

NEXSTIM PLC – STOCK OPTIONS - CEO – amended 23.11.2018 – amended 10.6.2019

Final October 18, 2017

Final amended November 23, 2018

NEXSTIM PLC

TERMS AND CONDITIONS FOR THE STOCK OPTIONS 2017

The Board of Directors of Nexstim Plc (the **Board**) has at its meeting on October 18, 2017 resolved, by virtue of an authorization granted by the Annual General Meeting of Shareholders of Nexstim Plc (the **Company**) held on March 28, 2017, to issue stock options to the Chief Executive Officer of the Company (the **CEO**), on the following terms and conditions:

Extraordinary Shareholders Meeting passed on 21 November 2018 a resolution regarding reduction of the number of shares in the Company (so-called reverse share split) in accordance with the proposal of the Board accepted in the meeting 9/2018 in such a way that each current 30 shares of the Company shall correspond to one share of the Company after the arrangements related to the reduction of the quantity of Company's shares are completed. As a consequence, the Board has on 23rd November, 2018 resolved the following:

“It was resolved that the number of option rights received by each holder of option rights shall be divided by 30, and simultaneously the subscription price for one share against an option right shall be multiplied by 30. Possible rounding up in the number of option rights shall be downwards.”

Therefore, the following Sections shall be amended:

- Section I.2 regarding total number of stock options; and
- Section II.3 regarding the Share subscription prices.

At its meeting 7/2019, the Board of Directors resolved on rights issue using authorization of the Annual General Meeting on March 25, 2019. As a result, the Board of Directors decided at its meeting 11/2019 held on June 10th 2019, to change the subscription prices of the stock option program according to Clause II.6 so, that the Share subscription price of the stock option program is comparable to the price prior the rights issue. Thus, the following paragraph will be changed:

- Section II.3. regarding the Share subscription prices.

I STOCK OPTION TERMS AND CONDITIONS

1. Number of Stock Options

The maximum total number of stock options issued is 1,178,552 and they entitle their owner to subscribe for a maximum total of 1,178,552 new shares in the Company or existing shares held by

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the Company (the **Share**). The Board shall resolve whether new Shares or existing Shares held by the Company are given to subscriber.

With the decision on 23rd November, 2018, the Board used its right to change the number of stock options according to the ratio used in the reverse split. After this change, number of stock options in the stock option plan 2017 is **39 285**.

The individual agreement relating to these option rights shall be amended accordingly. Again, the Board shall have the right to amend the number of stock options.

2. Right to Stock Options

The stock options shall be issued gratuitously to the CEO. The Company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the incentive and commitment program for the CEO.

3. Distribution of Stock Options

The Board shall resolve upon the distribution of stock options. The Board may resolve upon the potential further distribution of the stock options returned later to the Company, to the key employees of the Company and its subsidiaries, on applicable terms.

The CEO shall be notified in writing by the Board about the offer of stock options. The stock options shall be delivered to the CEO when he has accepted the offer of the Board.

The stock options shall be regarded as a discretionary and nonrecurring part of compensation. The stock options shall not be regarded as a part of the stock option recipient's director contract, and they shall not be regarded as a salary or fringe benefit. The stock option recipient shall, during his service or thereafter, have no right to receive compensation for stock options on any grounds.

The stock option recipient shall be liable for all taxes and tax-related consequences arising from receiving or exercising stock options.

The Company shall pay the transfer tax connected to the receipt of Shares on the basis of stock options, when applicable. The transfer tax paid by the Company may be taxable income for the stock option owner.

4. Transfer of Stock Options

The Company shall hold the stock options on behalf of the stock option owner until the beginning of the Share subscription period, unless otherwise provided by Section II.7. The stock options may freely be transferred and pledged, when the Share subscription period has begun. The Board may, however, permit the transfer or pledge of stock options also before such date. Should the stock

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option owner transfer or pledge his stock options, he shall be obliged to inform the Company about the transfer or pledge in writing, without delay.

5. Termination of Service**5.1. Giving Notice or Termination**

If the Company or the stock option owner terminates the stock option owner's director contract, he shall, without delay, forfeit to the Company or its designee, without compensation, the stock options that the Board has distributed to him, **if the Share subscription period specified in Section II.2 has not begun** (i.e. stock options that have not yet vested), on the date on which such termination is given. As an exception to the above, the Board may resolve that the stock option owner shall be entitled to keep such stock options, or a part of them.

If the Company or the stock option owner terminates the stock option owner's director contract, he shall, without delay, forfeit to the Company or its designee, without compensation, the stock options that the Board has distributed to him, **if the Share subscription period specified in Section II.2 has begun** (i.e. stock options that have already vested), but which have not been exercised within ninety (90) calendar days from the date on which such termination is given, on the last day of that 90 day period. As an exception to the above, the Board may resolve that the stock option owner shall be entitled to keep such stock options, or a part of them.

