

# **PROPOSALS OF NEXSTIM CORPORATION'S BOARD OF DIRECTORS AND THE NOMINATION BOARD TO THE ANNUAL GENERAL MEETING TO BE HELD ON 11 MAY 2021**

## **LOSS OF THE FINANCIAL YEAR**

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial period 1 Jan – 31 Dec 2020 and that the loss for the financial year be recorded in the loss account.

## **RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS**

The Nomination Board of Shareholders representing the largest shareholders proposes to the Annual General Meeting that the Board shall have four members.

## **ELECTION OF THE CHAIR AND THE MEMBERS OF THE BOARD OF DIRECTORS**

The Nomination Board proposes to the Annual General Meeting that:

- in accordance with their consents to serving on the Board, Mr. Martin Forss and Ms. Leena Niemistö shall be re-elected as members of the Board and Mr. Tero Weckroth and Mr. Timo Hildén shall be elected as new members of the Board.
- Leena Niemistö is elected as Chairman of the Board.

Leena Niemistö is independent of the Company but not independent of Company's major shareholders due to the fact that she together with Kaikarhenni Oy, a company controlled by Ms. Niemistö, together hold approximately 15,3% (on 8<sup>th</sup> of April, 2021) of all registered shares and voting rights of the Company. Other proposed members of the Board are independent of the Company and its major shareholders.

The biographies of proposed new Board members are visible in the Company's website at <https://nexstim.com/investors/shareholder-meetings>.

The Nomination Board agrees that proposed new Board members and the entire Board are suitable for the proposed roles individually and collectively, and Leena Niemistö is suitable to act as the Chairman of the Board.

## **RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND REIMBURSEMENT OF TRAVEL EXPENSES**

The Nomination Board of Shareholders proposes to the Annual General Meeting that the members of the Board of Directors chosen in the Annual General Meeting be remunerated for the period ending at the end of the 2022 Annual General Meeting as follows:

- €36,000 for the Chairman of the Board;
- €25,200 for other members of the Board; and
- No member of the Board of Directors serving in the Nomination Board of Shareholders will be remunerated for their duties on the Nomination Board of Shareholders. a member of the Board of Directors be entitled to remuneration only for the period during which they are a member of the Board of Directors.

According to the company's policy, the cash remuneration is paid in four instalments.

#### Restricted Share Unit Plan and Allocation for Board Members

The Nomination proposes to the Annual General Meeting that

- the restricted share unit plan implemented first in 2016 be continued for one year for the sixth vesting period (2021–2022) with respect to the elected members of the Board of Directors of Nexstim Plc on the terms and conditions, which can be found at [www.nexstim.com](http://www.nexstim.com)
- the target group of the plan be those members of the Board of Directors who are independent of the company. Such a member is, however, not required to be independent of the shareholders of the company
- the rewards allocations in 2021 will be determined as a Euro value

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

#### Allocation for Board Members for the Vesting Period 2021–2022

The Nomination Board proposes to the Annual General Meeting that:

- for a Board member, the gross value of the compensation for the vesting period 2021–2022 will be as follows:
  - for the chairman of the Board of Directors: €24,000
  - for a member: €16,800

The granted compensation will be converted into restricted share units at the beginning of the vesting period in 2021. 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 twenty (20) trading days following the release date of the company's Annual Accounts of the year 2020. In the plan, one restricted share unit corresponds to one company share. The value of the payable compensation 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 the compensations pursuant to the plan be paid to the Board Members in the company's shares within one month of the Annual General Meeting of Shareholders in 2022. Should a Board Member cease to be a member of the Board before the end of a vesting period, no compensation will be paid on that basis.

The company will withhold taxes and employment-related expenses from the cash proportion of the compensation as per applicable law.

#### Ownership recommendation

The Nomination Board of Shareholders proposes that the Annual General Meeting advise the members of the Board to hold the shares paid as compensation as long as their mandate as a member of the Board continues.

#### Travel expenses

In addition, the Nomination Board proposes that reasonable travel expenses be 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 Shareholders.

