



**HANSAMATRIX**  
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*Approved on January 19, 2023  
Decision of the Extraordinary Shareholders' Meeting  
(Minutes No. 2023-SHM1)*

# **REGULATIONS ON THE ISSUANCE OF EMPLOYEE STOCK OPTIONS**

Marupe, 2023

This version of regulations is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the regulations takes precedence over this translation.

## **1. NUMBER, NOMINAL VALUE AND TOTAL NOMINAL VALUE OF EMPLOYEE STOCK OPTIONS**

- 1.1. **Joint-stock company “HansaMatrix”**, registration number: 40003454390, registered office: Akmeņu iela 72, Ogre, Ogres novads, LV-5001, Latvia (hereinafter – the **Company**), **additionally shall issue new 14 729** (fourteen thousand seven hundred and twenty-nine) employee stock options, the nominal value of one stock option is EUR 1 (one euro) and the total nominal value is EUR 14 729 (fourteen thousand seven hundred and twenty-nine euros).
- 1.2. **The total number of employee stock options after issue of new options is 27 523** (twenty-seven thousand five hundred and twenty-three) with a nominal value of one option of EUR 1 (one euro) and a total nominal value of EUR 27 523 (twenty-seven thousand five hundred and twenty-three euros).

## **2. PURPOSE OF THE ISSUANCE OF EMPLOYEE STOCK OPTIONS**

- 2.1. The purpose of the issuance of employee stock options is to remunerate the leading employees and management board (hereinafter – the Board) members of the Company for successful results at work and loyalty to the Company, to motivate employees and Board members of the Company to ensure successful performance of the Company in the long-term, as well as increase the interest of employees, Board members of the Company in the effective management of the Company.
- 2.2. Pursuant to the provisions of the Commercial Law of the Republic of Latvia, employee stock options give the right to the employees and Board members of the Company to acquire a specific number of the Company’s newly issued dematerialized bearer shares.

## **3. RANGE OF PERSONS WHO MAY ACQUIRE EMPLOYEE STOCK OPTIONS**

- 3.1. Only the existing employees and Board members of the Company who meet the conditions set out in these provisions on the issuance of employee stock options (hereinafter – the **Provisions**) shall have the right to acquire employee stock options of the Company.
- 3.2. Employees of the Company who meet the following conditions shall have the right to acquire employee stock options:
  - 3.2.1. an employee is in effective employment relationship with the Company or any of its 100% subsidiaries;
  - 3.2.2. an employee has been in employment relationship with the Company or any of its 100% subsidiaries for at least 12 (twelve) calendar months;
  - 3.2.3. an employee has reached his/her individual or common business goals of the Company.
- 3.3. Board members of the Company who meet the following conditions shall have the right to acquire employee stock options:
  - 3.3.1. a Board member has held the position of a Board member at the Company or any of its 100% subsidiaries for at least 12 calendar months;
  - 3.3.2. a Board member has reached his/her individual or common business goals of the Company.
- 3.4. Upon termination of the employment relationship or the office of a Board member (a Board member is removed from the office or has resigned), the respective employee stock options are annulled via a respective entry made by the Board in the register of employee stock options.

#### **4. THE RIGHTS OF EMPLOYEE STOCK OPTIONS**

- 4.1. Each of the Company's newly issued shares acquired through the conversion of employee stock options shall grant the shareholder the same rights as the owners of the existing dematerialized bearer shares of the Company, i.e. the right to:
  - 4.1.1. have one vote at the Company's general meeting of the shareholders;
  - 4.1.2. receive dividends;
  - 4.1.3. receive liquidation quota.
- 4.2. After exercising the employee stock options (i.e. after the conversion of employee stock options), the holder of employee stock options shall acquire all rights arising from the Company's newly issued shares as of the moment the newly issued shares have been registered in the financial instrument account of the acquirer of the newly issued shares in accordance with the provisions of the Financial Instrument Market Law.

#### **5. PROCEDURES FOR GRANTING AND TRANSFER OF EMPLOYEE STOCK OPTIONS**

- 5.1. The Board of the Company has the right by its decision to grant employee stock options to the employees of the Company or employees of 100% subsidiaries of the Company in accordance with the conditions set out in these Provisions.
- 5.2. The Council of the Company by its decision has the right to grant employee stock options to the Board members of the Company or Board members of 100% subsidiaries of the Company in accordance with the conditions set out in the Provisions.
- 5.3. The Board is obliged to register details of the holder of employee stock options in the register of employee stock options within 30 (thirty) working days following the adoption of the decision by the Board and/or Council in accordance with the procedure laid down in Section 247 and paragraph six of Section 248.1 of the Commercial Law.
- 5.4. The Board of the Company shall indicate the following details in the register of employee stock options maintained by the Board:
  - 5.4.1. name, surname, personal identity number (if the person has no personal identity number, date of birth, personal identification document number and date of issue, country and institution that has issued the document) and place of residence;
  - 5.4.2. number of employee stock options owned by each holder of employee stock options, nominal value, and number (if such has been granted) thereof;
  - 5.4.3. details of the conversion of employee stock options;
  - 5.4.4. number of stocks to be obtained by each employee and board member.

