

**FLY PLAY HF**  
**SHARE OPTION PLAN – OFFICERS AND KEY EMPLOYEES**

The Board of Directors of Fly Play hf. (the "**Company**") hereby approves this share option plan (the "**Share Option Plan**") for the Company's officers and key employees (the "**Option Holders**") share options in the Company (the "**Option**");

## **1 OBJECTIVE**

- 1.1 The objective of this Share Option Plan is to align the interests of the Option Holders with the Company's long-term goals and those of its shareholders.
- 1.2 The Share Option Plan enables the Option Holders to acquire shares in the Company at a predetermined price.

## **2 OPTION HOLDER**

- 2.1 The Company's remuneration committee shall make proposals to the Board of Directors on which eligible Option Holders shall be granted Options. The Board of Directors is authorized to deviate from the remuneration committee's proposal.
- 2.2 The total number of shares in the Company in relation to which options can be granted is 40,000,000 shares. The Board of Directors shall determine the number of shares allocated to each Option Holder upon each grant of Options; such determination shall be made following proposals from the remuneration committee.
- 2.3 The Board of Directors is authorized to grant share options at its discretion following the recommendation of the remuneration committee, provided that the total number of shares subject to the Options shall be as approved by the Company's shareholders from time to time.
- 2.4 The CEO shall not be granted options that exceed 15% of the total outstanding options from time to time unless otherwise proposed by the company's remuneration committee. Each key employee shall not be granted options that exceed 10% of the total outstanding options from time to time unless otherwise proposed by the company's remuneration committee.
- 2.5 Option Holder shall enter into an option agreement in the form and content determined by the Board of Directors each time.

## **3 RIGHTS AND OBLIGATIONS**

- 3.1 Any shares acquired pursuant to the Options carry the same rights as ordinary shares in the Company.
- 3.2 Option agreements based on this Share Option Plan shall state that the relevant option vests over not less than three (3) years.
- 3.3 The Board of Directors is authorized to require the relevant Option Holders to retain shares following the exercise of the relevant option. The CEO and other officers of the Company are obligated to retain shares which are equal to the amount of the profit of an exercised option, after deduction of taxes, until [the CEO holds shares which carry a profit equal to one time the annual salary of the CEO and for other officers hold shares which carry a profit equal to 0.5 the annual salary of each applicable officer.]

- 3.4 If the Company changes control within the meaning of Article 100 of Act no. 108/2007 on takeovers, all outstanding options shall automatically accelerate.
- 3.5 The Company is not authorized to grant loans, guarantees, or other security in relation to any exercises of options granted hereunder.
- 3.6 Any option granted pursuant to this Share Option Plan shall be individual to the Option Holder and shall not be transferrable or capable of novation.

#### **4 VESTING OF OPTIONS**

- 4.1 Options granted hereunder shall vest over a period of three years from the granting of options.
- 4.2 Options shall generally lapse if the employment of the relevant Option Holder is terminated during the vesting period. The Company is authorized to waive the lapsing of options in case of good leaver events, such as disability, death, or other reasons not attributable to the Option Holder.

#### **5 EXERCISE PRICE**

- 5.1 The exercise price of the options shall be the closing price per share as of the date before granting the relevant options.
- 5.2 If the Company issues any bonus shares, the exercise price per share shall be adjusted accordingly.

#### **6 EXERCISE AND DELIVERY**

- 6.1 Option agreements entered into based on this Share Option Plan will provide for exercise dates which will take into account any closed period, under applicable legislation, applicable to the Company and each Option Holder.
- 6.2 Upon exercise of an option, the Board of Directors will issue shares against payment of the exercise price in cash.
- 6.3 To fulfill its obligations pursuant to any options granted hereunder, it is assumed that a shareholders' meeting of the Company will grant the Board of Directors sufficient authority at each time. The Board of Directors shall further be authorized to grant options to or fulfill obligations under option agreements by delivery of treasury shares.

#### **7 TERMINATION OF SHARE OPTION PLAN**

- 7.1 The Share Option Plan, any option agreement, and other obligations of the Company shall always be subject to the precondition that the Company can issue and deliver shares in the Company to fulfill its obligations under its option agreements. If valid reasons apply, the Company's Board of Directors is further authorized to cancel the Company's Share Option Plan and its option agreements, and it shall apply to any and all obligations derived thereof. The Company's authorization to do so shall become effective in any of the following events:
  - (a) The dissolution of the Company.

- (b) The financial restructuring of the Company.
- (c) The Company enters into a liquidation, moratorium, composition agreement, or any similar action.
- (d) In other events where there are significant reasons to do so.

**8 APPROVAL OF THIS SHARE OPTION PLAN**

8.1 [This Share Option Plan was approved at the company's shareholders' meeting on 21 March 2024.]

8.2 The Board of Directors Fly Play hf. Approved this Share Option Plan in March 2024, subject to the approval of a shareholders' meeting

Reykjavík, 7 March 2024

On behalf of the Board of Directors of Fly Play hf.

Einar Örn Ólafsson, Chairman