

## NEXSTIM PLC/ RESTRICTED SHARE UNITS 2016

### NEXSTIM PLC

#### TERMS AND CONDITIONS FOR THE RESTRICTED SHARE UNIT PLAN

The Nomination Committee of Nexstim Plc has resolved to propose to the Annual General Meeting of Shareholders of Nexstim Plc (the **Company**) that a restricted share unit plan (the **Plan**) be implemented to selected members of the Board of Directors of the Company (the **Board**), on the following terms and conditions:

##### 1. Objectives of Plan

The Plan shall be established to complement the compensation of selected members of the Board (**Participant/s**). The Participants are independent of the Company. The aim is to align the objectives of the shareholders and the Participants in order to increase the value of the Company and to offer the Participants a reward plan based on receiving and accumulating the Company's shares (**Share/s**). Participating in the Plan shall not affect other possible terms and conditions of a mandate as a member of the Board.

##### 2. Determination of Reward and Vesting Period

The Plan offers the Participants a possibility to receive restricted share units (**Restricted Share Unit/s**) as reward. In the Plan, one (1) Restricted Share Unit corresponds to one (1) Share. The prerequisite for the reward payment shall be that a Participant's mandate as a member of the Board is in force on the last day of a vesting period, unless otherwise determined in Sections 3.4. and 5.4 below.

The Plan includes four (4) vesting periods, corresponding to the terms of office (calculated from the Annual Shareholder's meeting to the next Annual Shareholder's Meeting) 2016—2017, 2017—2018, 2018—2019 and 2019—2020 of the member of the Board (hereinafter each vesting period separately, **Vesting Period**).

The Annual General Meeting of Shareholders of the Company shall determine the amount of gross reward to be granted in the Plan for each Participant separately. The granted reward shall be determined either in a number of Restricted Share Units or in cash. The granted reward determined in cash shall be converted into Restricted Share Units at the beginning of a Vesting Period. The conversion of the granted reward into Restricted Share Units shall be based on the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd during twenty (20) trading days following the release date of the Company's Financial Statements in 2016, 2017, 2018 and 2019.

##### 3. Reward Payment

The reward from the Plan shall be paid to a Participant in Shares after the end of a Vesting Period. The reward shall be paid within four (4) weeks of the Annual General Meeting of Shareholders of the Company in 2017, 2018, 2019 and 2020.

## **NEXSTIM PLC/ RESTRICTED SHARE UNITS 2016**

### **3.1. Taxes**

The reward from a Vesting Period shall mean a gross number of Restricted Share Units before the deduction of any applicable taxes. Taxes and employment related expenses to be withheld in connection with the reward payment shall be accordant with the legislation in force (**Tax/Taxes**).

The payable reward shall consist of a net number of Shares, remaining after the deduction of a cash proportion that is required for covering the Taxes due on the basis of the gross reward (**Net Shares**). The Company shall withhold Taxes from the cash proportion of the reward according to law in force. The transfer tax related to the payment of the Net Shares shall be deducted from the cash proportion of the reward and settled by the Company.

Despite any withholding of Taxes by the Company, each Participant shall, in his or her own personal taxation, be personally liable for any residual and final Tax payable based on the reward, in accordance with the applicable laws.

The reward shall not be regarded as pensionable salary and it shall not result in pension accrual, unless otherwise required by mandatory provisions of law in an individual country in which a Participant resides.

### **3.2. Payment of Reward**

The Net Shares shall be registered on the Participant's Finnish book-entry account.

The values of the Net Shares and the cash proportion shall be determined on the basis of the Share price on the book-entry registration date of the Net Shares. The Share price shall be the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd of the exchange transactions closed on the registration date of the Net Shares. If the book-entry registration date is not a trading day or if the Share has not been traded on the book-entry registration date, the Share price shall be the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd of the exchange transactions closed on the date nearest preceding the book-entry registration date of the Net Shares.

### **3.3. General Reward Payment Clauses**

The right to reward is personal, and the reward shall only be paid to a Participant. The right to reward may not be assigned.

Upon reward payment, the Board shall have the right, for very weighty reasons, to resolve that the Company pays the reward fully or partly in cash, on the basis of the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd of the calendar month preceding the reward payment date. In this case, the Board shall have the right to obligate a Participant to acquire Shares with the amount of paid net reward.

### **3.4. Reward Payment Clauses in Certain Cases**

## **NEXSTIM PLC/ RESTRICTED SHARE UNITS 2016**

A General Meeting of Shareholders shall have the right to reduce the rewards agreed in the Plan, or postpone the reward payment to a later date that better suits the Company, if changes that are beyond the Company's control might lead to a materially harmful or unreasonable outcome for the Company, while applying the Plan.

