



**Nexstim Plc**  
("Nexstim" or the "Company")

**Nexstim Plc: Invitation to the Annual General Meeting**

***Helsinki, 8 March 2016 at 9 AM***

Nexstim Plc (NXTMH:HEX, NXTMS:STO), a medical technology company aiming to improve rehabilitation for stroke patients through the use of non-invasive brain stimulation.

Shareholders of Nexstim Plc are invited to attend the Annual General Meeting of the Company on Thursday, March 31, 2016, commencing at 12.00 (EET) at the auditorium of Hotel Haven, at the address of Unioninkatu 17 Helsinki, Finland. The reception of persons who have registered for the meeting will commence at 11.30.

***A. Matters on the agenda of the Annual General Meeting of Shareholders***

At the Annual General Meeting of Shareholders, the following matters will be considered:

- 1 OPENING OF THE MEETING
- 2 CALLING THE MEETING TO ORDER
- 3 ELECTION OF PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES
- 4 RECORDING THE LEGALITY OF THE MEETING
- 5 RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES
- 6 PRESENTATION OF THE ANNUAL ACCOUNTS, INCLUDING CONSOLIDATED ACCOUNTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2015  
  
Review by the CEO
- 7 ADOPTION OF THE ANNUAL ACCOUNTS
- 8 LOSS OF THE FINANCIAL YEAR

The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend be paid for the financial year 1 January – 31 December 2015 and that the loss of the financial year be recorded to the loss account.

9 RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY

10 RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND REIMBURSEMENT OF TRAVEL EXPENSES

The Nomination Committee of the Board of Directors, which has the representation from the largest shareholders, proposes that the members of the Board of Directors be paid remuneration as follows:

The members of the Board of Directors who are elected in the Annual General Meeting shall be paid as follows for the term ending in the Annual General Meeting in 2017:

For the Chairman of the Board EUR 45,000 and for members who are based in the United States EUR 36,000 and for members who are based in Finland EUR 18,000 and for members who are based in Europe but not in Finland EUR 27,000. The Nomination Committee proposes that the Board members shall invest half of their above mentioned Board fees into the company's shares.

The members of the Board committees who are based in Finland shall be paid as follows for each meeting that the committee member participates; EUR 1000 for the Chairman of the Committee and EUR 500 for the members of the Committee. For the Committee members who are based in United States EUR 2000 for the Chairman of the Committee and EUR 1000 for the members of the Committee. For the Committee members who are based in Europe but not in Finland EUR 1500 for the Chairman of the Committee and EUR 750 for the members of the Committee.

The Nomination Committee proposes that the members of the Board of Directors are also reimbursed for their reasonable travelling expenses against receipts.

In addition, the Nomination Committee proposes to the Annual General Meeting of Shareholders that a restricted share unit plan be implemented to selected members of the Board of Directors of Nexstim Plc, on the terms and conditions attached to the proposals of the Board of Director's and its Committees to the Annual Shareholder's Meeting which is available on the Company's web site [www.nexstim.com](http://www.nexstim.com). The plan includes four vesting periods, corresponding to the terms of office 2016—2017, 2017—2018, 2018—2019 and 2019—2020 of the member of the Board.

The aim of the plan is to commit the participants to the company, to align the objectives of the shareholders and the participants in order to increase the value of the company and to offer the participants a reward plan based on receiving and accumulating the company's shares.

The Nomination Committee proposes that the target group of the plan will be those members of the Board of Director's who are independent of the company.



The Nomination Committee proposes that the reward allocations in 2016 will be determined in cash.

#### **Total Allocation for the Chairman of the Board**

The Nomination Committee proposes that the Annual General Meeting of Shareholders will resolve on the total gross reward allocation for the Chairman of the Board for all of the four vesting periods in order to commit the Chairman of the Board to the company in the long-term. The Nomination Committee proposes that for the Chairman of the Board, the grant gross value of the reward for the whole plan will be EUR 100,000.

The granted reward will be converted into restricted share units at the beginning of the first vesting period, in 2016. The conversion of the granted reward into restricted share units will be based on the trade volume weighted average quotation of the company's share on Nasdaq Helsinki Ltd during 20 trading days following the release date of the company's Financial Statements in 2016. In the plan, one restricted share unit corresponds to one company's share. The value of the payable reward will be determined on the basis of the share price on the book-entry registration date of the paid shares.

