

STOCK OPTION TERMS AND CONDITIONS

MODULIGHT CORPORATION

TERMS AND CONDITIONS OF STOCK OPTIONS 2023

The Board of Directors of Modulight Corporation (hereafter “**Modulight**” or the “**Company**”) decided on 12 May 2023, based on the authorisation granted by the Annual General Meeting of Modulight on 2 May 2023, on the issuance of stock options in accordance with these terms and conditions (the “**Resolution**”).

1 SUBSCRIPTION OF STOCK OPTIONS

1.1 Number of stock options

- 1.1.1 A maximum total 500,000 stock options may be granted by one or several resolutions, and they entitle their holders to subscribe the maximum total of 500,000 new shares or treasury shares of the Company (the “**Share**”). The Board of Directors decides whether the subscriber will be granted new Shares or treasury Shares.
- 1.1.2 The stock options will be marked with the symbol 2023 Options.

1.2 Subscription right and subscribing for stock options

- 1.2.1 The stock options are offered gratuitously to key persons of the Company (hereinafter the “**Key Person(s)**” or “**Option Holder(s)**”) for subscription in deviation from the shareholders’ pre-emptive subscription rights as indicated in the Resolution. Deviation from the pre-emptive subscription right of shareholders and the gratuitous offering of stock options form part of the Company’s incentive and commitment programme for key employees, which constitutes a weighty financial reason for the Company.
- 1.2.2 The subscription period of the stock options is indicated in the Resolution. The Board of Directors will send a written notice to the persons who will be offered stock options. Stock options will be issued on the date determined by the Board of Directors when either the stock option recipients have accepted the offer of the Board of Directors or the deadline for responding to the offer has passed. No option certificates pursuant to Chapter 3, Section 12(2) of the Finnish Companies Act will be given of the stock options.
- 1.2.3 The purpose of the issuance of stock options is to commit Key Persons to the Company’s economic growth and the value creation of the Company’s share as well as to create a long-term relationship between the Company and the Key Persons that is both financially and functionally beneficial for the Company. There is thus a weighty financial reason for the Company to deviate from the pre-emptive subscription rights of the shareholders.
- 1.2.4 Offering of the stock options to Key Persons located outside Finland may be restricted or additional terms and conditions may be applied to their distribution pursuant to local legislation and other regulations.
- 1.2.5 If stock options are later incorporated into the book-entry securities system, the Option Holder authorises the Company to register the subscribed stock options on the book-entry account provided by the Option Holder.
- 1.2.6 The subscription of the stock options is gratuitous.

2 SHARE SUBSCRIPTION AND CERTAIN RIGHTS OF THE OPTION HOLDER

2.1 Subscription period of new Shares

- 2.1.1 Each stock option entitles the Option Holder to subscribe for one (1) new or treasury Share of the Company.
- 2.1.2 The option scheme will be carried out over a period of four years. The right to subscribe for Shares will vest in three tranches as described below. Each Key Person may use the received stock options to subscribe for Shares as follows:
- 20% of the stock options may be used for the subscription of Shares after two years have passed since the end of the year of receipt of the options;
 - 30% of the stock options may be used for the subscription of Shares after three years have passed since the end of the year of receipt of the options; and
 - 50% of the stock options may be used for the subscription of Shares after four years have passed since the end of the year of receipt of the options.
- 2.1.3 The Board of Directors has the right to bring the beginning of the subscription period forward.
- 2.1.4 The subscription period of all stock options ends on 31 December 2028.
- 2.1.5 If the last day of the subscription period of the Shares is not a banking day, the subscription can be made on the first banking day following the last day of the subscription period.

2.2 Share subscription and subscription price

- 2.2.1 The subscription of Shares takes place at the Company's head office or another place later announced by the Company's Board of Directors. The Shares must be paid on the Company's bank account upon subscription or at another time determined by the Company's Board of Directors. The Board of Directors will decide on any required actions related to the share subscription.
- 2.2.2 The subscription price per Share corresponds to the trading volume weighted average price of the Company's share on the Nasdaq First North Growth Market Finland marketplace during the 30 days preceding the Resolution, EUR 2.43 per share.
- 2.2.3 The shares of the Company have no nominal value. The subscription price of the Shares shall be entered in full in the Company's invested unrestricted equity fund.

2.3 Registration of the Shares

- 2.3.1 The Board of Directors of the Company will arrange for the registration of the new Shares subscribed for without delay after the Shares have been subscribed for on the basis of the stock options.
- 2.3.2 Shares subscribed for and fully paid in accordance with the terms and conditions of this option scheme and with other terms possibly set out by the Board of Directors will be registered on the subscriber's book-entry account.

2.4 Shareholder rights

- 2.4.1 The new Shares entitle their holders to dividend and other shareholder rights as of the day on which the Shares have been entered in the Trade Register.
- 2.4.2 In the event that a subscriber is provided with treasury Shares, the subscriber is entitled to dividend and other shareholder rights once the Shares have been registered in the subscriber's book-entry account.