### **ELECTION OF AUDITOR**

The Board of Directors proposes that PricewaterhouseCoopers Oy, Authorised Public Accountants, which has appointed Authorised Public Accountant Enel Sintonen as the principal auditor, be elected as the Company's auditor for the period ending at the end of the next Annual General Meeting. The proposed auditor has given their consent to the election.

### **RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

The Board of Directors proposes that the auditor be paid reasonable remuneration in accordance with the invoice approved by the Company.

### **REDUCING THE QUANTITY OF COMPANY'S SHARES BY WAY OF ISSUING NEW COMPANY SHARES AND BY REDEMPTION OF COMPANY'S OWN SHARES**

The Board of Directors of Company proposes to the Annual General Meeting that the Annual General Meeting resolve on the reduction of the quantity of Company's shares without reducing share capital by way of issuing new shares and by redemption of Company's own shares, in such way that each current one hundred shares of the Company correspond to one share of the Company after the completion of the arrangements related to the reduction of the quantity of Company's shares. Prior to the reduction of the quantity of Company's shares, the total number of shares in the company is 663 639 370.

The purpose of the reduction of the quantity of Company's shares is to increase the value of a single share and thus to improve the trade conditions of the shares and the reliability of the price formation of the shares. Thus, the Board of Directors considers that there is a particularly weighty financial reason for the Company to reduce the quantity of Company's shares. This arrangement shall not affect the equity of the Company.

**With respect to shareholders registered on the Transaction Day (as defined below) in the shareholders' register of Nexstim maintained by Euroclear Finland Ltd, the reduction of the quantity of shares shall be carried out as follows:**

It is proposed that the reduction of the quantity of Company's shares be carried out so that the Company on 14 May 2021 (the "**Transaction Day**") issue new Company shares to each such shareholder of the Company without consideration so that the number of all shares per book-entry accounts owned by the shareholders of the Company are divisible by the number 100. The maximum quantity of the Company's own shares transferred by the Company shall be 100-1 shares multiplied by the number of such book-entry accounts on the Transaction Day, on which the Company's shares are held, and which are owned by the shareholders of the Company. Based on the Board of Director's estimate on the number of Company's shareholders of Nexstim on the date of this proposal, it is proposed that the maximum amount of new shares issued by the Company in the share issue to such shareholders be 1,000,000 ( ) new shares of the Company (calculated maximum number of shares in case each of the 10 000 shareholders will require full increase). The Board of Directors of the Company is entitled to resolve on all other matters related to the issuance of shares without consideration

On the Transaction Day, at the same time with the aforementioned issue of the Company's new shares, the Company shall redeem without consideration a number of shares from each such shareholder of the Company. The number of shares to be redeemed by the Company will be determined according to the redemption ratio of 100/1 based on the ownership of such shareholders on the Transaction Day. In other words, for every 100 shares of the Company, 100-1 Company shares shall be redeemed. The Board of Directors of the Company shall be entitled to resolve on all other matters related to the redemption of shares.

The Company's shares, which are redeemed in connection with the reduction of the quantity of Company's shares, shall be annulled immediately following the redemption by a resolution of the Board of Directors of the Company. The reduction of the quantity of the Company's shares shall be carried out in the book-entry system at the end of trading day on Nasdaq Helsinki on 14 May 2021, i.e., on the Transaction Day (i.e., on the record day). The annulment of the shares and the Company's new total number of shares are entered in the trade register by 17 May 2021. Trading with the Company's new total number of shares on Nasdaq Helsinki with new ISIN code will begin approximately on 17 May 2021, on which date the reduced number of shares will also appear on each book entry account of the shareholders registered in the shareholders' register of Nexstim maintained by Euroclear Finland Ltd.

**With respect to shareholders with shares registered in a) Euroclear Sweden AB's Securities System (whether registered in the name of or a nominee or directly of the shareholder) and b) holders of nominee registered shares registered in Euroclear Finland Ltd's Book-entry System, the reduction of the quantity of shares shall be carried out as follows:**

For the purposes of execution of the reduction of the number of shares, the Board of Directors also proposes that the Annual General Meeting of shareholders pass the resolution on the issuance of a maximum of 350,000 new shares to the Company itself without payment. The directed share issue is connected to the completion of the reduction of the number of shares and justified by the reasons set forth above in this section. For the sake of clarity, the number of shares to be issued to the Company itself is calculated based on the number of shares prior to the reduction in the Company, and not the number of the reduced shares.

