition, circumstance, development, occurrence, change, effect or fact (any such item an **“Effect”**) that individually or in the aggregate, has, results in or would reasonably be expected to have or result in a material adverse effect on the current or reasonably expected future business, assets, liabilities, financial condition or results of operations of the Company and its affiliated entities, taken as a whole, excluding:

- 1) any Effect in political, financial, industry, economic or regulatory conditions generally or the financial or securities markets generally, so long as such Effect does not have a materially disproportionate effect on the Company and its affiliated entities, taken as a whole, relative to other companies in the same industry;
- 2) any Effect resulting solely from a change in IFRS or other applicable regulatory accounting requirements or the laws applicable to the industry in which the Company and its affiliated entities operate, so long as such Effect does not have a materially disproportionate effect on the Company and its affiliated entities, taken as a whole, relative to other companies in the same industry, and provided further that any accounting impact resulting from the

implementation or application by the Company and its affiliated entities of the standard IFRS 16 (Leases) shall in no event be deemed to constitute a Material Adverse Change;

- 3) any Effect resulting from or caused by natural disasters, industrial action, outbreak of major hostilities or any act of war or terrorism so long as such Effect or the underlying cause of such Effect is reasonably beyond the Company's control and does not have a materially disproportionate effect on the Company and its affiliated entities, taken as a whole, relative to other companies in the same industry;
- 4) any Effect resulting from any actions taken by the Company at the express request or direction, or with the prior written consent, of the Offeror;
- 5) any failure by the Company and its subsidiaries to meet any internal, published or third-party budgets, projections, forecasts or predictions of financial performance for any period (provided that the exception in this clause (5) shall not prevent or otherwise affect a determination that any Effect underlying such failure has resulted in or contributed to a Material Adverse Change);
- 6) a change in the price and/or trading volume of the Shares on the Nasdaq Helsinki (provided that the exception in this clause (6) shall not prevent or otherwise affect a determination that any Effect underlying such change has resulted in or contributed to a Material Adverse Change); or
- 7) any Effect solely attributable to (i) an act or omission carried out or omitted by the Offeror in connection with the Tender Offer, (ii) the consummation of the transactions contemplated by this Agreement or (iii) the announcement or completion of the Tender Offer (including the effect of any change of control or similar clauses in contracts entered into by the Company and its subsidiaries but only to the extent such contracts or clauses have been fairly disclosed to the Offeror as part of the due diligence information).

The Offeror reserves the right to withdraw the Tender Offer in the event that any of the above Closing Conditions is not fulfilled.

However, the Offeror can only invoke any of the Closing Conditions so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn if the circumstances which give rise to the right to invoke the relevant Closing Condition have material significance to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 (as may be amended or re-enacted from time to time) issued by the FIN-FSA and the Helsinki Takeover Code.

The Closing Conditions set out herein are the exhaustive conditions for the completion of the Tender Offer.

The Offeror reserves the right to waive, to the extent permitted by applicable law, any of the Closing Conditions that have not been satisfied.

Obligation to increase the Offer Price to pay compensation

The Offeror reserves the right, to the extent permitted by applicable law or regulation, to acquire Shares also in public trading on Nasdaq Helsinki or otherwise during and after the Offer Period (including any extension thereof) and any Subsequent Offer Period or otherwise outside the Tender Offer.

If the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the SMA acquires, after the Announcement and before the expiry of the Offer Period, Shares at a higher price than the Offer Price or otherwise on terms that are more favourable than those of the Tender Offer, the Offeror must according to Chapter 11, Section 25 of the SMA amend the terms and conditions of the Tender Offer to correspond to such acquisition on more favourable terms (*obligation to increase the offer*). The Offeror shall then, without delay, make public the triggering of the obligation to increase the offer and pay, in connection with the completion of the Tender

Offer, the difference between the more favourable acquisition terms and the consideration offered in the Tender Offer to the holders of securities who have accepted the Tender Offer.

