

# ADDENDUM TO TERMS AND CONDITIONS OF FARON PHARMACEUTICALS' STOCK OPTIONS 2026

This Addendum includes additional terms and conditions or other additional information that apply if you reside or are otherwise subject to the tax laws of one of the countries listed below.

## 1 INFORMATION FOR PARTICIPANTS RESIDING IN THE UNITED STATES

### 1.1 Special Provisions for US Participants

- (1) This Appendix (the "**US Sub-Plan**") sets forth special terms and conditions applicable to stock options granted under the Faron Pharmaceuticals Ltd Stock Options 2026 terms and conditions (the "**Main Terms**") to individuals who are subject to United States federal income tax (each a "**US Participant**").
- (2) The purpose of this US Sub-Plan is to ensure that stock options granted to US Participants either comply with or are exempt from Section 409A of the US Internal Revenue Code of 1986, as amended ("**Section 409A**"). In the event of any conflict between the provisions of the Main Terms and this US Sub-Plan, the provisions of this US Sub-Plan will prevail with respect to US Participants.
- (3) Definitions and US Date of Grant
  - (a) **Fair Market Value (FMV)** means, as of any relevant date, the value of an ordinary share of the Company ("**Share**") determined using a permissible valuation method under Section 1.409A-1(b)(5) of the US Treasury Regulations, such as the closing price on the US Date of Grant.
  - (b) **US Date of Grant** means, notwithstanding anything to the contrary in the Main Terms, the date on which the corporation completes the corporate action necessary to create a legally binding right, which for US Participants will be deemed to be the specific date on which the US Participant is formally notified in writing and invited to participate in the stock option plan in accordance with Section 1.4(4) of the Main Terms (the "**Invitation Date**").

### 1.2 Share Subscription Price for Stock Options 2026A

- (1) Notwithstanding Section 2.3(1)(a) of the Main Terms, the Share subscription price (the "**Exercise Price**") per Share for stock options marked with the symbol 2026A granted to a US Participant will be equal to the higher of:
  - (a) EUR 0.50 per option right (as specified in the Main Terms); or
  - (b) the Fair Market Value of a Share on the US Date of Grant (the Invitation Date).

### 1.3 Share Subscription Price for Stock Options 2026B and 2026C

- (1) Notwithstanding Sections 2.3(1)(b) and 2.3(1)(c) of the Main Terms, the volume weighted average price (VWAP) in March 2027, and March 2028 will be subject to a pricing floor to comply with Section 409A regulations.
- (2) The Exercise Price per Share under this US Sub-Plan will be:
  - (a) For Stock Options 2026B: The volume weighted average price (VWAP) of the Share in March 2027, but no less than the Fair Market Value (specifically the closing price of the Share on the US Date of Grant).
  - (b) For Stock Options 2026C: The volume weighted average price (VWAP) of the Share in March 2028, but no less than the Fair Market Value (specifically the closing price of the Share on the US Date of Grant).
- (3) Notwithstanding Section 2.7.1 of the Main Terms, no adjustments to the Exercise Price and no dividend equivalent payments will be made with respect to stock options held by a US Participant in connection with any distribution of dividends or assets. Section 2.7.1 of the Main Terms will not apply to US Participants.

### 1.4 Section 409A Compliance and Interpretation

- (1) This US Sub-Plan and all stock options granted hereunder are intended to be exempt from Section 409A under the stock rights exemption and will be construed, administered, and interpreted in accordance with such intent.
- (2) None of the Company, any Group Company, or the Board will have any liability to any US Participant or any other person if the stock options granted under the Main Terms or this US Sub-Plan fail to comply with or be exempt from Section 409A. Each US Participant remains solely responsible for any tax consequences as set forth in Section 1.4(7) of the Main Terms.

### 1.5 Other information for participants residing in the United States

The security evidenced hereby and any common stock issuable upon the conversion of the security evidenced hereby, have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act) or any securities laws of any state of the United States and, accordingly, may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, any person except a person who is not a U.S. Person, is not acquiring this security for the account or benefit of a U.S. Person and is acquiring this security in an Offshore Transaction in compliance with Regulation S under the Securities Act. As used herein, the terms 'Offshore Transaction', 'United States' and 'U.S. Person', have the meanings given to them by Rule 902 of Regulation S under the Securities Act.

## 2 INFORMATION FOR PARTICIPANTS RESIDING IN THE EUROPEAN UNION (EU)

This offer is being made to selected employees and directors as part of an employee incentive programme in order to provide an additional incentive and to encourage share ownership and to increase your interest in the success of Faron Pharmaceuticals Ltd. The company offering these rights is Faron Pharmaceuticals Ltd. The shares which are the subject of these rights are ordinary shares in Faron Pharmaceuticals Ltd. The total maximum number of shares which are the subject of this offer is 9,000,000. More information in relation to Faron Pharmaceuticals including the share price can be found at the following web address: [www.faron.com](http://www.faron.com). The obligation to publish a prospectus does not apply because of Article 1(4)(i) of the EU Prospectus Regulation.

## 3 INFORMATION FOR PARTICIPANTS RESIDING IN THE UNITED KINGDOM

- (1) This offer is being made to selected employees and directors as part of an employee incentive programme in order to provide an additional incentive and to encourage share ownership and to increase your interest in the success of Faron Pharmaceuticals Ltd. The company offering these rights is Faron Pharmaceuticals Ltd. The shares which are the subject of these rights are ordinary shares in Faron Pharmaceuticals Ltd. The total maximum number of shares which are the subject of this offer is 9,000,000. More information in relation to Faron Pharmaceuticals including the share price can be found at the following web address: [www.faron.com](http://www.faron.com).
- (2) The offer does not contravene the prohibition on public offers of relevant securities, as it falls within the general exception in paragraph 1 of Schedule 1 to The Public Offers and Admissions to Trading Regulations 2024 (POATRs) and additionally meets the conditions set out in paragraph 11 of Schedule 1 to POATRs.
- (3) Nothing in terms of the awards or any communication issued to you in connection with the awards is intended to constitute investment advice in relation to the awards. If you are in any doubt as to whether to proceed in participating in this plan or in connection with your own financial or tax position, you are recommended to seek advice from a duly authorised independent adviser.