



eQ Plc

## OPTION PROGRAM 2018

Based on the authorisation by the Annual General Meeting held on 28 March 2018, the Board of Directors of eQ Plc has decided on a new option program with a subscription price and to offer a maximum total of 2 000 000 option rights to key employees of the eQ Group, selected by the Board. These option rights entitle their holders to subscribe for a maximum total of 2 000 000 new shares in the company on the following terms and conditions:

### I. ISSUE OF OPTION RIGHTS

#### 1. Number of option rights

The option program 2018 consists of 2 000 000 option rights. The option rights entitle their holders to subscribe for 2 000 000 new shares in eQ Plc ("the Company") at the most.

#### 2. Directing option rights

The option rights will be offered for subscription in deviation from the shareholders' pre-emptive right in a manner determined by the Company's Board of Directors ("the Board") to key employees of the eQ Group (the "Group"). The option rights will be offered at a 30 per cent discount from the fair value defined using the Black & Scholes model, as specified further below.

The company has a weighty financial reason to issue option rights for subscription, since the option rights are used to encourage the option right recipients to work for increasing the shareholder value and improving eQ group's financial situation, as well as to encourage the option right recipients to act in the interest of eQ group in the long term. The discount included in the option subscription price is part of the option right recipient's variable compensation payable based on year 2018.

#### 3. Distribution of option rights

The Board decides on the offering of the option rights to be subscribed by the recipients. The Board also decides on the re-offer for subscription of the option rights that have been restored to the Company. The option rights shall be offered for subscription before the beginning of the share subscription period.

The Board shall notify the recipients of option rights in writing about the offer of option rights.

#### 4. The subscription and payment of option rights

The subscription period for the option rights begins on 26 October 2018 and ends on 30 November 2018. The option rights are issued when the Company receives from an option right holder the acceptance of the offer made by the Board, a signed subscription form, information on the number of options to be subscribed and an undertaking to comply with these terms. Each option right holder is entitled to subscribe for an amount less than the maximum amount provided, however, that each subscription shall be done in tranches of 25 000.

The subscription price of the option shall be paid to the Company by latest on 22 March 2019 in accordance with the instructions given by the Company. After this the Board decides upon a final confirmation of the subscriptions made in connection with the issuance of options.

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## **5. The subscription price of the options**

The subscription price for an option right is EUR 0.72 and it has been calculated with the fair value of the option right which has been derived using the Black & Scholes model. The subscription price for each option right includes a 30 per cent discount from the fair value of the option rights. The subscription price of the options shall be credited to the reserve for invested unrestricted equity in full. The 30 per cent discount from the fair value of the option right is calculated on the issuing date of 25 October 2018.

The amount of the discount shall be regarded as a part of the option right recipient's variable compensation. Thus, the Company allocates a part of the option right recipient's variable compensation as a discount given in connection with the issuance of options. The amount of the discount regarded as variable compensation is postponed in its entirety. The postponement period is three years and ends on 1 April 2022. The given discount is in its entirety taken into account in 2019 as the option right recipient's variable compensation payable based on year 2018.

The 30 per cent discount from the fair value defined in accordance with the Black & Scholes model is a non-recurring part of the variable compensation and does not have an impact on the possible remuneration payable to the recipient based on employment or service contract.

Option right recipients shall be liable for all taxes and tax-related consequences arising from receiving or exercising option rights.

## **6. Holding of option rights**

The Company shall not issue separate option certificates. The Board may later decide to issue option certificates. The Board may decide to transfer the option rights to the book-entry securities system.

The Company shall hold the subscribed and paid option rights on behalf of the option right holder until the beginning of the share subscription period.

## **7. Transfer of option rights**

Option rights, for which the share subscription period mentioned in section II.2. has not begun, may not be transferred to a third party or pledged, and no shares may be subscribed for with them. When the subscription period for an option series has begun, said option rights may be freely transferred. Notwithstanding the above, the Board may, however, give a written permission for the transfer of options rights at an earlier date.

If the option rights have not been transferred to the book-entry securities system, the holder of the option rights is obliged to inform the Company without delay in writing, if he or she transfers option rights. If the option rights are transferred to the book-entry securities system, the Company shall have the right to register transfer restrictions and other corresponding restrictions concerning the option rights to the holder's book-entry account, without the consent of the holder, and apply for the removal of an option right used for share subscription from the subscriber's book-entry account.