The shares issued to the Company itself are to be re-issued, i.e., transferred from the Company without consideration to such shareholders (the "**Receiving Shareholders**") holding on the Record Day (as defined below) a) shares registered in Euroclear Sweden AB's Securities System, whether registered in the name of or a nominee or directly of the Shareholder, or b) nominee-registered shares registered in Euroclear Finland Ltd's Book-entry System, the amount of which (a or b) is not divisible by 100, to the extent required by their shareholding in the Company being divisible by the number 100. The Board of Directors is hereby authorised to pass a resolution on transfer of such shares from the Company to the Receiving Shareholders as well as to decide on the terms related to such share issue(s)/transfers.

In connection with the redemption of the Company's shares held by shareholders registered in the shareholders' register of Nexstim maintained by Euroclear Finland Ltd, the Company will also redeem without consideration a number of shares from each Receiving Shareholder. The number of shares to be redeemed by the Company will be determined according to the redemption

ratio of 100/1 based on ownership of the Company's shares by the Receiving Shareholders on the Transaction Day (according to share and shareholder information available with Euroclear Finland Oy) to execute the reduction of the number of shares, and such number(s) of reduced shares (per each Receiving Shareholder) are then adjusted, if needed, by the abovementioned transfer of shares to the Receiving Shareholders based on their actual ownership of the Company's shares on the Record Day (as defined below). The Board of Directors of the Company shall be entitled to resolve on all other matters related to the redemptions of shares.

The Company's shares, which are redeemed in connection with the reduction of the quantity of the Company's shares, shall be annulled immediately following the redemption by a resolution of the Board of Directors of the Company.

The shares issued to the Company itself will be registered in the trade register by 17<sup>th</sup> of May 2021. Trading with the Company's new total number of shares on Nasdaq Stockholm (and Nasdaq Helsinki) with new ISIN code will begin approximately on 17<sup>th</sup> of May 2021 ("**Trading Day**"). The record day (the "**Record Day**") for the reduction of the quantity of Company's shares shall be a) with respect to shares registered in Euroclear Sweden AB's Securities System (whether registered in the name of or a nominee or directly of the shareholder) 18<sup>th</sup> of May 2021 and b) with respect to nominee-registered shares registered in Euroclear Finland Ltd's Book-entry System 14<sup>th</sup> of May 2021. The transfers of shares from the Company to the Receiving Shareholders required for the final adjustments of their number of shares (after reduction) are expected to take place and be recorded in book-entry accounts at the latest on 17<sup>th</sup> May 2021 in Sweden and 19<sup>th</sup> May 2021 in Finland.

Any own shares in the possession of the Company after transactions with the Receiving Shareholders will be annulled. The arrangement, if it is realised, will not require the shareholders to take any action. No part of the arrangement shall be carried out unless all the other parts of the arrangement are carried out as well.

If necessary, the trading with the Company's share on Nasdaq Helsinki or Nasdaq Stockholm shall be temporarily interrupted in order to perform the necessary technical measures in the trading facility after the Transaction Day.

If the proposal of the Board of Directors is accepted as set forth above, it was noted that the authorised maximum amount of shares that may be issued under all outstanding authorisations (whether as new or existing shares or option rights or other rights to shares) shall also be divisible in accordance with the above-mentioned principle.

**AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON ISSUANCE OF SHARES AS WELL AS ISSUANCE OF OPTION RIGHTS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorised to decide on (i) the issuance of new shares and/or (ii) the transfer of the Company's own shares and/or (iii) the issuance of special rights referred to in Chapter 10, Section 1 of the Companies Act with the following terms:

Right to shares:

New shares may be issued and the Company's own shares transferred

- to the Company's shareholders in proportion to their current shareholdings in the Company; or
- deviating from the shareholders' pre-emptive right through one or more directed share issue, if the Company has a weighty financial reason to do so, such as the use of shares as consideration for possible acquisitions or other arrangements related to the company's business (including the arrangement described in section 15 above regarding the reducing of the quantity of the Company's shares), financing of investments.