The Nomination Committee proposes that the reward from the plan will be paid to the Chairman of the Board in the company's shares so that one fourth of the total reward will be paid within four weeks of the Annual General Meeting of Shareholders 2017, 2018, 2019 and 2020. The company will withhold taxes and employment related expenses from the cash proportion of the reward according to law in force. Should the Chairman of the Board cease to be a Chairman of the Board before the end of a vesting period, no reward will be paid to him on the basis of such vesting period.

#### **Allocation for Board Members for the Vesting Period 2016—2017**

The Nomination Committee proposes that for each Board member, the grant gross value of the reward for the vesting period 2016—2017 will be EUR 12,500. The aim is to propose equal allocations for the Board Members also to the Annual General Meetings of Shareholders 2017, 2018 and 2019.

The granted reward will be converted into restricted share units at the beginning of the vesting period, in 2016. The conversion of the granted reward into restricted share units will be based on the trade volume weighted average quotation of the company's share on Nasdaq Helsinki Ltd during 20 trading days following the release date of the company's Financial Statements in 2016. In the plan, one restricted share unit corresponds to one company's share. The value of the payable reward will be

determined on the basis of the share price on the book-entry registration date of the paid shares.

The Nomination Committee proposes that rewards from the plan will be paid to the Board Members in the company's shares within four weeks of the Annual General Meeting of Shareholders 2017, 2018, 2019 and 2020. The allocated reward for the vesting period 2016—2017 will be paid within four weeks of the Annual General Meeting of Shareholders 2017. The company will withhold taxes and employment related expenses from the cash proportion of the reward according to law in force. Should a Board Member cease to be a member of the Board before the end of a vesting period, no reward will be paid to him or her on the basis of such vesting period.

## **Ownership Recommendation**

The Nomination Committee proposes that the participants will be strongly recommended to hold shares paid as reward as long as their mandate as a member of the Board continues.

### 11 RESOLUTION ON THE REMUNERATION OF AUDITORS

The Audit Committee of the Board of Directors proposes that the Auditors be paid reasonable remuneration in accordance with the invoice approved by the company.

### 12 RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

The Nomination Committee proposes that the number of members of the Board of Directors be confirmed as seven (7) ordinary members.

### 13 ELECTION OF THE MEMBERS AND CHAIRMAN OF THE BOARD OF DIRECTORS

The Nomination Committee proposes that, in accordance with their consents, Ken Charhut, Johan Christenson, Martin Jamieson, Katya Smirnyagina, Juliet Thompson and Juha Vapaavuori are re-elected as members of the Board of Directors and in accordance with his consent Rohan J. Hoare is elected as a new member of the Board of Director's. The Nomination Committee proposes that Martin Jamieson is elected as the Chairman and Johan Christenson as the Deputy Chairman. Charhut, Jamieson and Thompson and Hoare are independent from the company.

The members of the Board of Directors are all to serve for a term ending at the end of the next Annual General Meeting.

The curricula vitae of the proposed members of the Board of Directors will be available on the Internet at [www.nexstim.com](http://www.nexstim.com).

### 14 ELECTION OF AUDITOR

The Audit Committee of the Board of Directors proposes that the firm of authorized public accountants PricewaterhouseCoopers Oy, which has appointed Martin Grandell as responsible auditor, to be appointed as Auditor to serve for a term ending at the end of the next Annual General Meeting of Shareholders. The Auditor proposed herein has given his consent for the election.

15      **AUTHORIZATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE ACQUISITION OF COMPANY'S OWN SHARES**

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes the Board of Directors to decide on the acquisition of the Company's own shares as follows:

The amount of own shares to be acquired shall not exceed 801,075 shares in total, which corresponds to approximately 10 percent percent of all of the shares in the Company.

The Board of Directors decides how own shares will be acquired. Own shares can be acquired using, inter alia, derivatives. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders (directed acquisition). The minimum price of the shares to be acquired is the lowest market price during the validity of the authorization and the maximum price is correspondingly the highest price formed at the market during the validity of the authorization.