## **8. Forfeiture of option rights**

If the employment or management position of option right holder in the Company ceases before the beginning of subscription period defined in section II.2. for other reasons than (i) due to retirement, permanent disability to work or death or (ii) due to the Company terminating the employment or service

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contract in breach of the law or due to economic and production reasons, the Company or a third party appointed by the Company may unilaterally decide to purchase all options subscribed by the option holder (or its beneficiary), whose subscription period has not begun when the employment or service contract ceases. In such a situation shall the price for the options payable by the Company be the subscription price paid by the option holder. The option holder shall be obliged to sell the options to the Company in accordance with the decision of the Company. If the holder of the option rights does not return the option rights in such a situation within fourteen (14) days of the termination of the employment or service contract and payment of subscription price, the option rights shall be automatically returned to the Company.

If deemed necessary, the Company shall have the right to decrease the option right recipient's compensation amount by using risk based reduction and recovery arrangements in accordance with the rules governing compensation of investment service providers. Through these arrangements, the Company may decrease the amount of postponed variable compensation, in part or in full, before the end of the postponement period and beginning of the subscription period. In such a situation the option holder is refunded with the portion of the subscription price that corresponds to the option subscription price of those options the Board decides to decrease after the postponement period. The Company is entitled to decrease the option right recipient's compensation on a risk basis to a maximum equaling the amount of discount included in the subscription price of the option rights.

The Company may unilaterally decide to take away from the option right holder his or her option rights that have not been transferred or used for share subscription by paying the subscription price payable for the options, if the option right holder acts contrary to these terms and conditions or regulations issued by the Company based on these terms and conditions or contrary to applicable laws or regulations by authorities.

The Company shall inform the option right holder or any later holder in writing if he or she has lost the option rights and the Company has decided to purchase the options based on the aforementioned grounds. Such announcement or the failure to make such announcement does not, however, have an impact on the cancellation of the purchase right. If the option rights have been transferred to the book-entry securities system, the Company shall, in the aforementioned situations and having paid the subscription price, have the right to request the transfer of all option rights lost or purchased in the above described manner from the book-entry account of the option right recipient and to have them transferred to a book-entry account designated by the Company, without the consent of the option right recipient.

The option right recipient or any later holder is not entitled to receive, neither during employment or service nor after its termination, on any grounds any compensation in addition to the reimbursed subscription price for losing the option rights based on these terms and conditions.

## **II. SHARE SUBSCRIPTION TERMS AND CONDITIONS**

### **1. Right to subscribe for new shares**

Each option right entitles its holder to subscribe for one (1) new share in eQ Plc. As a result of the subscription, the number of the Company shares may increase by 2 000 000 new shares at the most.

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## **2. Share subscription and payment**

The share subscription period begins on 1 April 2022 and ends on 1 April 2024.

The Board has the right to restrict the subscription of the shares within the defined subscription period, for example, by setting a limited time frame for the share subscription, for instance, on the basis of insider trading information available to the option right holders.

Share subscriptions shall take place at the head office of the Company or possibly at another location informed by the Company later. Payment for the shares subscribed for with the option rights shall be made to the Company according to its instructions before the shares are issued. In connection with the subscription, the subscriber shall give to the Company any option certificate issued on the options, on the basis of which the subscription takes place. If the option rights have been transferred to the book-entry securities system, the option right used for share subscription is removed from the subscriber's book-entry account. The Company shall set out the procedure in connection with the share subscription and the payment of the shares.

## **3. Share subscription price**

The subscription price of an option right is EUR 7.88 per share. The subscription price of the shares shall be credited to the reserve for invested unrestricted equity in full.

The subscription price of a share subscribed for with an option right may be reduced in special cases mentioned in section II.7. The share subscription price shall, however, always amount to at least EUR 0.01.

## **4. Registration of shares and application for admission to public trading**

The Company shall approve the subscriptions four times a year, once in each quarter, and send the new shares to the Trade Register for registration without delay. The shares that have been subscribed for and fully paid are entered in the book-entry account of the subscriber, as they have been registered by the Trade Register.

The Company shall apply for the admission of the new shares for public trading, in the same type as the old shares of the Company immediately after their registration and as the other prerequisites for admission for public trading have been fulfilled.

## **5. Share rights**

The dividend rights of the new shares and the other shareholder rights shall commence when the shares have been registered.

## **6. Share issue and the issue of option and other special rights before share subscription**

If the Company, before the share subscription, decides on an issue of shares or an issue of new option rights or other special rights entitling to shares, the option right recipient or any later holder shall have the same right as, or an equal right to that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares to be subscribed, the subscription prices or both of these.

