

PEXIP

KEY EMPLOYEES SHARE OPTION INCENTIVE PLAN US SPECIFIC

Schedule A

Incentive Stock Options

This Schedule A sets forth Plan terms that apply to the grant of Options that are Incentive Stock Options to Key Employees of the Group who are U.S. Taxpayers. If there is any inconsistency between any provision of the Plan and this Schedule A, this Schedule A shall take precedence.

A-1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Schedule A, the words and expressions used in the Plan shall, unless otherwise specified below, apply in relation to Options subject to this Schedule.
- 1.2 Except as modified in this Schedule A, all the provisions of the Plan shall be incorporated into this Schedule A as if fully set out herein to be part of this Schedule.
- 1.3 “Code” means the U.S. Internal Revenue Code of 1986, as amended
- 1.4 “Disability” means a condition rendering a Participant Disabled.
- 1.5 “Disabled” will have the same meaning as set forth in Section 22(e)(3) of the Code.
- 1.6 “Incentive Stock Option” means an Option that is an “incentive stock option” within the meaning of Section 422 of the Code.
- 1.7 “Non-Qualified Stock Option” means an Option that is not an Incentive Stock Option.
- 1.8 “Section 409A” means Section 409A of the Code and the U.S. Treasury Regulations and other U.S Internal Revenue Service guidance promulgated thereunder as in effect from time to time.
- 1.9 “Subsidiary Corporation” means a “subsidiary corporation” as defined in Sections 424(f) and (g) of the Code.
- 1.10 “U.S. Taxpayer” means an individual who is subject to income taxation in the United States on the income received by the individual for services as an employee of the Group and who is not otherwise exempt from U.S. income taxation under the relevant provisions of the Code or other applicable laws.

A-2. INCENTIVE STOCK OPTIONS.

- 2.1 Options granted under the Plan to Key Employees who are U.S. Taxpayers may be Incentive Stock Options or Non-Qualified Stock Options; provided, that only Key Employees of the Company,

or a Subsidiary that is a “subsidiary corporation” as defined in Sections 424(f) and (g) of the Code, are eligible to be granted Incentive Stock Options.

2.2. The Award Agreement shall state whether such grant is an Incentive Stock Option or a Non-Qualified Stock Option.

2.3 Subject to section 5.2 of the Plan and adjustment as provided in section 11.2 of the Plan, the maximum number of Shares that may be issued under the Plan in respect of Incentive Stock Options is [•] Shares.

2.4 The Strike Price per Share under an Incentive Stock Option will not be less than 100% of the Fair Market Value of a Share on the date of the grant of the Incentive Stock Option. However, any Incentive Stock Option granted to any Key Employee who, at the time the Incentive Stock Option is granted, owns, either directly and/or within the meaning of the attribution rules contained in Section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any “subsidiary corporation” as defined in Sections 424(f) and (g) of the Code, will have a Strike Price per Share of not less than 110% of the Fair Market Value per Share on the date of the grant.

2.5 No Incentive Stock Option shall have an Expiry Date that is more than ten (10) years after the date of grant. However, any Incentive Stock Option granted to any Key Employee who, at the time such Incentive Stock Option is granted, owns, either directly and/or within the meaning of the attribution rules contained in Section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any “subsidiary corporation” as defined in Sections 424(f) and (g) of the Code, may not have an Expiry Date that is more than five (5) years after the date of grant. No Incentive Stock Option may be exercised after expiration of the term of the Option.

2.6 In the case of an Incentive Stock Option, the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which incentive stock options are exercisable for the first time by the Participant during any calendar year under the Plan and/or any other plan of the Company or of any Subsidiary Corporation will not exceed U.S. \$100,000. For purposes of applying the foregoing limitation, Incentive Stock Options will be taken into account in the order granted. To the extent any Option does not meet such limitation, that Option will be treated for all purposes as a Non-Qualified Stock Option.

A-3. Termination of Employment

3.1 Any vested Incentive Stock Option that is exercised by the Participant under section 14.1 after the end of the three-month period beginning on the date the Participant ceases to be an

employee of the Company and its Subsidiary Corporations will be treated for all purposes as a Non-Qualified Stock Option.

