

## ROVIO ENTERTAINMENT CORPORATION STOCK OPTIONS 2017—2019

The Board of Directors of Rovio Entertainment Corporation (the **Board**) has at its meeting on September 14, 2017 resolved, by virtue of an authorization granted by the Annual General Meeting of Shareholders of Rovio Entertainment Ltd held on May 30, 2017, to issue stock options to the employees of Rovio Entertainment Corporation (the **Company**) and its subsidiaries (jointly the **Group**), on the following terms and conditions.

The Board has in its meeting on May 16, 2018 resolved to amend Section II.2. Share Subscription and Payment and Section II.3. Share Subscription Price of these terms related to stock options 2018A—B and 2019A—B. The amendments are valid starting on May 16 2018.

### I STOCK OPTION TERMS AND CONDITIONS

#### 1. Number of Stock Options

The maximum total number of stock options issued is 5,000,000, and they entitle their owners to subscribe for a maximum total of 5,000,000 new shares in the Company or existing shares held by the Company (the **Share**). The Board shall resolve whether new Shares or existing Shares held by the Company are given to subscribers.

#### 2. Stock Options

Of the stock options,

- 1,616,667 are marked with the symbol 2017A
- 50,000 are marked with the symbol 2017B
- 1,616,667 are marked with the symbol 2018A
- 50,000 are marked with the symbol 2018B
- 1,616,666 are marked with the symbol 2019A
- 50,000 are marked with the symbol 2019B.

The Board shall have the right to convert stock options held by the Company from one stock option class into another.

The class B stock options shall differ from the class A stock options solely pursuant to the adjustment based on the distribution of assets, as referred to in Section II.7.

#### 3. Right to Stock Options

The stock options shall be issued gratuitously to the employees of the Group. The Company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the Group's incentive and commitment program for the employees.

#### **4. Distribution of Stock Options**

The Board shall resolve upon the distribution of stock options to the employees employed by or to be recruited by a company belonging to the Group (**Group Company**). The Board may resolve on particular additional provisions concerning the receipt of stock options. The Board shall resolve upon the further distribution of the stock options returned later to the Company. Distribution of stock options to the employees outside Finland may be restricted or it may be subject to additional terms on the basis of local laws and other regulations.

The people, to whom stock options are issued, shall be notified in writing by the Board about the offer of stock options. The stock options shall be delivered to the recipient when he or she has accepted the offer of the Board.

The stock options shall be regarded as a discretionary and nonrecurring part of compensation. The stock options shall not be regarded as a part of a stock option recipient's employment or service contract, and they shall not be regarded as a salary or fringe benefit. A stock option recipient shall, during his or her employment, service or thereafter, have no right to receive compensation for stock options on any grounds.

A stock option recipient shall be liable for all taxes and tax-related consequences arising from receiving or exercising stock options.

The Company shall pay the transfer tax connected to the receipt of Shares on the basis of stock options, when applicable. The transfer tax paid by the Company may be taxable income for the stock option owner.

#### **5. Transfer of Stock Options**

The Company shall hold the stock options on behalf of the stock option owner until the beginning of the Share subscription period, unless otherwise provided by Section II.7. The stock options may freely be transferred or pledged, when the Share subscription period has begun. The Board may, however, permit the transfer or pledge of stock options also before such date. Should the stock option owner transfer or pledge his or her stock options, such person shall be obliged to inform the Company about the transfer or pledge in writing, without delay. The Board may, at its discretion, resolve to restrict the transfer of stock options in certain countries, e.g. for legal or administrative reasons.

#### **6. Termination of Employment or Service**

##### **6.1. Giving Notice or Termination**

Should a Group Company or a stock option owner give notice of termination, or terminate the stock option owner's employment or service contract, such person shall, without delay, forfeit to the Company or its designee, without compensation, such stock options that the Board has distributed to him or her at its discretion, for which the Share subscription period specified in Section II.2. has not begun, on the date on which the notice of termination is given or termination is made. As an exception to the above, the Board may resolve that the stock option owner shall be entitled to keep such stock options, or a part of them.

## 6.2. Good Leaver Grounds

Should a stock option owner's employment or service in a Group Company end, on the basis of any of the following grounds, the stock option owner or his or her estate or heir or beneficiary shall be entitled to keep the stock options that the Board has distributed to the stock option owner at its discretion. Such grounds shall all be considered as **Good Leaver Grounds**, and they shall be the following:

- the stock option owner's permanent disability,
- the stock option owner's retirement for a statutory pension,
- the stock option owner's retirement for a pension as defined in the stock option owner's employment or service contract,
- the stock option owner's retirement for a pension as determined by the Company,
- the stock option owner's decease.

