

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

Board and Board Members:

The Shareholder's Nomination Board of Nexstim Plc, which has the representation from the largest shareholders, **proposes** to the Annual Shareholder's Meeting which will be held on 31 March 2020 that

- the General Meeting of Shareholders confirms that the number of members in the Board of Directors is to be four (4);
- The Board members are elected to serve for a term ending at the end of the next Annual General Meeting;
- Martin Forss, Tomas Holmberg, Leena Niemistö and Rohan Hoare shall continue as members of the Board of Directors in accordance with their consents;
- Leena Niemistö shall, in accordance with her consent, be elected as the Chairman of the Board of Directors for the above-mentioned period and Rohan Hoare as the Deputy Chairman.

Leena Niemistö is independent from the Company but not in respect of the shareholders of the Company as she holds a controlling majority in a company called Kaikarhenni Oy which holds 13.83% of all registered shares and votes in Nexstim. Other Board members are independent both from the Company and its shareholders.

The curriculum vitae of members of the Board of Directors are available at the Company's website <https://nexstim.com/investors/shareholder-meetings>.

It is the collective opinion of the Nomination Board that the proposed new member of the Board of Directors and the Board of Directors in its entirety are suitable for the assignment both collectively and individually and that Leena Niemistö is suitable for the position as Chairman of the Board of Directors.

Remuneration and travel expenses:

The Shareholder's Nomination Board 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 2021:

- EUR 36,000 for the Chairman of the Board of Directors;
- EUR 30,600 for a member who is resident in the United States;

- EUR 25,200 for a member who is non US resident.
- No Board member acting in the Nomination Board of the Shareholders shall receive any fees based on such membership.

A member of the Board of Directors shall be entitled to remuneration only for the period during which he is a member of the Board. According to the company's policy, the cash remuneration is paid in four installments.

Restricted Share Unit Plan and Allocation for Board Members

The **Nomination Board proposes** to the Annual General Meeting of Shareholders that the restricted share unit plan implemented first in 2016 shall be continued for one year for the fifth vesting period (2020- 2021) in respect of the elected members of the Board of Directors of Nexstim Plc on the terms and conditions of which can be found from www.nexstim.com.

The aim of the plan is to commit the participants to the Company, align the objectives of shareholders and participants thereby increasing the value of the Company and to offer the participants a reward plan based on receiving and accumulating the Company's shares.

The **Nomination Board proposes** that the target group of the plan will be those members of the Board of Directors who are independent of the Company. Such member is however not required to be independent from the shareholders of the Company. The Nomination Board proposes that the reward allocations in 2020 will be determined as a Euro value.

Allocation for Board Members for the Vesting Period 2020—2021

The **Nomination Board proposes** that for a Board member, the gross value of the reward for the vesting period 2020—2021 will be as follows:

For Chairman: 24 000 €

For a US member: 20 400 €

For a non US member: 16 800 €

The granted reward will be converted into restricted share units at the beginning of the vesting period in 2020. The conversion of the granted reward into restricted share units will be based on the trade volume weighted average quotation of the Company's share on Nasdaq Helsinki Ltd during the 20 trading days following the release date of the Company's Annual Accounts of the year 2019. In the plan, one restricted share unit corresponds to one Company share. The

value of the payable reward will be determined on the basis of the share price on the book-entry registration date of the paid shares.

The **Nomination Board 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 in 2021. The Company will withhold taxes and employment related expenses from the cash proportion of the reward as per the law in force. Should a Board Member cease to be a member of the Board before the end of a vesting period, no reward will be paid to him on that basis.

Ownership Recommendation

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

The **Nomination Board proposes**, that the new members of the Board of Directors elected by the Extraordinary General Meeting of the Company on November 11, 2019 shall be paid half of the amount stipulated in the restricted share unit plan in Company's shares for their contribution during 2019-2020. As a result, Leena Niemistö and Martin Forss would each be issued, without payment, shares of the Company at a value of € 6,250, calculated using the formula stated in the restricted share unit plan.

Travelling expenses

Shareholder's Nomination Board proposes that reasonable travel expenses are reimbursed against receipts to the members of the Board, following the principles of the Company's Travel Policy. This applies both to members of the Board of Directors and, to the extent applicable, Board members acting as members of the Nomination Board of the Shareholders.

Amendment of the charter for the nomination Board of shareholders

The Nomination Board proposes that the first paragraph of Section 2 of the Charter for the Nomination Board of Shareholders is amended as follows (amendments in bold letters):

“The Nomination Board of Shareholders shall consist of **3-4** members, 3 of which shall be appointed by the Company's three largest shareholders who shall appoint one member each. The Chairman of the Company's Board of Directors **may** act as a fourth member of the Nomination Board. **If the Chairman of the**

Company’s Board of Directors is entitled to a membership of Nomination Board based on his/her ownership, or if he is appointed to the Nomination Board by a shareholder, the Nomination Board can consist of three members. The member appointed by the largest shareholder shall be the Chairman of the Nomination Board. Nomination Board’s members shall be elected annually and their term of office shall end when new members are elected to replace them.”