2.5 Option Holder's rights in certain special cases

- 2.5.1 If the Company before share subscription issues new shares, stock options or other special rights either in deviation from or in accordance with the pre-emptive subscription rights of the shareholders, the Option Holder does not have the pre-emptive right to participate in such share issues or issues of stock options or other special rights and such issuances do not affect the subscription price of the Shares or other terms and conditions of the stock options.
- 2.5.2 If the Company before share subscription distributes dividends or assets from the invested unrestricted equity fund or reduces its share capital by distributing share capital to shareholders, this does not affect the subscription price of the Shares or other terms and conditions of the stock options.
- 2.5.3 If the Company acquires or redeems treasury shares or special rights referred to in Chapter 10 of the Limited Liability Companies Act in accordance with Chapters 3 or 15 of the Limited Liability Companies Act, this does not require the Company to take any measures concerning the stock options (or Option Holders) nor affect the terms and conditions of the stock options.
- 2.5.4 If the Company before the share subscription decides to merge with another company as the company being acquired or into a company formed in a combination merger or if the Company decides to demerge completely, the Option Holders will be granted the right to subscribe for the Company's Shares during a time period determined by the Company's Board of Directors before the implementation of the merger or demerger is registered. The subscription right ceases to exist thereafter. The Company's Board of Directors will decide how a partial demerger will affect the stock options. In the above-mentioned situations, the Option Holders are not entitled to demand the Company to redeem their stock options at fair value.
- 2.5.5 If, before share subscription, a Company shareholder's proportion of the shares and votes in the Company exceeds 90 per cent and this triggers the shareholder's redemption right and obligation referred to in Chapter 18(1) of the Limited Liability Companies Act, the Option Holders have the right to subscribe for Shares in the Company during a time period determined by the Company's Board of Directors, notwithstanding provisions on the subscription period and otherwise in accordance with these terms and conditions. The subscription right ceases to exist thereafter.
- 2.5.6 If the Company is placed in liquidation before the share subscription, the Option Holders will be reserved the opportunity to exercise their subscription rights during a time period determined by the Company's Board of Directors before the liquidation. The subscription right ceases to exist thereafter. If the Company is removed from the Trade Register before the beginning of the Share subscription period, the Option Holder is reserved an opportunity to exercise their subscription right during a time period determined by the Company's Board of Directors, after which the subscription right will expire.

3 OTHER PROVISIONS

3.1 Prohibition of transfer and pledging of stock options

- 3.1.1 The Company will hold the stock options on behalf of the Option Holders until the beginning of the subscription period of the Shares. The stock options and the right to subscribe for stock options are personal, and rights related to them cannot be transferred or pledged.
- 3.1.1 The Board of Directors of the Company may for exceptional reasons allow an exemption, i.e. decide or agree on that the stock options can be transferred or pledged insofar as the stock options entitle their holders to share subscription.

3.2 Termination of the service contract

- 3.2.1 If the employment or service contract (hereinafter the "**Service Contract**") of a Key Person with the Company ends for any reason, the Key Person will retain their right to the share subscriptions that they would have been entitled to make upon the termination of the Service

Contract. Any stock options with respect to which the share subscription period has not commenced by the end of the Service Contract will be cancelled automatically without any reimbursement.

- 3.2.2 The Company's Board of Directors may for exceptional reasons allow an exemption, i.e. also decide or agree on that the stock options will not be cancelled in full or in part.

3.3 Incorporation of stock options into a book-entry system

- 3.3.1 The Board of Directors may decide to incorporate the 2023 Options into a book-entry system. If the stock options are incorporated into the book-entry system, the Company will be entitled to apply for the transfer of and have all forfeited stock options transferred from the Option Holder's book-entry account to a book-entry account designated by the Company without the consent of the Option Holder.
- 3.3.2 In addition, the Company will be entitled to register transfer restrictions and other comparable restrictions concerning the stock options in the Option Holder's book-entry account without the consent of the Option Holder. Option Holders are not entitled, on any grounds, to receive compensation for the forfeiture of their stock options pursuant to these terms and conditions during their employment or service relationship or after the termination thereof.

3.4 Dispute resolution

- 3.4.1 These terms and conditions are governed by the laws of Finland. Any dispute, controversy or claim arising out of or in connection with the stock options shall be settled by arbitration by one arbitrator in accordance with the Finnish Arbitration Act. The seat of arbitration shall be Helsinki, Finland, and the language of the arbitration shall be Finnish. The Arbitration Institute of the Finland Chamber of Commerce appoints the arbitrator.

3.5 Other matters

- 3.5.1 Documents concerning the stock options are available in the Company's headquarters.
- 3.5.2 The Board of Directors may later decide to amend these terms and conditions to the extent technical adjustments are required to enter the stock options into the book-entry system or make other than material alterations or clarifications. The Board of Directors may also decide on other issues relating to the stock options and give binding instructions to the Option Holders.
- 3.5.3 The Company is entitled to remove any stock options that have not been transferred or used for subscription from the Option Holder without compensation in the event that the Option Holder breaches these terms and conditions or any instructions given by the Company based on these terms or the applicable laws or orders issued by public authorities.
- 3.5.4 No benefit related to the option rights in accordance with this option program shall increase the option right holder's pension.
- 3.5.5 The Company may maintain a register of the Option Holders in which the Option Holders' personal data is recorded. The Option Holder authorises the Company or an entity appointed by the Company to control and process the personal data recorded in the register. The Option Holder is entitled to request the Company to provide the Option Holder with access to the personal data concerning the holder.
- 3.5.6 The Company may send all announcements regarding the stock options to the Option Holders by email.