**QT GROUP PLC**

**TERMS AND CONDITIONS FOR THE PERFORMANCE SHARE PLAN 2022—2024**

The Board of Directors of Qt Group Plc (the **Board**) has at its meeting on 16 February 2022 resolved to implement a performance share plan (the **Plan**) on the following terms and conditions:

**1. Objectives of Plan**

The Plan shall be established to form part of the incentive and reward program directed to the key employees of Qt Group Plc (the **Company**) and its subsidiaries (jointly, the **Group**). The objective of the plan is to align the interests of the Company’s shareholders and selected key employees in order to steer them toward increasing the equity value of the Company. The Plan offers these key employees a competitive reward plan based on earning and accumulating the Company’s shares as reward for excellent performance and commitment to the Company.

**2. Performance Period**

The Plan includes one (1) three (3) year performance period, on the basis of which the key employees may earn the Company´s shares (**Share/s**) as reward in accordance with Board established performance requirements.

The performance period of the Plan shall begin on 1 January 2022 and shall end on 31 December 2024 (the **Performance Period**). The Board may resolve on the commencement and details of new potential Performance Periods, at its discretion, respectively.

Should the Company’s financial year change before the end of the Performance Period, the Board shall be entitled to adjust the Performance Period accordingly.

**3. Target Group**

The Group key employees, as determined by the Board for the Performance Period shall belong to the target group of the Plan (**Participant/s**). A Participant must be employed by or in the service of a company belonging to the Group (**Group Company**). Belonging to the target group of the Plan does not affect other employment or service terms. The reward to be paid out on the basis of the Plan shall not constitute a part of the terms and conditions of employment, service or compensation.

During the Performance Period, the Board may resolve upon including new Participants in the Plan and upon their maximum rewards so that the amount of the maximum reward is in equal proportion to the duration of the employment or service during the Performance Period, or in another manner at the Board’s discretion.

During the Performance Period, the Board may, at its sole discretion, resolve upon excluding a Participant from the Plan, with immediate effect, due to the Participant’s misconduct.

**4. Maximum Reward**

The Plan offers the Participants a possibility to earn Shares as reward for achieving the required performance levels as set by the Board for the elected performance criteria for the Performance Period.

The Board shall determine the amount of maximum reward for each Participant separately (**Maximum Reward**). The Maximum Reward shall be denominated as a gross number of Shares before the deduction of any applicable taxes. A Participant shall be notified on his or her Maximum Reward as soon as practicable after the Board has resolved upon it.

**5. Performance Criterion**

The performance criterion for the Performance Period is the Group revenue in 2024. The Board has set a threshold, target and a maximum required performance level for the Group revenue (the **Performance Requirement**), as defined in the following table. Reward shall be paid out linearly between the given points.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Threshold** | **Target** | **Maximum** |
| Revenue 2024 | 240 MEUR | 300 MEUR | 360 MEUR |
| Payout % of max reward | 0 % | 50 % | 100 % |

In order to maintain Plan fairness and consistency, the Board shall be entitled to adjust the Performance Requirement in case of material events during the Performance Period. This kind of event may be e.g. an acquisition where more than 20% of the purchase price will be payable with Company shares, a divestment, a considerable investment, an incidental capital gain or loss or any other circumstance that could not be considered upon election of performance criteria but has a material impact on the Performance Requirement. For clarity, revenue generated through any acquisitions where maximum of 20% of the purchase price of the acquired target will be payable with Company shares shall be included in the Performance Requirement and does not give rise to any adjustments of the Performance Requirement.

**6. Reward**

**6.1. Reward Determination and Confirmation**

The amount of the gross reward earned from the Performance Period shall be determined on the basis of the achievement of the Performance Requirement. The Board shall confirm the amount of earned gross reward (**Confirmed Reward**) as soon as practicable after the end of the Performance Period, and in any event on 15 March 2025, at the latest.

If the number of Shares is not an integer, it shall be rounded upwards to the nearest integer if the fraction of the amount equals or exceeds 0.5, and rounded downwards to the nearest integer in all other cases.

**6.2. Taxes**

The Confirmed Reward from the Performance Period shall mean a gross number of Shares before taxes. Taxes to be withheld in connection with the reward payment shall, in accordance with the legislation in force, include

* statutory income tax accordant with the applicable income tax rate,
* transfer tax, and
* any other applicable taxes and employment related expenses (all aforementioned jointly, **Tax/Taxes**).

The payable reward shall consist of a net number of Shares, remaining after the deduction of a cash proportion that is required for covering the Taxes due to the Confirmed Reward (**Net Shares**). In those countries where the Company has an obligation to withhold Taxes arising from the reward to a Participant, the Company shall withhold and pay Taxes from the cash proportion of the reward according to law in force.

The Company shall determine the ratio between the Share proportion and cash proportion, e.g. on country-specific, individual or personnel group basis.

Despite any withholding of Taxes by the Company, each Participant shall, in his or her own personal taxation, be personally liable for any final and residual Tax payable based on the reward in accordance with the applicable laws.

