

NAPATECH SHARE OPTION AND INCENTIVE PROGRAM 2019

TERMS AND CONDITIONS

This employee share option and incentive program (herein: the “**Program**”) has been established by the board of directors (herein: the “**Board**”) in accordance with Clause 7.5 of the articles of association of Napatech A/S, Danish company reg. no.: 10109124, (herein: “**NAPATECH**”), to serve as a force in developing NAPATECH, and creating additional shareholder value, and intends to award and incentivize outstanding performance and attract and retain strong talent in business critical functions.

1 CERTAIN DEFINITIONS USED

1.1 “**Grant Notice**” means a letter from NAPATECH to the Participant or a written agreement between NAPATECH and the Participant evidencing the terms and conditions of an OPTION. Each Grant Notice will be subject to the terms and conditions of this Program.

1.2 “**OPTION**” means any right granted under the Program to receive shares in NAPATECH or value connected to shares in NAPATECH, including a Warrant, a Stock Appreciation Right, a Restricted Stock Award, a Restricted Stock Unit Award or any Other Stock Award.

1.3 “**Other Stock Award**” means an award based in whole or in part by reference to the shares in NAPATECH, which is granted pursuant to the terms and conditions of Section 9.3.

1.4 “**Restricted Stock Award**” means an award of shares in NAPATECH, which is granted pursuant to the terms and conditions of Section 9.1.

1.5 “**Restricted Stock Unit Award**” means a right to receive shares in NAPATECH, which is granted pursuant to the terms and conditions of Section 9.2.

1.6 “**Stock Appreciation Right**” or “**SAR**” means a right to receive the appreciation on shares in NAPATECH that is granted pursuant to the terms and conditions of Section 5.3.

1.7 “**Warrant**” means a right to subscribe for and receive shares in NAPATECH which is granted pursuant to the terms and conditions of Section 5.2.

2 PARTICIPANTS

2.1 The OPTIONS shall as determined by the Board be granted to (a) new employees, (b) newly employed, (c) key employees, and/or (d) management, of NAPATECH and of companies within the Napatech Group (such a grantee herein: a “**Participant**”).

3 THE EXTENT OF THE PROGRAM AND SHARE RESERVE

3.1 Subject to Section 10, the aggregate number of shares in NAPATECH that may be issued pursuant to this Program shall not exceed 2,076,704 shares of nominally DKK 0.25 in NAPATECH, i.e. a total of nominally DKK 519,176.00 shares (herein: the “**Share Reserve**”).

3.2 If an OPTION or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such OPTION having been issued or (ii) is settled in cash (i.e., the Participant receives cash rather than shares), the shares covered by the OPTION reverts to the Share Reserve and again become available for issuance under the Program, meaning that such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares that may be available for issuance under the Program. If any shares issued pursuant to an OPTION are forfeited back to or repurchased by NAPATECH because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Program.

4 GENERAL RULES ON OPTIONS

4.1 Unless the Board has specified otherwise in the Grant Notice:

4.1.1 OPTIONS are granted to the Participants at the Board's discretion in such form and according to such criteria and terms and conditions as deemed appropriate by the Board.

4.1.2 Granted OPTIONS cannot be transferred or assigned.

- 4.1.3 Grant of OPTIONS is not subject to payment of fees. The value of granted OPTIONS is not included in any calculation of pension, holiday pay or other fees or benefits governed by the level of remuneration.
- 4.1.4 OPTIONS have no attached right to vote at NAPATECH's general meeting, right to dividend or other rights vis-à-vis NAPATECH apart from what is set out in this Program and/or the relevant Grant Notices.
- 4.1.5 Exercise of OPTIONS must take place under due consideration of the insider trading provisions, and the mandatory notification of trade provision, as well as NAPATECH's insider trading rules. If a situation should occur, where the Participant, due to insider trading provisions and rules, cannot receive or trade NAPATECH shares on the last date of the last exercise period and the OPTIONS would otherwise be lost, ordinary exercise of the OPTIONS may take place at a later date specified by the Board.