The new shares can also be issued to the Company itself free of charge. Share issue against payment and without payment: New shares may be issued and treasury shares held by the Company may be transferred either against payment (Share issue against payment) or free of charge (Share issue without payment). A directed share issue can only be without payment if there is a particularly weighty financial reason for it from the Company's point of view and taking into account the interests of all its shareholders.

The maximum number of shares:

Pursuant to the authorisation, the Board of Directors is entitled to decide on the issuance of new shares and/or the transfer of the Company's own shares so that the total number of issued and/or transferred shares does not exceed 130,000,000, when the current number of the Company's registered shares is 663 639 370, if the proposals set forth in section 15 are not approved. If the proposals set forth in section 15 are approved, the authorization will be adjusted correspondingly.

Issuance of special rights:

The Board of Directors may issue special rights referred to in Chapter 10, Section 1 of the Companies Act, which entitle the holder to receive new shares or the Company's own shares in against payment. The right may also be granted to the Company's creditor in such a way that the right is subject to the condition that the creditor's claim be used to set off the share subscription price (convertible bond).

The number of new shares to be subscribed to under the special rights granted by the Company and the number of treasury shares to be transferred held by the Company may not exceed a total of 130,000,000, which is included in the maximum number mentioned in the “Maximum number of shares” -section above. Subject to approval of proposals in this section 15 the authorization shall be changed correspondingly.

Recording of the subscription price in the balance sheet:

The subscription price of the new shares and the amount to be paid for the Company's own shares must be entered in the invested unrestricted equity fund.

Other terms and validity:

The Board of Directors decides on all other matters related to the authorisations.

The authorisations are valid for eighteen (18) months from the decision of the Annual General Meeting. The proposed authorisation does not invalidate prior resolved and registered authorisations made by the General Meeting of Shareholders regarding share issue, issuing of option rights and other special rights entitling to shares.

#### **AUTHORISATION INTENDED TO BE USED FOR THE BOARD'S RSU PLAN AND FOR THE LONG-TERM INCENTIVE PLANS FOR THE MANAGEMENT AND THE PERSONNEL OF THE COMPANY**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorised to decide on (i) the issuance of new shares and/or (ii) the transfer of the Company's own shares and/or (iii) the issuance of special rights referred to in Chapter 10, Section 1 of the Companies Act with the following terms:

The shares issued under the authorisation are new or those in the Company's possession. Based on and within the limits of this authorisation, the Board of Directors can also decide on issuance(s) of option rights or other special rights set forth in Chapter 10 the Companies Act complementing or replacing issuance(s) of shares.

The new shares can also be issued to the Company itself free of charge. Share issue against payment and without payment: New shares may be issued, and treasury shares held by the Company may be transferred either against payment (Share issue against payment) or free of charge (Share issue without payment). A directed share issue can only be without payment if there is a

particularly weighty financial reason for it from the Company's point of view and taking into account the interests of all its shareholders.

Under the authorisation, a maximum of 5 500 000 shares may be issued, which corresponds to approximately 0,82% percent of all the shares in the Company after the share issue, provided that new shares are issued, considering all registered shares of the Company. Subject to approval of proposals in this section 15 the authorization shall be changed correspondingly

The shares, option rights and/or other special rights entitling to shares can be issued in one or more tranches.

The Board of Directors is authorised to resolve on all terms for the share issues and the terms for the granting of the option rights and other special rights entitling to shares. The Board of Directors is authorised to resolve on a directed share issue and issue of 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.

The authorisation is valid for five (5) years from the decision of the Annual General Meeting of Shareholders. The authorisation may be used for the implementation of the RSU plan for the members of the Board of Director's and for the long-term incentive plans for the management and the personnel of the Company. The authorisation can also be used for incentive arrangements and payment of the Board fees.

The proposed authorisation does not invalidate prior resolved and registered authorisations made by the General Meeting of Shareholders regarding share issue, issuing of option rights and other special rights entitling to shares.

Helsinki 15 April 2021

**NEXSTIM PLC**

Board of Directors