

## **ROVIO ENTERTAINMENT LTD TERMS AND CONDITIONS - STOCK OPTIONS 2015**

The Board of Directors of Rovio Entertainment Ltd (**the Board of Directors**) has at its meeting on June 30, 2015 resolved, by authorization of the Annual General Meeting of Shareholders of Rovio Entertainment Ltd (**the Company**) held on May 19, 2015, that stock options be issued to the key personnel of the Company and its subsidiaries (jointly **the Group**), on the following terms and conditions.

The Board has in its meeting of February 13, 2019 resolved to amend section I.5 Transfer and Forfeiture of Stock Options of these terms. The amendments are valid as of February 13, 2019.

### **I STOCK OPTION TERMS AND CONDITIONS**

#### **1. Number of Stock Options**

The maximum total number of stock options issued is 5,250,000 and they entitle their owners to subscribe for a maximum total of 5,250,000 new shares in the Company.

#### **2. Stock Options**

Of the stock options, 4,000,000 are marked with the symbol 2015A, 625,000 are marked with the symbol 2015B and 625,000 are marked with the symbol 2015C. The Board of Directors may resolve to divide stock options to the sub-categories 2015AII, 2015BII and 2015CII. The sub-categories shall differ from the stock options solely pursuant to the adjustment based on the distribution of assets specified in Section II.7. The Board of Directors shall have the right to convert stock options and their sub-categories from one stock option category to another.

#### **3. Right to Stock Options**

The stock options shall be issued gratuitously to the key personnel 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 key personnel.

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

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

The Board of Directors may resolve to distribute stock options 2015 also to people whose work performances in any Group Company are based on permanent contractual relations, on the same terms and conditions as are distributed to the Group's key personnel, to the extent appropriate. The Board of Directors shall then resolve on procedures upon termination of such person's contractual relation.

The Board of Directors is entitled to resolve on and implement the reallocation and redistribution of stock options, which either have been offered to key personnel but the receipt of which has not been accepted by the eligible key personnel or which have subsequently been returned to the Company as a result of the stock option owner's forfeiture thereof due to termination of employment or service or due to other grounds.

The people, to whom stock options are issued, shall be notified in writing by the Board of Directors 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 of Directors.

The stock options shall be regarded as a discretionary and nonrecurring part of compensation. The stock options shall not constitute a part of employment or director contract of a stock option recipient, and they shall not be regarded as salary or fringe benefit. Stock option recipients shall have no right to receive compensation on any grounds, on the basis of stock options, during employment or service or thereafter.

Stock option recipients 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 stock options or 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 and Forfeiture 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. The stock options may freely be transferred or pledged, when the Share subscription period has begun. The Board of Directors may, however, upon written request of the stock option owner permit the transfer or pledge of stock options also before such date. The intended transfer or pledge shall be specified in the stock option owner's request. 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.

Should a stock option owner cease to be employed by or in the service of any Group Company, for any reason other than the permanent disability or the death of a stock option owner, or the statutory retirement of a stock option owner or the retirement of a stock option owner as defined in the employment or service contract, or the retirement of a stock option owner otherwise determined by the Company, such person shall, automatically without any actions and without delay, forfeit to the Company or its designate, without compensation, all stock options distributed to him or her by the Board of Directors at its discretion, for which the share subscription period specified in Section II.2 has not begun, at the end of such person's employment or service. Should

the rights and obligations arising from the stock option owner's employment or service be transferred to a new owner or holder, upon the employer's transfer of business, the proceedings shall be similar. As an exception to the above, the Board of Directors may resolve that the stock option owner shall be entitled to keep such stock options, or a part of them.

The end of employment or service means the last day of validity of a stock option owner's employment or service contract.

The Board of Directors may resolve on incorporation of the stock options 2015 into the book-entry securities system. Should the stock options be 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 to 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.

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.

## 6. Drag-Along and Tag-Along

In the event of any of the following:

- (i) a sale or other transfer of at least 50% of the shares in the Company and options, warrants and other instruments convertible to shares in the Company (together the **Equity Securities**) to an unaffiliated third party (other than in the event of any listing of all or part of the shares in the Company on any recognized stock exchange or regulated market recognized under any national laws (the **Listing**)), or
- (ii) a sale of all or substantially all of the assets or intellectual property rights of the Company to an unaffiliated third party ((i)–(ii) together the **Trade Sale**),

the stock option owners shall be given a possibility to exercise their right of share subscription by virtue of the stock options, within a period of time determined by the Board of Directors, after which no share subscription right shall exist. After such period, the stock option owners having exercised their right of share subscription by virtue of the stock options shall have, upon the request of the Board of Directors, the obligation to participate in the Trade Sale and, if applicable, to transfer his or her shares on a pro rata basis to the third party acquiring the shares or assets in the Company on the same terms as the shareholder owning more than 50% of the shares in the Company.

In the event of a Trade Sale through a sale or other transfer of Equity Securities, as referred to in (i) above, a stock option owner having exercised his or her right of subscription by virtue of the stock options shall have the right to transfer all of his or her Equity Securities (or his or her pro rata share of the Equity Securities to be included in the sale if less than 100% of the Equity Securities is to be included in the sale) to a third party purchaser designated by the Company or by the

shareholder owning more than 50% of the shares in the Company prior to such Trade Sale. The right to transfer shall be on the same economical and other terms and conditions as the ones of the shareholder owning more than 50% of the shares in the Company prior to such Trade Sale.

