



THE PROPOSALS OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES OF NEXSTIM PLC TO THE ANNUAL SHAREHOLDER'S MEETING 2019

THE PROPOSAL OF THE NOMINATION COMMITTEE FOR THE ANNUAL SHAREHOLDER'S MEETING

The Nomination Committee of Nexstim Plc, which has the representation from the largest shareholders, **proposes** to the Annual Shareholder's Meeting which will be held on 25 March 2019 that the number of members of the Board of Directors be confirmed as five (5) members. The Board members are elected to serve for a term ending at the end of the next Annual General Meeting.

The Nomination Committee proposes that, in accordance with their consent Ken Charhut, Tomas Holmberg, Rohan Hoare, Martin Jamieson and Juliet Thompson are re-elected as members of the Board of Directors, with Martin Jamieson as the chairman and Juliet Thompson as the deputy chairman. Ken Charhut, Tomas Holmberg, Rohan Hoare and Juliet Thompson are independent from the Company. Martin Jamieson is the CEO of the Company.

Remuneration of the Board Members:

The Nomination Committee proposes that the members of the Board of Directors who are elected in the Annual General Meeting shall be paid as follows for the term ending in the Annual General Meeting in 2020:

- EUR 36,000 for a member who is based in the United States;
- EUR 27,000 for a member who is based in Europe.

The Company has three board committees: nomination, audit and remuneration. The members of the board committees shall be paid as follows:

- EUR 10,000 for the chairman of a committee per year;
- EUR 5,000 for the members of a committee per year.

Nomination Committee proposes that the Board members invest half of their board fees into Nexstim shares.

For avoidance of doubt, the Chairman will not receive any remuneration for board membership whilst he is also the CEO of the Company.

Travelling expenses

Nomination Committee proposes that reasonable travel expenses are reimbursed to the members of the Board.

Restricted Share Unit Plan for members of the Board of Directors during term 2019-2020

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Nomination Committee proposes that the target group of the restricted share unit plan (RSU) as decided in the AGM in 2016 will be those members of the Board of Directors who are independent of the Company. Martin Jamieson will not receive shares based on the RSU due to his position as CEO of the Company but may participate in other share-based incentive schemes on such terms as the Board of Directors may decide.

Nomination Committee proposes that the reward allocations in 2019 will be determined as a Euro value.

Nomination Committee proposes that for each Board member, the grant gross value of the reward for the vesting period 2019—2020 will be EUR 12,500.

Nomination Committee proposes that rewards from the plan will be paid to the Board Members in the company's shares within four weeks of the Annual General Meeting of Shareholders 2020.

The Nomination Committee proposes that the participants will be strongly recommended to hold shares paid as reward as long as their mandate as a member of the Board continues.

THE PROPOSAL OF THE AUDIT COMMITTEE FOR THE ANNUAL SHAREHOLDER'S MEETING

The Audit Committee of the Board of Directors **proposes** that the firm of authorized public accountants PricewaterhouseCoopers Oy, which has appointed Martin Grandell as responsible auditor, to be appointed as Auditor to serve for a term ending at the end of the next Annual General Meeting of Shareholders.

The Audit Committee proposes that the Auditors be paid reasonable remuneration in accordance with the invoice approved by the company.

THE PROPOSALS OF THE BOARD OF DIRECTOR'S FOR THE ANNUAL SHAREHOLDER'S MEETING

Dividend

The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend be paid for the financial year 1 January – 31 December 2018 and that the loss of the financial year be recorded to the loss account.

Authorization to Board of Directors to decide on the issuance of shares as well as the issuance of other special rights entitling to shares

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes the Board of Directors to decide on new share issues as well as issue of option rights and other

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special rights entitling to shares, pursuant to Chapter 10 of the Companies Act (jointly the “Share Issue”) as follows:

In issue(s) of new ordinary shares, the shareholders have the right to subscribe for new shares in proportion to their existing holdings of the shares of the Company. The Board of Directors has the right to decide upon the offering to parties determined by the Board of Directors of any shares that may remain unsubscribed for pursuant to the shareholders’ pre-emptive subscription right. In connection with such issue of new ordinary shares, the Board of Directors is authorized to resolve on a directed issue of option rights or the special rights entitling to shares in deviation from the shareholders’ pre-emptive right, provided that there is a weighty financial reason for the Company to do so.

Under the authorization, a maximum of sixty three million 63 000 000 shares may be issued in the Share Issue, which corresponds to approximately 95,09 percent of all the shares in the Company after the Share Issue. The ordinary shares and option rights or other special rights entitling to shares can be issued in one or more tranches.

The Board of Directors is authorized to resolve on all terms for the Share Issue.

The Share Issue authorization of the Board of Directors shall be in force for one (1) year from the decision of the Annual General Meeting of Shareholders and it does not revoke the share issue authorization given by the Extraordinary General Meeting on 21 November 2018.

The Company intends to use this authorization for future financing needs and other corporate purposes.

Authorization to Board of Directors to concluding a sale of assets (diagnostics/ mapping business)

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes the Board of Directors to decide, execute and conclude a sale (“Transaction”) of the Company’s business regarding Navigated Brain Stimulation (NBS) system for diagnostic applications, mainly pre-surgical mapping of the speech and motor cortices of the brain (“Diagnostics/ Mapping Business”), at a price accepted by the Board of Directors to a bona fide third party/parties (“Purchaser”). The assets to be transferred to the Purchaser in connection with such Transaction would include all intellectual property rights and other assets of the Diagnostics/ Mapping Business, the core technology that is common for the Company’s NBS system and its Navigated Brain Therapy (NBT) system and respective therapy business (the “Core Technology”) and some or all of the R&D personnel of the Company with related liabilities.

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The Board of Directors would also procure by mutual (or non-mutual) license agreements and other relevant agreements and arrangements, as resolved by the Board of Directors, that the Core Technology and other intellectual property rights and assets of the Company and R&D personnel contemplated to be transferred to such Purchaser may still be used by the remaining business of the Company (Therapy Business) to the extent which the Board of Directors considers sufficient.

For the sake of clarity, it is furthermore noted that the Board of Directors of the Company would approve that final main terms of the Transaction (including main terms for possible related license agreements and other relevant agreements and arrangements), and would authorize the management of the Company to negotiate all final terms of all relevant agreements.

As the contemplated Transaction would constitute a whole, the proposal of the Board of Directors in accordance with this item may only be approved as a whole and not in part.