## 6.3. Other Grounds

Should a stock option owner's employment or service in a Group Company end, on the basis of any of the following grounds, such person shall, without delay, forfeit to the Company or its designee, without compensation, such stock options that the Board has distributed to the stock option owner at its discretion, for which the Share subscription period specified in Section II.2. has not begun, on the date on which the employment or service ended. As an exception to the above, the Board may resolve that the stock option owner shall be entitled to keep such stock options, or a part of them. Such grounds shall be the following:

- a corporate arrangement,
- a transfer of business,
- a Group Company's ceasing belonging to the Group.

## 6.4. General

In these terms and conditions, giving notice or termination means the date when the notice of termination is given or the termination is made. The end of employment or service means the last day of validity of a stock option owner's employment or service contract.

A stock option owner shall, during his or her employment, service or thereafter, have no right to receive compensation on any grounds for stock options that have been forfeited in accordance with these terms and conditions.

## 7. Incorporation of Stock Options into Book-Entry Securities System

The Board may resolve on incorporation of the stock options into the book-entry securities system. Should the stock options having been incorporated into the book-entry securities system, the Company shall have the right to request and get transferred all forfeited stock options, from the stock option owner's book-entry account on the book-entry account appointed by the Company, without the consent of the stock option owner. In addition, the Company shall be entitled to register transfer restrictions and other respective restrictions concerning the stock options on the stock option owner's book-entry account, without the consent of the stock option owner.

## **II SHARE SUBSCRIPTION TERMS AND CONDITIONS**

### **1. Right to subscribe for Shares**

Each stock option entitles its owner to subscribe for one (1) new Share in the Company or an existing Share held by the Company. The Share subscription price shall be credited to the reserve for the Company's invested unrestricted equity.

### **2. Share Subscription and Payment**

The Share subscription period shall be,

- for stock options 2017A—B, October 1, 2019—September 30, 2020,
- for stock options 2018A—B, June 1, 2020—May 31, 2021,
- for stock options 2019A—B, June 1, 2021—May 31, 2022.

Should the last day of the Share subscription period not be a banking day, the Share subscription may be made on a banking day following the last Share subscription day.

Share subscriptions shall take place at the head office of the Company or possibly at another location and in the manner determined later. Upon subscription, payment for the Shares subscribed for, shall be made to the bank account designated by the Company. The Board shall resolve on all measures concerning the Share subscription.

### **3. Share Subscription Price**

The Share subscription price shall be:

- for stock options 2017A—B, the Share price in the Initial Public Offering of the Share
- for stock options 2018A—B, the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd during May 2—31, 2018
- for stock options 2019A—B, the trade volume weighted average quotation of the Share on Nasdaq Helsinki Ltd during May 2—31, 2019.

Should the dividend ex date fall on the period for determination of the Share subscription price, such dividend shall be added to the trading prices of the Share trading made as from the dividend ex date, when calculating the trade volume weighted average quotation of the Share. Should the

Company distribute assets from reserves of unrestricted equity, or distribute share capital to the shareholders, the proceedings shall be similar.

The Share subscription price of the stock options may be decreased in certain cases mentioned in Section 7. below. The Share subscription price shall, nevertheless, always amount to at least EUR 0.01.

#### **4. Registration of Shares**

Shares subscribed for and fully paid shall be registered on the book-entry account of the subscriber.

#### **5. Shareholder Rights**

The dividend rights of the new Shares and other shareholder rights shall commence upon the entry of the Shares into the Trade Register.

Should existing Shares, held by the Company, be given to the subscriber of Shares, the subscriber shall be given the right to dividend and other shareholder rights once the Shares are registered on his or her book-entry account.

#### **6. Share Issues, Stock Options and Other Special Rights entitling to Shares before Share Subscription**

Should the Company, before the Share subscription, resolve on an issue of shares or an issue of new stock options or other special rights entitling to shares so that the shareholders have pre-emptive rights to subscription, a stock option owner shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board by adjusting the number of Shares available for subscription, the Share subscription prices or both of these.

A directed issue of shares or directed issue of new stock options or other special rights entitling to shares, shall have no impact on the rights of the stock option owners, unless the Board resolves otherwise for special reasons.