## **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. The share subscription price shall be credited to the reserve for invested unrestricted equity.

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

The share subscription period shall be

- for stock option 2015A August 1, 2017—July 31, 2019
- for stock option 2015B August 1, 2018—July 31, 2020
- for stock option 2015C August 1, 2019—July 31, 2021.

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 of Directors shall resolve on all measures concerning the share subscription.

Should the stock options be incorporated into the book-entry securities system, the Company shall be entitled to register transfer restrictions and other respective restrictions concerning the shares subscribed with the stock options on the stock option owner's book-entry account, without the consent of the stock option owner.

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

The share subscription price shall, for stock option 2015A, be EUR 3.00 per share, which is the current estimated fair value of the share.

The share subscription price shall, for stock option 2015B, be the estimated fair value of the share upon distribution of stock options 2015B.

The share subscription price shall, for stock option 2015C, be the estimated fair value of the share upon distribution of stock options 2015C.

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 share register of the Company and/or on the book-entry account of the subscriber.

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

The dividend rights of the new shares and other shareholder rights shall commence once the shares are entered into the Trade Register.

#### **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 of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these.

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

Should the Company distribute dividends or similar assets from reserves of unrestricted equity, from the share subscription price of the stock options, shall be deducted the amount of the dividend or the amount of the distributable unrestricted equity resolved after the setting of the share subscription price but before share subscription, as per the dividend record date or the record date of the repayment of equity. The adjustment based on the distribution of assets shall not apply to stock option sub-categories 2015AII, 2015BII and 2015CII, as resolved by the Board of Directors.

Should the Company reduce its share capital by distributing share capital to the shareholders, from the share subscription price of the stock options, shall be deducted the amount of the distributable share capital per share resolved after the setting of the share subscription price but before 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 stock option sub-categories 2015AII, 2015BII and 2015CII, as resolved by the Board of Directors.

Should the Company be placed in liquidation in accordance with the Finnish Limited Liability Companies Act or reorganization or should the Company be dissolved 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 of Directors. 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.

Should the Company 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 of Directors. Alternatively, the Board of Directors 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 of Directors, 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 Europaea*), or otherwise, register a transfer of its domicile from Finland into another member state of the European Economic Area. The Board of Directors 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.

Acquisition or redemption of the Company's treasury 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 treasury shares from all shareholders, the stock option owner shall be made an equivalent offer.

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% of the shares and the votes of the shares of the Company, the stock option owners shall be given a possibility to exercise their right of share subscription by virtue of the stock options, within a period of time determined by the Board of Directors, or the stock option owners shall have an equal obligation to that of shareholders to transfer their stock options to the redeemer, despite of the transfer restriction defined in Section 1.5.

## **8. Transfer of Shares**

The shares subscribed by virtue of the stock options shall be freely transferable except as otherwise provided in these terms and conditions and subject to the Articles of Association of the Company and the Finnish Limited Liability Companies Act. As long as the stock option owner owns and possesses the shares subscribed by virtue of his or her stock options, the rights and obligations prescribed in this Section II.8 shall apply.

Unless and until the Listing has occurred, the stock option owner having exercised the right of share subscription shall not sell, dispose of or transfer the shares or create any pledge or other security interest or any other third party right of any kind over the shares without a prior written consent of the Board of Directors. For this purpose, the Company shall be entitled to register transfer restrictions and other respective restrictions concerning the shares on the stock option owner's book-entry account without the consent of the stock option owner.

In the event of a Listing, the stock option owner having exercised the right of share subscription shall have, upon the request of the Board of Directors, the obligation to participate in the Listing and to transfer his or her shares subscribed by virtue of the stock options on a pro rata basis and

on the same terms as the shareholder owning more than 50% of the shares in the Company and the obligation to comply with the arranger's requirements concerning the shares and stock options.

In the event of any Trade Sale, the stock option owners having exercised the right of share subscription shall have, upon the request of the Board of Directors, the obligation to participate in the Trade Sale and, if applicable, to transfer his or her shares on a pro rata basis to the third party acquiring the shares or assets in the Company on the same terms as the shareholder owning more than 50% of the shares in the Company.

In the event of a Trade Sale through a sale or other transfer of Equity Securities, as referred to in 1.6(i) above, a stock option owner having exercised his or her right of subscription by virtue of the stock options shall have the right to transfer all of his or her Equity Securities (or his or her pro rata share of the Equity Securities to be included in the sale if less than 100% of the Equity Securities is to be included in the sale) to a third party purchaser designated by the Company or by the shareholder owning more than 50% of the shares in the Company prior to such Trade Sale. The right to transfer shall be on the same economical and other terms and conditions as the ones the shareholder owning more than 50% of the shares in the Company prior to such Trade Sale.

### **III OTHER MATTERS**

These terms and conditions shall be construed in accordance and 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 English or Finnish.

The Board of Directors may resolve on the technical amendments resulting from incorporation of stock options into the book-entry securities system, 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 of Directors, and the Board of Directors may give stipulations binding on the stock option owners.

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 cancel all or part of the stock options distributed to the stock option owner, to return the cancelled stock option to the Company as undistributed stock options, to distribute such stock options to a third party and to make any necessary entries into the share register and the book-entry securities system.

The Company may maintain a register of the stock option owners to which the stock option owners' personal data is recorded. 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 Finnish shall prevail.