Own shares can be acquired to, among other things, limit the dilutive effects of share issues carried out in connection with possible acquisitions, to develop the Company's capital structure, to be transferred in connection with possible acquisitions, to be used in incentive arrangements or to be cancelled, provided that the acquisition is in the interest of the Company and its shareholders.

The authorization is valid for one (1) year from the decision of the Annual General Meeting of Shareholders and this proposed authorization invalidates prior resolved and registered authorizations made at the General Meeting of Shareholders regarding the acquiring the Company's own shares.

16      **AUTHORIZATION OF THE BOARD OF DIRECTORS TO DECIDE ON SHARE ISSUE, AS WELL AS OPTION RIGHTS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES**

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes the Board of Directors to decide on share issue as well as issue of option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Companies Act as follows:

The shares issued under the authorization are new or those in the Company's possession. Under the authorization, a maximum of 1,201,613 shares, which corresponds to approximately 13 percent of all of the shares in the Company after the share issue, provided that new shares are issued. The shares or other special rights entitling to shares can be issued in one or more tranches.

The Board of Directors is authorized to resolve on all terms for the share issue and granting of the special rights entitling to shares. The Board of Directors is authorized to resolve on a directed share issue and issue of the special rights entitling to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for the Company to do so.

The proposed authorization invalidates prior resolved and registered authorizations made at the General Meeting of Shareholders regarding share issue, issuing of option rights and other special rights entitling to shares.

The authorization is valid for one (1) year from the decision of the Annual General Meeting of Shareholders.

The Company intends to use this authorization for the future financing needs and possible mergers and acquisitions.

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## AUTHORIZATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUE OF SHARES AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes the Board of Directors to decide on share issue as well as issue of option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Finnish Limited Liability Companies Act as follows:

The shares issued under the authorization are new or those in the Company's possession. Under the authorization, a maximum of 950,000 shares can be issued. This number corresponds to approximately 10.60 percent of all of the shares in the Company after the share issue, provided that new shares are issued. The shares or other special rights entitling to shares can be issued in one or more tranches.

The Board of Directors is authorized to resolve on all terms for the share issue and granting of the special rights entitling to shares. The Board of Directors is authorized to resolve on a directed share issue and issue of the special rights entitling to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for the Company to do so. The authorization can also be used for incentive arrangements and payment of the Board fees.

The proposed authorization invalidates prior resolved and registered authorizations made at the General Meeting of Shareholders regarding share issue, issuing of option rights and other special rights entitling to shares.

The authorization is valid for five (5) years from the decision of the Annual General Meeting of Shareholders.

The company intends to use the authorization to the implementation of the RSU plan for the members of the Board of Director's and for the long term incentive plans for the management and the personnel of the company

18 CLOSING OF THE MEETING

## ***B. Documents of the General Meeting of Shareholders***

The proposals of the Board of Directors and its committees relating to the agenda of the Annual General Meeting of Shareholders as well as this notice are available on Nexstim Plc's website at [www.nexstim.com](http://www.nexstim.com). The annual report of Nexstim Plc, including the Company's Annual Accounts, the report of the Board of Directors and the Auditor's report, is available on the abovementioned website no later than on March 9, 2016. The proposals for the decisions on the matters on the agenda of the General Meeting of Shareholders and the Annual Accounts are also available at the Meeting. Copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the meeting will be available on the abovementioned website as from April 14, 2016 at the latest.

## ***C. Instructions for the participants in the Annual General Meeting of Shareholders***

### **1. Shareholders registered in the shareholders' register**

Each shareholder, who is registered on March 17, 2016 in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting of Shareholders. A shareholder, whose shares are registered on his/her personal book-entry account, is registered in the shareholders' register of the Company.

A shareholder, who wants to participate in the Annual General Meeting of Shareholders, shall register for the meeting no later than March 24, 2016 at 10.00 a.m. by giving a prior notice of participation. Such notice can be given:

- (a) on the Company's website: [www.nexstim.com](http://www.nexstim.com); or
- (b) by telephone to +358 50 548 9404 (Mon - Fri 10.00- 14.00); or
- (c) by mail to address Nexstim Plc, "Annual General Meeting" Elimäenkatu 9B, 00510 Helsinki, Finland

In connection with the registration, a shareholder shall notify his/her name, personal identification number or business ID, address, telephone number and the name of a possible assistant or proxy representative. The personal data given to Nexstim Plc is used only in connection with the General Meeting of Shareholders and with the processing of related registrations.