5.2. Good Leaver Grounds

Should the stock option owner's service in the Company end, on the basis of any of the following grounds, and **the Share subscription period specified in Section II.2 has not begun** (i.e. stock options that have not yet vested), the stock option owner or his estate or heir or beneficiary shall be entitled to keep such stock options that the Board has distributed to him. However, such stock options have to be exercised within ninety (90) calendar days from the first day of the Share subscription period, or otherwise they shall, without delay, be forfeited to the Company or its designee, without compensation. Such grounds shall all be considered as **Good Leaver Grounds**, and they shall be the following:

- the stock option owner's retirement for a statutory pension,
- the stock option owner's retirement for a pension as defined in the stock option owner's director contract,
- the stock option owner's retirement for a pension as determined by the Company,
- the stock option owner's permanent disability,
- the stock option owner's decease.

Should the stock option owner's service in the Company end on Good Leaver Grounds, he shall, without delay, forfeit to the Company or its designee, without compensation, such stock options that the Board has distributed to him, **if the Share subscription period specified in Section II.2 has begun** (i.e. stock options that have already vested), but which have not been exercised within ninety (90) calendar days from the last day of his service, on the last day of that 90 day period. As an

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exception to the above, the Board may resolve that the stock option owner shall be entitled to keep such stock options, or a part of them.

5.3. General

In these terms and conditions, termination means the date on which the notice is given. The end of service means the last day of validity of the stock option owner's director contract.

The stock option owner shall, during his service or thereafter, have no right to receive compensation on any grounds for stock options that have been forfeited in accordance with these terms and conditions.

6. Incorporation of Stock Options into Book-Entry Securities System

The Board may resolve on incorporation of the stock options into the book-entry securities system. Should the stock options having been incorporated into the book-entry securities system, the Company shall have the right to request and get transferred all forfeited stock options, from the stock option owner's book-entry account on the book-entry account appointed by the Company, without the consent of the stock option owner. In addition, the Company shall be entitled to register transfer restrictions and other respective restrictions concerning the stock options on the stock option owner's book-entry account, without the consent of the stock option owner.

II SHARE SUBSCRIPTION TERMS AND CONDITIONS**1. Right to subscribe for Shares**

Each stock option entitles its owner to subscribe for one (1) new Share in the Company or an existing Share held by the Company. The Share subscription price shall be credited to the reserve for the Company's invested unrestricted equity.

2. Share Subscription and Payment

The Share subscription period for stock options shall be October 20, 2018—March 31, 2023.

Should the last day of the Share subscription period not be a banking day, the Share subscription may be made on a banking day following the last Share subscription day.

Share subscriptions shall take place at the head office of the Company or possibly at another location and in the manner determined later. Upon subscription, payment for the Shares subscribed for, shall be made to the bank account designated by the Company. The Board shall resolve on all measures concerning the Share subscription.

3. Share Subscription Price

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The Share subscription price for stock options is EUR 0.160 per Share. The Share subscription price is 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 2016.

With the decision on 23rd November, 2018, the Board used its right to amend the Share subscription prices and resolved that the Share subscription prices shall be multiplied by 30. Therefore, the new Share subscription price shall be:

- for stock option 2017, **EUR 4,8** (=EUR 0.160 * 30, i.e. 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 2016 multiplied by 30).

Again, the Board shall have the right to amend the Share subscription prices.

With the decision on 10th, June, 2019, the Board used its right to amend the Share subscription prices.

Therefore, new Share subscription price for 2017 shall be:

- **EUR 0,92**

Again, the Board shall have the right to amend the Share subscription prices.

4. Registration of Shares

Shares subscribed for and fully paid shall be registered on the book-entry account of the subscriber.

5. Shareholder Rights

The dividend rights of the new Shares and other shareholder rights shall commence upon the entry of the Shares into the Trade Register.

Should existing Shares, held by the Company, be given to the subscriber of Shares, the subscriber shall be given the right to dividend and other shareholder rights once the Shares are registered on his book-entry account.

6. Share Issues, Stock Options and Other Special Rights entitling to Shares before Share Subscription

Should the Company, before the Share subscription, resolve on an issue of shares or an issue of new stock options or other special rights entitling to shares so that the shareholders have pre-emptive rights to subscription, the stock option owner shall have the same right as, or an equal right to, that

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of a shareholder. Equality is reached in the manner determined by the Board by adjusting the number of Shares available for subscription, the Share subscription prices or both of these.

A directed issue of shares or directed issue of new stock options or other special rights entitling to shares, shall have no impact on the rights of the stock option owner, unless the Board resolves otherwise for special reasons.