#### **7. Rights in Certain Cases**

##### **7.1. Distribution of Assets**

Should the Company distribute dividends or assets from reserves of unrestricted equity, from the Share subscription price of the stock options, shall, by resolution of the Board, be deducted the amount of the dividend or the amount of the distributable unrestricted equity per share resolved before the Share subscription, as per the dividend record date or the record date of the repayment of equity. Should the dividend or asset distribution relate to a nonrecurring income received by the Company, the Board may resolve, that the Share subscription price of the stock options will not be adjusted due to this type of dividend or asset distribution.

The adjustment based on the distribution of dividend or assets shall not apply to the class B stock options, as resolved by the Board.

Should the Company reduce its share capital by distributing share capital to the shareholders, from the Share subscription price of the stock options, shall, by resolution of the Board, be deducted the amount of the distributable share capital per share resolved before the Share subscription, as per the record date of the repayment of share capital.

The adjustment based on the distribution of assets shall not apply to the class B stock options, as resolved by the Board.

### **7.2. Acquisition or Redemption of Company's Own Shares and Acquisition of Stock Options and Other Special Rights entitling to Shares**

Acquisition or redemption of the Company's own shares or acquisition of stock options or other special rights entitling to shares shall have no impact on the rights of the stock option owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the stock option owners shall be made an equivalent offer.

### **7.3. Liquidation or Deregistration of Company**

Should the Company be placed in liquidation before the Share subscription, the stock option owner shall be given an opportunity to exercise his or her Share subscription right, within a period of time determined by the Board. Should the Company be deregistered, before the Share subscription, the stock option owner shall have the same right as, or an equal right to, that of a shareholder.

### **7.4. Merger, Demerger or Transfer of Domicile of Company**

Should the Company, before the Share subscription, resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the stock option owners shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for Shares with their stock options, within a period of time determined by the Board. Alternatively, the Board may give a stock option owner the right to convert the stock options into stock options issued by the other company, in the manner determined in the draft terms of merger or demerger, or in the manner otherwise determined by the Board, or the right to sell stock options prior to the registration of the execution of a merger or a demerger. After such period, no Share subscription right or conversion right shall exist.

The same proceeding shall apply to cross-border mergers or demergers, or should the Company, after having registered itself as an European Company (*Societas Europae*), or otherwise, register a transfer of its domicile from Finland into another member state of the European Economic Area.

The Board shall resolve on the impact of potential partial demerger on the stock options.

In the above situations, the stock option owners shall have no right to require that the Company redeems the stock options from them at fair value.

### **7.5. Redemption Right and Obligation**

Should 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, arise to any of the shareholders, prior to the end of the Share subscription period, on the basis that a shareholder possesses over 90 percent of the shares and the votes of the shares of the Company, the stock option owners shall be given a possibility to use their right of Share subscription by virtue of the stock options, within a period of time determined by the Board, or the stock option owners shall have an equal obligation to that of shareholders to transfer their stock options to the redeemer, although the transfer right defined in Section I.5. above had not begun.

## **III OTHER MATTERS**

### **1. Applicable Law and Settlement of Disputes**

These terms and conditions shall be governed by the laws of Finland. Any dispute, controversy or claim arising out of or relating to these stock options, 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.

Stock options may be distributed to individuals who are located outside Finland. The plan shall be operated in a way which complies with the law wherever the individuals are located. If the plan needs to be completed or amended in any way in order to comply with local law (whether in general or in relation to any particular allocation, including allocations already made) then the Board may make such additions or amendments as it considers reasonably necessary and desirable, within the requirements of the laws of Finland.

### **2. Amendment and Interpretation of Terms and Conditions**

The Board shall be entitled to interpret the terms and conditions of the plan.

The Board shall manage the plan and all matters relating thereto. The Board resolution on any matters relating to the plan shall be final and binding on all parties. The Board may delegate certain matters relating to the plan to individuals within the Company as it sees fit.

The Board may resolve on the technical amendments to these terms and conditions, as well as on other amendments and specifications to these terms and conditions which are not considered as essential. Other matters related to the stock options shall be resolved on by the Board, and the Board may give stipulations binding on the stock option owners.

### **3. Plan Administration**

Should the stock option owner act against these terms and conditions, or against the instructions given by the Company, on the basis of these terms and conditions, or against applicable law, or against the regulations of the authorities, the Company shall be entitled to gratuitously withdraw the stock options which have not been transferred, or with which Shares have not been subscribed for, from the stock option owner.

The Company may maintain a register of the stock option owners to which the stock option owners' personal data is recorded. A stock option owner accepts that the data shall be administered and processed by the Company or any other agent or person designated by the Company. A stock option owner 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 stock options to the stock option owners by e-mail.

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