5 GRANT OF WARRANTS AND SARS

- 5.1 Unless as otherwise specified by the Board in the Grant Notice, any OPTION granted hereunder shall be a Warrant.
- 5.2 Unless as otherwise specified by the Board in the Grant Notice, each vested Warrant gives the Participant the right, but not the obligation, to subscribe for one (1) share at the trading price at the close of business at the Oslo Stock Exchange one (1) working day prior to the grant of the Warrant and against payment in cash of the subscription price to NAPATECH; such strike price can never be below par value. The Board may instead of issuing new shares elect to sell secondary shares to the Participants at the same price. Alternatively, the Board can, upon exercise of the Warrant, elect to pay out a cash amount equivalent to the difference between the strike price and the trading price at the close of business at the Oslo Stock Exchange of the NAPATECH share on the date of exercise, multiplied with the number of shares to be issued.
- 5.3 Unless as otherwise specified by the Board in the Grant Notice, each vested SAR gives the Participant the right, but not the obligation, upon exercise to receive an amount equal to the difference between the strike price and the trading price at the close of business at the Oslo Stock Exchange of the NAPATECH share on the date of exercise, multiplied with the number of vested SARs exercised. The

amount payable to the Participant upon exercise of a SAR may be paid in shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Grant Notice evidencing such SAR.

6 VESTINGS AND EXERCISE OF WARRANTS AND SARs

6.1 Unless the Board has specified otherwise in the Grant Notice, the Warrants and SARs will vest and become exercisable over three (3) years as follows:

- 33.0% of the granted Warrants and/or SARs will vest twelve (12) months after the grant date;
- 33.0% of the granted Warrants and/or SARs will vest twenty-four (24) months after the grant date;
- 34.0% of the granted Warrants and/or SARs will vest thirty-six (36) months after the grant date.

6.2 Unless the Board has specified otherwise in the Grant Notice, exercising of the vested Warrants and SARs can take place in year two (2) to year eight (8) and with four exercising periods per year of five (5) working days after presentations of NAPATECH's quarterly interim results. Warrants and SARs that are not exercised in a year can be exercised in the following years until the end of the eight (8th) year from the date of issue of the Warrant or SAR. The Board may by notice to the relevant Participants amend the exercising periods at its discretion.

6.3 A Warrant or SAR lapses automatically and without compensation if it has not been exercised by the last date of the last exercise period.

6.4 The Warrants respectively SARs shall be exercised by giving thirty (30) days written notice to NAPATECH, using the standard form provided by NAPATECH for such purpose and, with respect to Warrants, transferring the applicable strike price in full to NAPATECH. Unless the Board has specified otherwise in the Grant Notice, shares or payments pursuant to exercised Warrants or SARs are issued four times a year within ten (10) days of the quarterly financial reports (cf. NAPATECH's financial calendar).

6.5 Unless the Board has specified otherwise in the Grant Notice and except in cases of payment of the difference of the strike price and the trading price, the exercise price (strike price) must be transferred in full and in cash.

7 SETTLEMENT AND TAXES

- 7.1 NAPATECH shall use its best efforts to issue and transfer shares to the Participant in accordance with ordinary settlement rules, normally within a period of five (5) days.
- 7.2 Upon exercising an OPTION, the Participant shall transfer the purchase or subscription price (if any) to NAPATECH as further described in the standard form provided by NAPATECH.
- 7.3 The Participant acknowledges that it must have a VPS account in order to receive shares in NAPATECH.
- 7.4 All taxes, charges and other transaction costs related to the OPTIONS and their exercise shall be borne by the Participant.
- 7.5 Profit treated as wages shall not be included in the basis for calculating vacation pay, bonus or pension.
- 7.6 Withholding of taxes and notification to the tax authorities will be carried out in accordance with rules that apply at the relevant points in time. It may appear from the Grant Notice or standard form that the options are subject to special tax provisions, e.g. the Danish Tax Assessment Act article 7P.
- 7.7 NAPATECH will have no duty or obligation to any Participant to advise such Participant as to the time or manner of exercising OPTIONS. Furthermore, NAPATECH will have no duty or obligation to warn or otherwise advise such Participant of a pending termination or expiration of an OPTION or a possible period in which the OPTION may not be exercised. NAPATECH has no duty or obligation to minimize the tax consequences of an OPTION to the Participant.