If the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the SMA acquires, during the nine (9) months following the expiry of the Offer Period, Shares at a higher price than the Offer Price or otherwise on terms that are more favorable than those of the Tender Offer, the Offeror must according to Chapter 11, Section 25 of the SMA, compensate those holders of securities who have accepted the Tender Offer for the amount equal to the difference between the more favorable acquisition terms and the consideration offered in the Tender Offer (*obligation to compensate*). The Offeror shall then, without delay, make public the triggering of the obligation to compensate and pay the difference between the more favorable acquisition terms and the consideration offered in the Tender Offer within one (1) month after the triggering of the obligation to compensate to the holders of securities who have accepted the Tender Offer.

According to Chapter 11, Section 25, Subsection 5 of the SMA, the obligation to compensate shall, however, not be triggered in case the payment of a higher price than the Offer Price is based on an arbitral award pursuant to the Finnish Companies Act, provided that the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the SMA has not offered to acquire Shares on terms that are more favorable than those of the Tender Offer before or during the arbitral proceedings.

Acceptance Procedure of the Tender Offer

The Tender Offer must be accepted separately for each book-entry account. A shareholder of the Company giving the acceptance must have a cash account with a financial institution operating in Finland or abroad (see also sections "*Terms of Payment and Settlement of Shares*" and "*Important Information*"). A shareholder may only accept the Tender Offer unconditionally and with respect to all Shares on the book-entry account mentioned in the acceptance form on the date and time of the execution of the sale and purchase of the Shares. An acceptance given during the Offer Period is effective also until the end of any extended Offer Period.

Most of the Finnish book-entry account operators are expected to send a notification of the Tender Offer, including instructions and the relevant acceptance form to their customers who are registered as shareholders in the shareholders' register of the Company maintained by Euroclear Finland Ltd. ("**Euroclear**"). Shareholders who do not receive such notification from their account operator or asset manager can contact OP Corporate Bank plc ("**OP**") or any branch office of cooperative banks belonging to the OP Financial Group where such shareholders can receive the necessary information and submit their acceptance of the Tender Offer, or, if such shareholders are U.S. residents or located within the United States, they may contact their brokers for the necessary information.

A shareholder in the Company whose shareholdings are registered in the name of a nominee and who wishes to accept the Tender Offer shall effect such acceptance in accordance with the nominee's instructions. The Offeror will not send acceptance forms or other documents related to the Tender Offer to such shareholders in the Company.

A shareholder in the Company who is registered as a shareholder in the shareholders' register of the Company and who wishes to accept the Tender Offer shall submit a properly completed and duly executed acceptance form to the account operator managing the shareholder's book-entry account in accordance with its instructions and within the time limit set by the account operator or, in the case such account operator does not accept acceptance forms (e.g. Euroclear), such shareholder shall contact OP Corporate Bank plc or any branch office of cooperative banks belonging to the OP Financial Group to give his/her acceptance to tender the Shares. The

acceptance form shall be submitted so that it is received during the Offer Period or, if the Offer Period has been extended, during such extended Offer Period, however, always in accordance with the instructions of the relevant account operator. In the event of a Subsequent Offer Period, the acceptance form shall be submitted so that it is received during the Subsequent Offer Period, however, always in accordance with the instructions of the relevant account operator. Shareholders with access to the SWIFT system may send their acceptances through SWIFT instead of the acceptance form.

Pledged Shares may only be tendered with the consent of the relevant pledgee. The obtaining of such consent shall be the responsibility of the relevant shareholder in the Company. The consent by the pledgee shall be delivered to the account operator in writing.

The method of delivery of acceptance forms is at the shareholder's option and risk, and the delivery will be deemed made only when actually received by the relevant account operator or OP. The Offeror reserves the right to reject any acceptance given in an incorrect or incomplete manner. The Offeror may also reject any partial tender of the Shares per book-entry account.