3.2 Any vested Incentive Stock Option that is exercised by the Participant under section 14.2 after the end of the one-year period beginning on the date the Participant ceases to be an employee of the Company and its Subsidiary Corporations by reason of Disability will be treated for all purposes as a Non-Qualified Stock Option.

3.3 Any vested Incentive Stock Option that is exercised by the Participant under section 14.3 following the Participant's death will for all purposes continue to be treated as an Incentive Stock Options.

3.4 Any adjustment to the applicable Vesting Date(s) in accordance with Section 14.5 on account of the Participant's unpaid leave of absence shall be subject to Section 424 of the Code and U.S. Treasury Regulations and other U.S Internal Revenue Service guidance promulgated thereunder as in effect from time to time.¹

A-4. Administration

4.1 The Board shall ensure that any exercise of discretion by the Board, or any adjustments, amendments or modifications by the Board, pursuant to section 6.2 in respect to an Incentive Stock Option will not constitute a modification, extension or renewal of the Incentive Stock Option within the meaning of Section 424(h) of the Code or, to the extent applicable, shall be subject to Section 424 of the Code and U.S. Treasury Regulations and other U.S Internal Revenue Service guidance promulgated thereunder as in effect from time to time.

A-5. Other Corporation Changes

5.1 The Board shall, in the case of Incentive Stock Options, ensure that any adjustments under section 11.2 will not constitute a modification, extension or renewal of the Incentive Stock Option within the meaning of Section 424(h) of the Code

A-6. Cash-Out of Awards

6.1 Any Cash Payment under section 12.1 following the exercise of an Incentive Stock Option may not be deferred until a later time.

¹ **Note to Draft:** If the intent is to extend the Vesting Date(s) applicable to a Participant's ISOs because the period of any unpaid leave of absence does not count towards vesting, any amendment to extend the Vesting Date(s) would cause the ISO to be treated as a NQSO. If the intent is to extend the Vesting Date(s), the extension should be specified in Schedule A or in the applicable Award Agreement when the ISO is granted. The Board should not have the discretion to extend the Vesting Date(s) after the ISO is granted.

A-7. Amendment, Modification, Suspension or Termination of the Plan

7.1 Any amendment, modification, suspension or termination of the Plan in accordance with section 15.1 and any termination of the Plan and granted Options in accordance with section 15.2 shall be made in a manner that would not subject the Participant or any other person to any taxes or penalties under Section 409A.

No Incentive Stock Option may be granted under the Plan after the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or (ii) the date the Plan is approved by the shareholders of the Company, whichever is earlier.

Schedule B

Notwithstanding any provision to the contrary in the Plan or in any Award Agreement, any Option granted to a Participant who is a resident of the State of California on the date of grant (“California Participant”) shall be subject to the provisions set forth in this Schedule B, as applicable, until such time as the Shares become a “listed” security under the U.S. Securities Act of 1933, as amended, to the extent the Company is relying upon the exemption afforded under California Corporations Code Section 25102(o) with respect to the Option.

B-1. Additional Limitations on Options

(a) No Option granted to a California Participant shall have a term in excess of ten (10) years measured from the Option grant date.

(b) Unless a California Participant’s employment is terminated for cause (as defined by applicable law, the terms of any contract of employment between any member of the Group and such Participant, the Plan or in the Award Agreement), in the event of the Participant’s termination of employment, such Participant shall have the right to exercise an Option, to the extent that the Participant was otherwise entitled to exercise such Option on the date employment terminated, until the earlier of the Expiry Date or (i) at least six (6) months from the date of such termination of employment, if termination was caused by such Participant’s death or Disability or (ii) at least thirty (30) days from the date of termination, if termination was caused other than by such Participant’s death or Disability.

B2. No Stock Award may be granted to a resident of California more than ten (10) years after the earlier of the date of adoption of the Plan and the date the Plan is approved by the Company’s stockholders.

B3. No Option granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Option, unless the Plan has been approved by the holders of a majority of the Company’s outstanding voting securities by the later of (i) within twelve (12) months before or after the date the Plan was adopted by the Board or (ii) prior to or within twelve (12) months after the granting of any Option to a California Participant.

B4. For purposes of Section 11.2 of the Plan, in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company’s securities, the number of securities allocated to each California Participant, and the Strike Price of Options, must be adjusted proportionately and without the receipt by the Company of any consideration from any California Participant.