8 THE PARTICIPANTS' ENTITLEMENT TO WARRANTS AND SARs FOLLOWING TERMINATION OF EMPLOYMENT

- 8.1 Unless as otherwise specified by the Board in the Grant Notice or as follows by applicable mandatory law, the right of a Participant to retain and exercise Warrants and SARs following the Participant's cessation of employment with NA-

PATECH or a company within the Napatech Group shall be governed by the following:

- 8.1.1 If the Participant's employment is terminated by the Participant without cause or if NAPATECH (or a relevant company within the Napatech Group) terminates the employment based on a breach of contract by the Participant, all vested Warrants and SARs that are under lock-up (cf. Section 6.2) or are not exercised prior to the date of termination shall lapse automatically and without compensation.
- 8.1.2 If the Participant's employment terminates due to the Participant's sickness, disability or death, all vested Warrants and SARs that are not exercised within twelve (12) months of the termination date (including if such exercise is not possible due to lock-up provisions) shall lapse automatically and without compensation.
- 8.1.3 If the Participant's employment terminates for any other reason than those stated in Section 8.1.1–8.1.2, all vested Warrants and SARs that are not exercised within three (3) months of the termination date (including if such exercise is not possible due to lock-up provisions) shall lapse automatically and without compensation.

9 OTHER INCENTIVES

9.1 **Restricted Stock Awards.** To the extent consistent with the NAPATECH's articles of association, at the Board's election, shares in NAPATECH underlying a Restricted Stock Award may be (i) held in book entry form subject to NAPATECH's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Each Restricted Stock Award will conform to (through incorporation of the provisions hereof by reference in the relevant Grant Notice or otherwise) the substance of each of the following provisions:

- (i) **Consideration.** A Restricted Stock Award may be awarded in consideration for (a) cash or cash equivalents, (b) past services to NAPATECH or an affiliate, or (c) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

- (ii) Vesting. Shares in NAPATECH awarded under the Restricted Stock Award Grant Notice may be subject to forfeiture to NAPATECH in accordance with a vesting schedule to be determined by the Board.
- (iii) Termination of Participant's employment. If a Participant's employment terminates, NAPATECH may receive through a forfeiture condition and/or a repurchase or reacquisition right, any or all of the shares in NAPATECH held by the Participant that have not vested as of the date of termination of employment under the terms of the Restricted Stock Award Grant Notice.
- (iv) Transferability. Rights to acquire shares in NAPATECH under the Restricted Stock Award Grant Notice will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Grant Notice, as the Board will determine in its sole discretion, so long as shares awarded under the Restricted Stock Award Grant Notice remains subject to the terms of the Restricted Stock Award Grant Notice.
- (v) Dividends. A Restricted Stock Award Grant Notice may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.
- (vi) Right of Repurchase. The Restricted Stock Award Grant Notice may include a provision whereby NAPATECH may elect to repurchase all or any part of the shares acquired by the Participant pursuant to the Restricted Stock Award.

9.2 **Restricted Stock Unit Awards.** Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Grant Notice or otherwise) the substance of each of the following provisions:

- (i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share in NAPATECH subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.
- (ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of

the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

- (iii) **Payment.** A Restricted Stock Unit Award may be settled by the delivery of shares in NAPATECH, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Grant Notice.
- (iv) **Additional Restrictions.** At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award. The Restricted Stock Unit Award may include a provision whereby NAPATECH may elect to repurchase all or any part of the shares issued to the Participant in connection with the Restricted Stock Unit Award.
- (v) **Dividend Equivalents.** Dividend equivalents may be credited in respect of shares covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Grant Notice. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares covered by the Restricted Stock Unit Award in such manner as determined by the Board. Unless otherwise determined by the Board, any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Grant Notice to which they relate.
- (vi) **Termination of Participant's employment.** Except as otherwise provided in the applicable Restricted Stock Unit Award Grant Notice, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of employment.