By accepting the Tender Offer, the shareholder of the Company authorizes OP or a party authorized by OP or the account operator managing the shareholder's book-entry account to enter a transfer restriction or a sales reservation on the shareholder's book-entry account after the shareholder has delivered its acceptance of the Tender Offer. In addition, the shareholder who has accepted the Tender Offer authorizes OP or a party authorized by OP or the account operator managing the shareholder's book-entry account to perform the necessary entries and to take all other actions required to technically execute the Tender Offer and to sell all the Shares held on such book-entry account at the time of the execution of trades under the Tender Offer to the Offeror in accordance with the terms and conditions of the Tender Offer.

A shareholder that has validly accepted the Tender Offer and that has not properly withdrawn its acceptance in accordance with the terms and conditions of the Tender Offer may not sell or otherwise dispose of its tendered Shares. A transfer restriction in respect of the Shares will be registered in the relevant book-entry account after a shareholder has submitted the acceptance for the Tender Offer. If the Tender Offer is not completed or if the acceptance is properly withdrawn by the shareholder in accordance with the terms and conditions of the Tender Offer, the transfer restriction registered on the tendered Shares in the relevant book-entry account will be removed as soon as possible and within approximately three (3) Finnish banking days following the announcement that the Tender Offer will not be completed or the receipt of a notice of withdrawal in accordance with the terms and conditions of the Tender Offer.

Withdrawal Rights

In accordance with Chapter 11, Section 16, Subsection 1 of the SMA, the acceptances for the Shares validly tendered in accordance with the terms and conditions of the Tender Offer may be withdrawn at any time during the Offer Period or, if the Offer Period has been extended, during such extended Offer Period, until the Offeror has announced that all the Closing Conditions have been fulfilled or the Offeror has waived the right to invoke them, thereby declaring the Tender Offer unconditional. After such announcement, the acceptances for the Shares already tendered may no longer be withdrawn except in the event that a third party announces a competing public tender offer for the Shares before the execution of the sale and purchase of the Shares in accordance with section *"Terms of Payment and Settlement of Shares"* below. The holders of the Shares validly tendered may also withdraw their acceptance during the Offer Period if the Offer Period has lasted over ten (10) weeks and the Tender Offer has not been completed.

The proper withdrawal of the acceptance for the Shares validly tendered requires that a written notice of withdrawal is submitted to the same account operator to whom the acceptance form with respect to such Shares was submitted. In case the acceptance form with respect to Shares was submitted to OP or any of its group member cooperative banks, the notice of withdrawal must be submitted to OP. In case of holdings that are registered in the name of a nominee, the holders of Shares shall instruct the nominee to submit the notice of withdrawal. Shareholders who sent their acceptances through SWIFT shall send their notices of withdrawal through SWIFT.

If a holder of Shares registered in the Finnish book-entry securities system withdraws his/her acceptance of the Tender Offer in accordance with the terms and conditions of the Tender Offer, the transfer restriction registered on the tendered Shares in the relevant book-entry account will be removed as soon as possible and within approximately three (3) Finnish banking days following the receipt of a notice of withdrawal in accordance with the terms and conditions of the Tender Offer.

Shares for which an acceptance is withdrawn may be re-tendered by following the acceptance procedures described in section "*Acceptance Procedure of the Tender Offer*" above at any time prior to the expiry of the Offer Period or, if the Offer Period has been extended, prior to the expiry of such extended Offer Period or during the Subsequent Offer Period, if any.

The account operator managing the relevant book-entry account or the nominee may charge a fee for withdrawals in accordance with its price list.

In the event of a Subsequent Offer Period, the acceptance of the Tender Offer shall be binding and cannot be withdrawn, unless otherwise provided under mandatory law.

Announcement of the Result of the Tender Offer

The Offeror will announce the preliminary result of the Tender Offer on or about the first (1st) Finnish banking day following the expiry of the Offer Period or, if applicable, the extended or discontinued Offer Period. In connection with the announcement of the preliminary result of the Tender Offer, the Offeror will announce whether the Tender Offer will be completed subject to the Closing Conditions being fulfilled or waived on the date of the announcement of the final result of the Tender Offer, and whether the Offer Period will be extended. The Offeror will announce the final result on or about the third (3rd) Finnish banking day following the expiry of the Offer Period or, if applicable, the extended or discontinued Offer Period. The announcement of the final result will confirm (i) the percentage of the Shares that have been validly tendered and not properly withdrawn and (ii) whether the Tender Offer will be completed.