The reward shall not be regarded as pensionable salary and it shall not result in pension accrual unless otherwise required by mandatory provisions of law in an individual country in which a Participant resides.

**6.3. Reward Payment**

The reward from the Plan shall be paid to the Participants as soon as practicable after the end of the Performance Period, and in any event on 15 March 2025, at the latest.

The Net Shares shall be registered on a Participant’s Finnish book-entry account. The value of the Net Shares and the cash proportion shall be determined on the basis of the Share price on the book-entry registration date of the Net Shares. The Share price shall be the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd. of the exchange transactions closed on the book-entry registration date of the Net Shares. If the book-entry registration date is not a trading day or if the Share has not been traded on the book-entry registration date, the Share price shall be the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd. of the exchange transactions closed on the date nearest preceding the book-entry registration date of the Net Shares.

**6.4. General Reward Payment Clauses**

The right to reward is personal, and the reward shall only be paid to a Participant. The right to reward may not be sold, transferred, pledged or otherwise assigned. Upon death, any reward payable on the basis of these terms and conditions shall be paid to the estate or heir or beneficiary of the Participant.

Upon reward payment, the Board shall have the right to resolve that the Company pays the reward fully or partly in cash, on the basis of the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd. of the calendar month preceding the reward payment date.

**6.5. Adjusting Reward, Postponing of Reward Payment and Clawback of Reward**

The Board may, for special reasons, adjust the reward up or down based on outstanding or exceptional contribution or performance on the part of a Participant.

The Board shall have the right to reduce the rewards agreed in the Plan or postpone the reward payment to a later date that better suits the Company, if e.g. changes that are beyond the Company’s control or other circumstances might lead to a harmful or unreasonable outcome for the Company or an individual Participant, while applying the Plan.

The Board shall have the right to cancel the reward, fully or partly, and/or to recover already paid rewards, if the Group’s financial statements have to be amended and those amendments affect or would have affected the amount of the reward, the Plan’s Performance Requirements have been manipulated, or in case of any market manipulation, or in case of any action against business interest of the Company or against criminal or employment related law or against the ethical guidance of the Company or any unethical action, or any other reason the Board finds necessary for the Company, as resolved by the Board in each case.

**7. Shareholder Rights to Received Shares**

The shareholder rights to the Shares registered on the book-entry accounts of the Participants shall be assigned to the Participants on the book-entry registration date of the Share transfer. If the Shares to be given are new, the share-related rights shall arise upon the entry of the Shares into the Trade Register.

**8. Employment or Service Preconditions**

**8.1. Termination of Employment or Director Contract on Bad Leaver Grounds**

No reward shall be paid to a Participant, if a Group Company or the Participant terminates, or a Group Company cancels the Participant´s employment or director contract before the reward payment. The Board may, however, in these cases resolve upon the Participant’s right to the reward accrued by the termination or cancellation of employment or director contract and upon the reward payment date and upon other details.

In these terms and conditions, termination of a Participant´s employment or director contract on Bad Leaver grounds refers to the date when the termination or cancellation notice is given.

**8.2. Termination of Employment or Director Contract on Good Leaver Grounds**

Should a Participant’s employment or director contract in a Group Company terminate, on the basis of any of the following grounds, before the reward payment, the Participant or his or her estate or heir or beneficiary shall be entitled to the Confirmed Reward. In case the Board has not yet confirmed the reward, the Board shall resolve on the amount of reward, taking into account e.g. the proportion of time elapsed of the Performance Period and estimating the achievement of the Performance Requirement, by the time the employment or director contract terminated. The reward shall be paid in accordance with these terms and conditions in the original schedule, unless the Board resolves otherwise. Such cases shall be the following and the Participant shall be regarded as a Good Leaver:

* a corporate arrangement,
* a transfer of business,
* a Group Company’s ceasing belonging to the Group,
* a mutual agreement between a Group Company and a Participant,
* a Participant’s permanent disability,
* a Participant’s retirement for a statutory pension,
* a Participant’s retirement for a pension as defined in the Participant’s employment or director contract,
* a Participant’s retirement for a pension as determined by the Company,
* a Participant’s decease.

In these terms and conditions, termination of a Participant´s employment or director contract on Good Leaver grounds refers to the last day of validity of the employment or director contract.

**8.3. Prolonged Absence**

In the event of a Participant’s prolonged absence from work, which has a significant impact on the Participant’s contribution during the Performance Period, the Board may resolve to deduct the Participant’s reward for the Performance Period in a proportion which is deemed equitable by the Board.

**8.4. Change of Position**

In case a Participant is transferred to a new position during the Performance Period, the Board shall be entitled to adjust the amount of the Participant’s Maximum Reward for the Performance Period up or down to conform to the Maximum Reward level typically applied in the Participant’s new role.

**9. Adjustments in Certain Cases**

**9.1. Dividend and other Distribution of Assets**

Should the Company resolve to distribute dividends or assets from reserves of unrestricted equity, or resolve to reduce its share capital by distributing share capital to the shareholders, or resolve to reduce its share premium fund by distributing funds from the share premium fund to the shareholders after the beginning of the Performance Period and before the reward payment, in each case in deviation from the Company’s normal practice, the Board may resolve on the adjustment to the amount of the Maximum Reward or the Confirmed Reward in an equitable manner. In addition, the Board may decide on the potential adjustment to the Performance Requirement, if necessary.