## **2. Holders of nominee registered shares**

A holder of nominee registered shares has the right to participate in the Annual General Meeting by virtue of such shares, based on which he/she on the record date of the Annual General Meeting, i.e. on March 17, 2016, would be entitled to be registered in the shareholders' register of the Company held by Euroclear Finland Ltd. The right to participate in the General Meeting requires, in addition, that the shareholder on the basis of such shares has been registered into the temporary shareholders' register held by Euroclear Finland Ltd at the latest by March 24, 2016 at 10.00 a.m. As regards nominee registered shares this constitutes due registration for the General Meeting.

A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholders' register of the Company, the issuing of proxy documents and registration for the General Meeting of Shareholders from his/her custodian bank. The account management organization of the custodian bank has to register a holder of nominee registered shares, who wants to participate in the General Meeting, into the temporary shareholders' register of the Company at the latest by the time stated above.

## **3. Shares registered in Euroclear Sweden AB**

A shareholder with shares registered in Euroclear Sweden AB's Securities System who wishes to attend and vote at the General Meeting must:

- be registered in the shareholders' register maintained by Euroclear Sweden AB no later than on 17 March 2016.
- Shareholders, whose shares are registered in the name of a nominee must, in order to be eligible to request a temporary registration in the shareholders' register of Nexstim Plc maintained by Euroclear Finland, request that their shares are re-registered in their own names in the register of shareholders maintained by Euroclear Sweden AB, and procure that the nominee sends the above mentioned request for temporary registration to Euroclear Sweden AB on their behalf. Such registration must be made at the latest by 17 March 2016 and the nominee should therefore be notified well in advance before said date.
- request temporary registration in the shareholders' register of Nexstim Plc maintained by Euroclear Finland Oy. Such request shall be submitted in





writing to Euroclear Sweden AB no later than on 18 March 2016 at 10 a.m. Swedish time.

This temporary registration made through written request to Euroclear Sweden AB is considered a notice of attendance at the General Meeting.

#### **4. Proxy representative and powers of attorney**

A shareholder may participate in the Annual General Meeting of Shareholders and exercise his/her rights at the Meeting by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Annual General Meeting of Shareholders.

When a shareholder participates in the Annual General Meeting of Shareholders by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the Annual General Meeting of Shareholders.

Possible proxy documents should be delivered in originals to Nexstim Plc, "Annual General Meeting" Elimäenkatu 9 B, 00510 Helsinki, Finland before the last date for registration.

#### **5. Other instructions and information**

Pursuant to chapter 5, section 25 of the Companies Act, a shareholder who is present at the General Meeting has the right to request information with respect to the matters to be considered at the Meeting.

The meeting will be conducted in Finnish language. Part of the material presented at the meeting will be in English language.

On the date of this notice to the Annual General Meeting of Shareholders, dated March 8, 2016, the total number of shares and votes in Nexstim Plc is 8,010,758.

Helsinki, March 8, 2016

NEXSTIM PLC

The Board of Directors

**For further information please visit [www.nexstim.com](http://www.nexstim.com) or contact:**

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**About Nexstim Plc**

Nexstim is a medical technology company aiming to improve rehabilitation for stroke patients. Nexstim has pioneered its technology in brain diagnostics with the Navigated Brain Stimulation (NBS) system as the first and only FDA-cleared and CE-marked navigated Transcranial Magnetic Stimulation (nTMS) device for pre-surgical mapping of the motor and speech cortices. Based on the same technology platform, the company has developed a device for stroke therapy called Navigated Brain Therapy (NBT®). In H1 2014, Nexstim initiated a two-year pivotal Phase III study at 12 sites in the US aiming to demonstrate the effectiveness of NBT® and gain FDA clearance for commercialisation in post-acute stroke therapy in the US. Nexstim's shares are listed on Nasdaq First North Finland and Nasdaq First North Sweden. For more information please visit [www.nexstim.com](http://www.nexstim.com).