7. Rights in Certain Cases**7.1. Distribution of Assets**

Dividend distribution, distribution of assets from reserves of unrestricted equity or reduction the Company's share capital by distributing share capital to the shareholders shall have no impact on the share subscription price nor the rights of the stock option owner.

7.2. Placing the Company in Liquidation, or Deregistration

Should the Company be placed in liquidation, before the Share subscription, the stock option owner shall be given an opportunity to exercise his Share subscription right, within a period of time determined by the Board. Should the Company be deregistrated, before the Share subscription, the stock option owner shall have the same right as, or an equal right to, that of a shareholder.

7.3. Merger, Demerger or Transfer of Domicile of Company

Should the Company, before the Share subscription, resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the stock option owner shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for Shares with his stock options, within a period of time determined by the Board. Alternatively, the Board may give the stock option owner the right to convert the stock options into stock options issued by the other company, in the manner determined in the draft terms of merger or demerger, or in the manner otherwise determined by the Board, or the right to sell stock options prior to the registration of the execution of a merger or a demerger. After such period, no Share subscription right or conversion right shall exist.

The same proceeding shall apply to cross-border mergers or demergers, or should the Company, after having registered itself as an European Company (Societas Europae), or otherwise, register a transfer of its domicile from Finland into another member state of the European Economic Area.

The Board shall resolve on the impact of potential partial demerger on the stock options.

In the above situations, the stock option owner shall have no right to require that the Company redeems the stock options from him at fair value.

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7.4. Change of Control

In the event of any of the following, before the beginning of the Share subscription period:

- a third party's ownership in the Company has reached the amount of at least fifty (50) per cent of the shares and the votes of the shares of the Company,
- a sale of all or substantially all of the assets or intellectual property rights of the Company to a third party, or
- a sale or share issue with the power to elect a majority of the Board,

the Share subscription period for the stock options shall begin without delay, on the date determined by the Board. The last day of the Share subscription period shall be accordant to these terms and conditions.

A third party is a shareholder who/which at the time of the Annual General Meeting of Shareholders of the Company held in 2017, 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.

7.5. Acquisition or Redemption of Own Shares and Acquisition of Stock Options and Other Special Rights entitling to Shares

Acquisition or redemption of the Company's own shares or acquisition of stock options or other special rights entitling to shares shall have no impact on the rights of the stock option owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the stock option owner shall be made an equivalent offer.

7.6. Redemption Right and Obligation

Should 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, arise to any of the shareholders, before the end of the Share subscription period, on the basis that a shareholder possesses over ninety (90) percent of the shares and the votes of the shares of the Company, the stock option owner shall be given a possibility to use his right of Share subscription by virtue of the stock options, within a period of time determined by the Board, or the stock option owner shall have an equal obligation to that of shareholders to transfer his stock options to the redeemer, although the transfer right defined in Section I.4 above had not begun.

III OTHER MATTERS

1. Applicable Law and Settlement of Disputes

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These terms and conditions shall be governed by the laws of Finland. Any dispute, controversy or claim arising out of or relating to these stock options, 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.

Stock options may be distributed to individuals located outside Finland. In such cases, the plan shall be operated in a way which complies with the law wherever the individuals are located. If the plan needs to be completed in any way in order to comply with local law (whether in general or in relation to any specific allocation, including allocation already made) then the Board may make such additions as it considers reasonably necessary and desirable, within the requirements of the laws of Finland.

2. Amendment and Interpretation of Terms and Conditions

The Board shall be entitled to interpret the terms and conditions of the plan.

The Board shall manage the plan and all matters relating thereto. The Board's resolution on any matters relating to the plan shall be final and binding on all parties. The Board may delegate certain matters relating to the plan to individuals within the Company as it sees fit.

The Board may resolve on the technical amendments resulting from incorporation of stock options into the book-entry securities system, to these terms and conditions, as well as on other amendments and specifications to these terms and conditions which are not considered as essential. Other matters related to the stock options shall be resolved on by the Board, and the Board may give stipulations binding on the stock option owner.

3. Administration of the Plan

Should the stock option owner act against these terms and conditions, or against the instructions given by the Company, on the basis of these terms and conditions, or against applicable law, or against the regulations of the authorities, the Company shall be entitled to gratuitously withdraw the stock options which have not been transferred, or with which Shares have not been subscribed for, from the stock option owner.

The Company may maintain a register of the stock option owners to which the stock option owners' personal data is recorded. The stock option owner accepts that the data shall be administered and processed by the Company or any other agent or person designated by the Company. The stock option owner is entitled to request access to the data referring to him and held by the Company. The Company may send all announcements regarding the stock options to the stock option owner by e-mail.

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

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