**9.2. Acquisition of Own Shares**

Directed acquisition or redemption of the Company’s own shares or directed acquisition of stock options or other special rights entitling to Shares shall not affect the Plan.

**9.3. Share Issues**

Should the Company, after the beginning of the Performance Period and before the reward payment, resolve on an issue of shares or an issue of stock options or other special rights entitling to shares so that the shareholders have pre-emptive subscription rights, the amount of the Maximum Reward or the Confirmed Reward shall be increased by multiplying the number of Shares of the Maximum Reward or the Confirmed Reward by the share issue multiplier, or as resolved by the Board. In addition, the Board may decide on the potential adjustment to the Performance Requirement, if necessary.

**9.4. Merger, Demerger and Redemption of Shares**

Should, after the beginning of the Performance Period and before the reward payment, any of the following cases occur:

* a resolution by the Company on a merge with another company as a merging company or with a company to be formed in a combination merger,
* a resolution by the Company, on a full demerger,
* a redemption right and obligation to all of the Company’s shares, as referred to in Chapter 18 Section 1 of the Finnish Limited Liability Companies Act, arising, to any of the shareholders, on the basis that a shareholder possesses over 90 per cent of the shares and the votes of the shares of the Company,

the Participants shall be entitled to the Confirmed Reward, or in case the Board has not yet confirmed the reward, to such an amount of reward that the Board resolves, at its sole discretion, taking into account e.g. the proportion of time elapsed of the Performance Period and estimating the achievement of the Performance Requirement at the time of the event. In such cases, the Confirmed Reward or the reward resolved by the Board shall be converted into money by multiplying the number of Shares of the Confirmed Reward or the reward resolved by the Board by the merger or demerger consideration or by the redemption price, and the reward shall fully be paid in cash. The reward shall be paid on the date resolved by the Board, however, no later than the original reward payment date.

In these cases, the Plan shall expire.

Alternatively, the Board may grant a Participant a right to participate in a corresponding plan of the new company, in the manner determined in the draft terms of the merger or demerger, or in the manner as otherwise determined by the Board in a fair and equitable manner.

The Board shall resolve on the impact of a potential partial demerger on the Plan, as applicable.

**10. Plan Administration and Data Protection**

The Board shall monitor the Plan and resolve on all essential matters relating thereto. The Board may delegate its rights and powers at its sole discretion.

When the need arises, the Board may propose to the General Meeting of Shareholders that it would authorize the Board to resolve on an acquisition of own shares, to the number needed for the Plan, as referred to in the Finnish Limited Liability Companies Act. When the need arises, the Board may also propose to the General Meeting of Shareholders that it would authorize the Board to resolve on a share issue, to the number needed for the Plan, as referred to in the Finnish Limited Liability Companies Act.

The Company may maintain a register of the Participants to which the Participant´s personal data is recorded. A Participant acknowledges that the data shall be administered and processed by the Company or any third party designated by the Company for the purposes of operation of the Plan. A Participant is entitled to request access to the data referring to him or her and held by the Company. The Company may send all announcements regarding the Participants to the Participants by e-mail. Further information on processing of personal data is available from a person responsible for HR issues.

**11. Amendment of Plan Terms and Conditions**

During the Performance Period, the Board may, at its sole discretion, amend the terms and conditions of the Plan. The intention is to amend the terms and conditions in such a manner that no considerable unjust enrichment or injustice shall occur to a Participant, due to amending the terms and conditions.

The Board may, at its sole discretion and to the extent deemed necessary by it, change, amend or deviate from these terms and conditions in relation to individual Participants, in relation to Participants residing in a specific country or in relation to the Participants in general in order to adjust the Plan or its terms and conditions, including with retroactive effect from the beginning of the Performance Period, in order to adjust or conform to the provisions of local laws, regulations or taxation practices or to the changes thereof or in order to mitigate, avoid or eliminate the impact of increased costs resulting from such change.

**12. Termination of Plan**

The Board is, at any time, entitled to terminate the Plan with an immediate effect. In the event of such a decision, the Board may decide whether an equitable considered proportion of the Maximum Reward for the Performance Period will be delivered to the Participants either in the form of Shares or in cash.

**13. Confidentiality**

These terms and conditions are confidential unless, and to the extent published by the Company at its sole discretion.

**14. Applicable Law, Settlement of Disputes and Other Terms**

These terms and conditions shall be governed by the laws of Finland. Any dispute, controversy or claim arising out of or relating to this Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration, in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The number of arbitrators shall be one. The seat of arbitration shall be Helsinki, Finland, and the language of the arbitration shall be Finnish or English.

In countries where mandatory legislation covering incentive programs have been adopted and therefore potential country-specific regulation appendices have been issued, mandatory legislation or such appendices shall be applied for these terms and conditions, as applicable.

These terms and conditions have been prepared in English. In case of any discrepancy between any potential translations and the English version, the English language shall prevail.