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## 7. Rights of option right holders in certain cases

- a) If the Company distributes dividends or funds from the non-restricted equity fund, the subscription price of the share subscribed for with the option right shall be reduced with the amount of the dividend decided on before the share subscription and the amount of the distributable non-restricted equity as per the dividend record date or the record date of the repayment of equity.
- b) If the Company reduces its share capital before the share subscription by distributing share capital to the shareholders, the subscription price of the share subscribed for with the option right shall be reduced with the amount of the share capital to be distributed, decided before the share subscription as per the record date of the repayment of share capital.
- c) If the Company is placed in liquidation before the share subscription, the option right recipient or any later holder shall be given the opportunity to exercise their right to share subscription, within a period determined by the Board, after which the right no longer exists. If the Company is deleted from the register before the share subscription, the option right holder shall have the same right, or an equal right to that of a shareholder.
- d) The repurchase or redemption of the Company's own shares or the purchase of option rights or other special rights entitling to shares does not have an impact on the rights of the option right recipient or any later holder. If the Company, however, decides to repurchase or redeem its own shares from all shareholders, the option right recipient or any later holder shall be made an equal offer.
- e) If the Company decides to merge with another company as a merging company or merge with a new company to be formed in a combination merger, or if the Company decides to be demerged, the option right recipient or any later holder shall be given the right to exercise all option rights held by them for share subscription or convert them to option rights issued by the another company in a manner determined by the Board of the Company and within a period of time determined by the Board before the merger or demerger. After such period, no subscription or conversion right shall exist. The procedure described in this section shall constitute an agreement on redemption right and/or the terms of redemption as set out in chapter 16 section 13 and chapter 17 section 13 of the Finnish Limited Liability Companies Act.
- f) If a party offers in public to purchase all shares and option and other special rights issued by the Company, or if an obligation to make a purchase offer on the shares and option or other special rights of the other shareholders of the Company arises for a shareholder, as set out in the Securities Markets Act, or if the right and obligation in accordance with chapter 18 section 1 of the Limited Liability Companies Act arises for a shareholder to redeem the shares of the other shareholders of the Company, the option right recipient or any later holder, notwithstanding section 1.5. above, transfer all option rights held by him or her to the party that has made the purchase offer or the party obliged or entitled to redemption. If the right to redeem the shares of the other shareholders of the Company arises for a shareholder, as set out in the Limited Liability Companies Act, the option right recipient or any later holder has the obligation, equal to the position of a shareholder, to transfer all the option rights to the shareholder exercising his or her redemption right. In all situations mentioned in this chapter, the Board may give the option right recipient or any later holder the opportunity to exercise his or her subscription right within a period determined by the Board, after which the subscription right no longer exists.
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g) If the quotation of the Company share at Nasdaq Helsinki Ltd is terminated before the end of the subscription period, the option right recipient or any later holder is given the opportunity to exercise his or her subscription right, within a period determined by the Board, before the quotation is terminated. After this the subscription right no longer exists.

### **III. OTHER TERMS**

#### **1. Applicable law and solving of disputes**

These terms and conditions shall be governed by the laws of Finland. Disputes arising in relation to the option rights shall be settled through arbitration, in accordance with the arbitration rules of The Arbitration Institute of the Finland Chamber of Commerce by one single arbitrator.

#### **2. Other matters**

The Board may decide on the transfer of the option rights to the book-entry securities system at a later date or on applying for the admission of the option rights for public trading and on the resulting technical amendments to these terms and conditions, as well as on other amendments and specifications to these terms and conditions, which are not considered essential. The Board shall decide on other matters related to the option rights. In all matters falling within the decision-making power of the Board, it may authorise the Managing Director to act on its behalf, as set out in the Finnish Limited Liability Companies Act.

The Company may keep a register of the option right recipients or any later holders, including the option right holders' personal data.

These terms and condition have been prepared in Finnish. In case of any discrepancy between the terms and conditions in Finnish and any possible translations, the terms and conditions in Finnish shall prevail.

The option rights shall not be regarded as salary or fringe benefit of the option right recipients. The option right recipients shall have no right to receive, during employment or service contract or thereafter, compensation on any grounds from the Company or a company belonging to the same Group in relation to the option rights. No benefit related to the option rights in accordance with this option program shall increase the option right holder's pension.

The Company may send all announcements related to this option program by mail or email or, if the options rights are subject to public trading at a stock exchange, the Company may issue the information in the form of stock exchange releases. The documents concerning the option rights shall be available at the Company's head office in Helsinki.

By receiving an option right, the option right recipient or any later holder undertakes to follow these terms and conditions, any other terms and conditions that the Company may issue as well as the regulations set out by law and other regulations by authorities.

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