In the event of a Subsequent Offer Period, the Offeror will announce the initial percentage of the Shares validly tendered during the Subsequent Offer Period on or about the first (1st) Finnish banking day following the expiry of the Subsequent Offer Period and the final percentage on or about the third (3rd) Finnish banking day following the expiry of the Subsequent Offer Period.

Terms of Payment and Settlement of Shares

The sale and purchase of the Shares validly tendered and not properly withdrawn in accordance with the terms and conditions of the Tender Offer will be executed on or about the fourth (4th) Finnish banking day following the expiry of the Offer Period, or if the Offer Period has been extended or discontinued, the expiry of the extended or discontinued Offer Period. The sale and purchase of the Shares will take place on Nasdaq Helsinki if permitted by the rules applicable to securities trading on Nasdaq Helsinki. Otherwise, the sale and purchase of the Shares will take place outside of Nasdaq Helsinki.

Settlement will be effected on or about the second (2nd) Finnish banking day following the above completion of trades (the “**Settlement Date**”). The payment of the Offer Price will be made on the Settlement Date into the bank account connected to the shareholder’s book-entry account or, in the case of shareholders whose holdings are registered in the name of a nominee, into the bank account specified by the custodian or nominee. In any event, the Offer Price will not be paid to a bank account situated in Canada, Japan, Australia, South Africa or Hong Kong or any other jurisdiction where the Tender Offer is not to be made (see section “*Important information*”), and all guidance from custodians or nominees specifying bank accounts in such jurisdictions will be rejected. Actual time of receipt for the payment by the shareholder will depend on the schedules of money transactions between financial institutions and agreements between the holder and account operator, custodian or nominee in each case.

In the event of a Subsequent Offer Period, the Offeror shall in connection with the announcement thereof announce the terms of payment and settlement for the Shares tendered during the Subsequent Offer Period. The completion trades of the Shares validly tendered in accordance with the terms and conditions of the Tender Offer during the Subsequent Offer Period shall, however, be executed at least within two (2) week intervals.

The Offeror reserves the right to postpone the payment of the Offer Price if payment is prevented or suspended due to a *force majeure* event, but shall immediately effect such payment once the *force majeure* event preventing or suspending payment is resolved.

Transfer of Ownership

Title to the Shares validly tendered in the Tender Offer will pass to the Offeror against the payment of the Offer Price by the Offeror to the tendering shareholder.

Transfer Tax and Other Payments

The Offeror will pay the transfer taxes, if any, relating to the sale and purchase of the Shares in connection with the completion of the Tender Offer.

Fees charged by account operators, asset managers, nominees or any other person for registering the release of any pledges or other possible restrictions preventing a sale of the relevant Shares, as well as fees relating to a withdrawal of the tender by a shareholder in accordance with section “*Withdrawal Rights*” above, will be borne by each shareholder. The Offeror shall be responsible for other customary fees relating to book-entry registrations required for the purposes of the Tender Offer, the sale and purchase of the Shares tendered under the Tender Offer or the payment of the Offer Price.

Other Matters

The Offeror reserves the right to amend the terms and conditions of the Tender Offer in accordance with Chapter 11, Section 15, Subsection 2 of the SMA, subject to the provisions of the Combination Agreement.

Subject to the provisions of the Combination Agreement, the Offeror reserves the right to extend the Offer Period and to amend the terms and conditions of the Tender Offer (including a potential withdrawal of the Tender Offer) in accordance with Chapter 11, Section 17 of the SMA if, during the Offer Period or any extended Offer Period, a third party announces a competing public tender offer for the Shares.

The Offeror shall have sole discretion to determine all other issues relating to the Tender Offer, subject to the requirements of applicable law as well as the provisions of the Combination Agreement.