#### **6. NUMBER OF STOCKS TO BE OBTAINED THROUGH EXERCISE OF EACH EMPLOYEE STOCK OPTION AND THE PRICE OF ONE STOCK**

- 6.1. One employee stock option granted by the Board and/or Council of the Company gives the right to acquire one dematerialized bearer share of the Company.
- 6.2. Upon exercising their employee stock options and converting them into the Company's newly issued shares, holders of employee stock options shall obtain them free of charge.

## **7. PROCEDURES AND TIME PERIODS FOR THE EXERCISE OF EMPLOYEE STOCK OPTIONS**

- 7.1. The holder of employee stock options shall submit to the Company an application on the exercise of employee stock options once within a month after the end of the current year. The holder of employee stock options has the right to submit an application on the exercise of employee stock options starting from the 4th (fourth) year of service at the Company or any of its 100% subsidiaries.
- 7.2. The Board of the Company shall adopt a decision to issue stocks of the new issue and increase the share capital within 10 (ten) days of receipt of an application from the respective holder of employee stock options.
- 7.3. Within one month after the Board of the Company has adopted a decision to issue stocks of a new issue, the Council of the Company shall amend the Company's Articles of Association specifying the amount of the share capital. The Board of the Company shall draft and sign the full text of the Company's Articles of Association in the new wording.
- 7.4. The Board of the Company shall submit an application to the Commercial Register of the Register of Enterprises of the Republic of Latvia on the increase of the share capital by confirming the payment status of the share capital and including a reference to the decision by the meeting of shareholders (by which the conditional increase of the share capital was confirmed) and indicating the remaining amount of the conditional share capital. The Board of the Company shall add the documents specified in Section 261.1 of the Commercial Law to the above-mentioned application.
- 7.5. Employee stock options granted to the holder of employee stock options may not be alienated to third parties (also they may not be sold, exchanged, or gifted to third parties) in any way.

## **8. TIME PERIOD FOR CONVERSION OF EMPLOYEE STOCK OPTIONS AND PROCEDURES BY WHICH THEY SHALL BE EXCHANGED FOR SHARES**

- 8.1. The holder of employee stock options has the right to exercise employee stock options granted to him/her for an unlimited period from the moment of their granting.
- 8.2. The Board of the Company has the right to set an individual term, not exceeding 3 years, for the conversion of options to the Company shares for the receiver of employee stock options, for the employees of the Company and employees of 100% subsidiaries of the Company, who are not board members.
- 8.3. The Council of the Company has the right to set an individual term, not exceeding 3 years, for the conversion of options to the Company shares for the Board members of the Company and for the Board members of the Company 100% subsidiaries.
- 8.4. The Company's newly issued stocks are intended to be recorded in the accounting system of the central securities depository Nasdaq CSD SE. The shareholder has the right to transfer the Company's newly issued dematerialized bearer shares registered in the central securities depository Nasdaq CSD SE to his/her own financial instrument account.

## **9. RIGHTS OF THE HOLDERS OF EMPLOYEE STOCK OPTIONS**

- 9.1. Each holder of employee stock options shall have the following rights:

- 9.1.1. to obtain the Company's newly issued shares free of charge in accordance with the procedures and time limits set out herein;
- 9.1.2. to get acquainted with the register of employee stock options;
- 9.1.3. to receive an extract from the register of employee stock options certified by the Chairman of the Board of the Company or the Member of the Board authorized by the Board of the Company regarding the employee stock options owned by him/her;
- 9.1.4. other rights specified under these Provisions and the Commercial Law.

## **10. ESTABLISHMENT OF RESERVES, PAYMENT PROCEDURE AND TIME LIMITS**

- 10.1. The Company shall issue 14 729 (fourteen thousand seven hundred and twenty-nine) the Company's newly issued shares from its undistributed profits, namely, from the moment of the issuance of the Company's employee stock options until their exercise, the Company shall ensure a reserve for new issue shares in the amount of EUR 96 180.37 (ninety-six thousand one hundred eighty euros and thirty-seven cents).
- 10.2. The Company ensures a total reserve for all 27 523 (twenty-seven thousand five hundred and twenty-three) employee stock options until their exercise in the total amount of **EUR 179 725.19** (one hundred seventy-nine thousand seven hundred and twenty-five euros nineteen cents) (hereinafter – "**Reserve**").
- 10.3. The Company shall pay the newly issued shares in cash from Reserve within one month from the moment the decision on the issuance of stocks and increase of the share capital is adopted.