9.3 **Other Stock Awards.** Other forms of options valued in whole or in part by reference to, or otherwise based on, shares in NAPATECH, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100 percent of the fair market value of the common stock at the time of grant) may be granted either alone or in addition to OPTIONS provided for under Section 5 and the preceding provisions of this Section 9. Subject to the provisions of the Program, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares (or the cash equivalent thereof) to

be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

10 SPECIAL MATTERS - ADJUSTMENTS

10.1 Unless as otherwise provided by the Board in the Grant Notice:

10.1.1 With regard to employees in subsidiaries of NAPATECH, if NAPATECH should come to own less than 50.0% of the voting shares, directly or indirectly, in the subsidiary in which the Participant is employed, any lock-up period (cf. Section 6.1) shall not apply and the period of exercise for OPTIONS is shortened. The full OPTIONS may be exercised within three (3) months following the finalization of the mentioned transaction and will thereafter lapse automatically and without compensation, unless otherwise decided by the Board. All other restrictions mentioned herein or in the applicable Grant Notice apply in this three (3) months period.

10.1.2 If (a) it is decided to delist the NAPATECH share, or (b) an agreement or agreements are entered into which entail that all the shares in NAPATECH are owned or controlled by one shareholder or two or more shareholders who can be consolidated pursuant to section 6-5, first paragraph, of the Norwegian Securities Trading Act, all OPTIONS (including Warrants and SARs that according to Section 6 cannot yet be exercised) shall be deemed to have been exercised as a cash settlement, cf. for Warrants and SARs Section 5.2 respectively Section 5.3.

10.1.3 If NAPATECH is the continuing company in a merger, no adjustments (including no adjustments to the strike price of the Warrant and SARs and the number of Warrants and SARs allocated) shall be made to OPTIONS. If NAPATECH is a part of a merger and is not the continuing company, the OPTIONS shall, at the election of the Board, lapse automatically and be replaced by OPTIONS (or their economic equivalent) in the continuing company. The number of OPTIONS (or their economic equivalent), the strike price (if any) and their terms shall be based on this Program and the valuation of the companies involved in the merger.

10.1.4 In case of a demerger, the Participants shall be awarded OPTIONS (or their economic equivalent) in (a) all, (b) some or (c) one of the companies of the demerger as decided by the Board. The number of OPTIONS (or their economic equivalent)

lent), the strike price (if any) and their terms shall be based on this Program and the valuation of NAPATECH and the companies involved in the demerger.

10.1.5 If it is decided to liquidate NAPATECH, the Participants have the right to exercise all OPTIONS (including Warrants and SARs that according to Section 6 cannot yet be exercised) at a time specified by the Board and on the conditions set out in this Program.

10.1.6 The strike price (if any) of the OPTIONS and the number of OPTIONS allocated shall be adjusted in the event of equity transactions, etc., that have a direct effect on the value of the OPTIONS, such as a share split or reverse split, an increase of the share capital for a share value other than the marked value, including the issuing of bonus shares or convertible bonds/warrants or a reduction of the share capital of NAPATECH for a share value other than the marked value, including an annulment of shares. However, payment of dividends, any new general employee share based incentives programs, the issuance of shares under this or any other existing or future warrant or share based option programs and NAPATECH's purchase, sale or annulment of its own shares shall not result in any adjustment of the strike price of the OPTIONS or the number of OPTIONS allocated. The Board decides in each case which transactions, etc., shall be adjusted for and how.

11 THE SHARES

11.1 Any shares subscribed for or received by exercise of OPTIONS will enjoy the same rights as NAPATECH's existing shares (common stock).

11.2 The shares subscribed or received by the Participants shall be registered in the name of the Participants and entered into Napatech's register of shareholders at which time rights attached to the shares shall come into force. The shares shall be negotiable instruments.

11.3 The shares are registered with the Norwegian central securities depository Verdipapirsentralen ASA, and therefore NAPATECH shall not issue any physical share certificates. All rights attaching to the shares shall be notified to Verdipapirsentralen ASA in accordance with the applicable rules.

1 2 GOVERNING LAW AND ARBITRATION

12.1 This Program shall be governed by and construed in accordance with the laws of the Kingdom of Denmark.

12.2 Any dispute arising out of or relating to this program that cannot be settled amicably shall be settled exclusively, finally and binding on the parties by arbitration in Copenhagen administered by The Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced.

1 3 AMENDMENTS

13.1 The Board body is entitled to amend this Program and Grant Notices provided hereunder, including the terms governing grant and exercise of OPTIONS, provided that such amendment does not, overall, reduce the economic value for the Participants of the OPTIONS, or provided that such amendment is required in order to conform to applicable mandatory law.