The granted reward shall be paid to a Participant within four (4) weeks of the date on which any third party has announced that its/his/her ownership in the Company has reached the amount of at least 50 per cent of the shares and the votes of the shares of the Company. A third party is a shareholder who/which at the time of the Annual Shareholder's Meeting held in 2016 is not an owner in the Company, the owner's family member or relative or company under the authority of these people, or who belongs to the personnel of the Company or of a corporation belonging to the same Group.

### **3.5. Expiry of Board Mandate**

Should a Participant cease to be a member of the Board before the end of a Vesting Period, no reward shall be paid to him or her on the basis of such Vesting Period.

## **4. Shareholder Rights to Received Shares**

The shareholder rights to the Shares registered on the book-entry accounts of the Participants shall be assigned to the Participants on the book-entry registration date of the Share transfer. If the Shares to be given are new, the share-related rights shall arise upon the entry of the Shares into the Trade Register.

## **5. Adjustments in Certain Cases**

### **5.1. Dividend and other Distribution of Assets**

Should the Company resolve to distribute dividends or assets from reserves of unrestricted equity, or resolve to reduce its share capital by distributing share capital to the shareholders, or resolve to reduce its share premium fund by distributing funds from the share premium fund to the shareholders, after the beginning of a Vesting Period and before the reward payment, deviating from the Company's normal practice, the Board shall resolve on adjustments to the number of Restricted Share Units or Shares of the granted reward or the reward so that the position of a Participant is kept equal relative to that of a shareholder.

### **5.2. Acquisition of Own Shares**

Acquisition or redemption of the Company's own shares or acquisition of stock options or other special rights entitling to Shares shall not affect the Plan.

### **5.3. Share Issues**

Should the Company, after the beginning of a Vesting Period and before the reward payment, resolve on an issue of shares or an issue of stock options or other special rights entitling to shares

## **NEXSTIM PLC/ RESTRICTED SHARE UNITS 2016**

so that the shareholders have pre-emptive subscription rights, the Board shall resolve on potential adjustments to the number of Restricted Share Units or Shares of the granted reward or the reward so that the position of a Participant is kept equal relative to that of a shareholder.

### **5.4. Merger, Demerger and Redemption of Shares**

In the following cases, the granted reward shall be converted into money by multiplying the number of Restricted Share Units or Shares of the granted reward or reward by the merger or demerger consideration or by the redemption price, and the reward shall fully be paid in cash. The reward shall be paid on the date resolved by the Board, within four (4) weeks of the General Meeting of Shareholders that resolved on the merger or demerger, or within four (4) weeks of the arbitration judgement on the redemption, however, no later than the original reward payment date. The cases shall be the following:

- a resolution by the Company, after the beginning of a Vesting Period and before the reward payment, on a merge with another company as a merging company or with a company to be formed in a combination merger,
- a resolution by the Company, after the beginning of a Vesting Period and before the reward payment, on a full demerger,
- a redemption right and obligation to all of the Company's shares, as referred to in Chapter 18 Section 1 of the Finnish Limited Liability Companies Act, arising, after the beginning of a Vesting Period and before the reward payment, to any of the shareholders, on the basis that a shareholder possesses over 90 per cent of the shares and the votes of the shares of the Company.

In these cases, the Plan shall expire.

### **6. Administration of Plan**

The General Meeting of Shareholders shall resolve on all essential matters relating to the Plan.

When the need arises, the Board may propose to the General Meeting of Shareholders of the Company that it would authorize the Board to resolve on an acquisition of own shares, to the number needed for the Plan, as referred to in the Finnish Limited Liability Companies Act. When the need arises, the Board may also propose to the General Meeting of Shareholders of the Company that it would authorize the Board to resolve on a share issue, to the number needed for the Plan, as referred to in the Finnish Limited Liability Companies Act.

### **7. Amendment of Plan Terms and Conditions**

During a Vesting Period, a General Meeting of Shareholders of the Company may, for very weighty reasons, amend the terms and conditions of the Plan. The terms and conditions shall be amended in such a manner that no considerable unjust enrichment or injustice shall occur to a Participant, due to amending the terms and conditions.

A General Meeting of Shareholders of the Company may, to the extent deemed necessary by it, change, amend or deviate from these terms and conditions in relation to individual Participant, in

## **NEXSTIM PLC/ RESTRICTED SHARE UNITS 2016**

relation to Participants residing in a specific country or in relation to the Participants in general in order to adjust the Plan or its terms and conditions, including with retroactive effect from the beginning of an ongoing Vesting Period, in order to adjust or conform to the provisions of local laws, regulations or taxation practices or to the changes thereof or in order to mitigate, avoid or eliminate the impact of increased costs resulting from such change.

### **8. Applicable Law and Settlement of Disputes**

These terms and conditions shall be governed by the laws of Finland. Any dispute, controversy or claim arising out of or relating to this Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The number of arbitrators shall be one. The seat of arbitration shall be Helsinki, Finland, and the language of the arbitration shall be Finnish or English.

These terms and conditions have been prepared in English. In case of any discrepancy between any potential translations and the English version, the English language shall prevail.