

**US SUB-PLAN
under the
FARON PHARMACEUTICALS OY
SHARE OPTION PLAN 2019**

5 July 2021

Faron Pharmaceuticals Oy (the “**Company**”) has established this United States (“**US**”) Sub-Plan (the “**Sub-Plan**”) under the Share Option Plan 2019 (as amended from time to time, the “**Plan**”) of the Company, as of the date above, pursuant to a resolution adopted by the board of directors of the Company (the “**Board**”) and in accordance with the powers granted to the Board under rule 17.4 of the Plan.

The purpose of this Sub-Plan is to provide for alterations and amendments to the Plan in respect of its operation in the US to facilitate the grant of Options thereunder by the Company to any Plan participant who is, or may become, subject to taxation in the US in relation to Shares received under the Plan (the “**US Participants**”).

Words and expressions defined in the Plan shall have the same meaning when used in this Sub-Plan, unless otherwise stated herein. The provisions of the Plan shall apply to the provisions of this Sub-Plan except where expressly varied herein. References to “rules” in this Sub-Plan are references to rules of the Plan. In the event of any discrepancy between the provisions of the Plan and the provisions of this Sub-Plan, the provisions of this Sub-Plan shall take precedence.

Rights to receive Options under the Plan may be granted to US Participants in accordance with such provisions as would be applicable if the provisions of the Plan were here set out in full, subject to the following modifications:

1. In rule 1.1 of the Plan, “Exercise Price” is replaced in its entirety to read as follows:

“‘**Exercise Price**’ means the price at which an Option may be exercised, which may not be less than the market value of a Share at the Grant Date, as determined by the Board, being not less than the fair market value on the Grant Date in a manner consistent with Section 409A of the Internal Revenue Code (the ‘**Code**’). In determining such market value, if Shares are traded on the AIM market of the London Stock Exchange, the market value shall be the 30-day average selling price (arithmetic mean) of the Shares prior to the Grant Date.”

2. A new rule 5.6 of the Plan is hereby added to read as follows:

“In no event may an Option be exercised beyond the lapse date in rule 2.3(E).”

3. A new rule 7.8 of the Plan is hereby added to read as follows:

“In the event the US Participant takes any voluntary unpaid leave for a period exceeding six (6) months and the US Participant does not have either a contractual or statutory right to re-employment after such leave period, the US Participant will be treated as having a separation from service on the first day following the end of the six (6) month period.”

4. A new rule 14.5 of the Plan is hereby added to read as follows:

“Notwithstanding any other provision of this Plan, the Company shall not be obligated to guarantee any particular tax result for US Participants with respect to any Option provided hereunder.”

5. A new sentence is hereby added at the end of rule 17.2 of the Plan to read as follows:

“Notwithstanding any other provisions of the Plan or the terms of any Option, any changes, amendments or deviations from the terms and conditions in relation to US Participants pursuant to rules 7.3, 7.4, 7.6, 10, 11, 12 and 13 may only be made to the extent they comply with Section 409A of the Code.”

6. A new rule 22 is hereby added to the Plan immediately following rule 21 to read as follows:

“22. SECTION 409A OF THE CODE

This Plan and each grant of Options is intended to be exempt from Section 409A of the Code and shall be interpreted, construed and administered consistent with that intent, and, if not so exempt, in compliance with Section 409A of the Code. Any reference to Section 409A of the Code in the US Sub-Plan will also include any regulations or any other formal guidance promulgated with respect to such section by the US Department of the Treasury or the Internal Revenue Service. If any of the terms and conditions of the Plan, any Option, or any grant document contravenes any regulations or guidance under Section 409A of the Code or could cause any granted Option to be subject to taxes, interest or penalties under Section 409A of the Code, the Company may, in its sole discretion and without the US Participant’s consent, modify the Plan or Option grant documents to:

- (A) comply with, or avoid being subject to Section 409A of the Code;
- (B) avoid the incurrence of additional taxes, interest or penalties under Section 409A of the Code; and
- (C) maintain, to the maximum extent practicable, the original intent of the applicable term, condition or provision without contravening the provisions of Section 409A of the Code.”

7. A new rule 23 is hereby added to the Plan immediately following the new rule 22 to read as follows:

“23. US SECURITIES LAWS

The Options and underlying Shares have not, as of the date hereof, been registered with the US Securities and Exchange Commission, and the Company makes no undertaking to make such a registration. Until such a registration is made, Shares awarded under this Plan may only be sold in the United States in a transaction that is exempt from the registration requirements of the US Securities Act of 1933.”