

**Windward Ltd.**

**Incorporated and registered in Israel with registered number 51-438690-3**

**(the “Company” or “Issuer”)**

**Summary of the Company’s Share Option Scheme**

**Dated as**

**14 February 2023**

**Share Option Scheme for the grant of options, restricted shares and  
restricted share units of the Company’s Ordinary Share**

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## Introduction

Windward Ltd. (LSE:WNWD), a company listed on the AIM Market of the London Stock Exchange, is a leading Maritime AI company, enabling organisations to achieve business and operational readiness. Windward's AI-powered solution allows stakeholders including banks, commodity traders, insurers, and major energy and shipping companies to make real-time, predictive intelligence-driven decisions, providing a 360° view of the maritime ecosystem and its broader impact on safety, security, finance, and business.

The Company adopted the Windward Ltd. Global Share Incentive Plan (2021) in June 2021 (the “**Share Option Scheme**”). Pursuant to the Share Option Scheme eligible employees, executive officers and directors of the Company and its subsidiaries are invited to participate at the discretion of the Company’s board of directors (the “**Board**”). The Share Option Scheme also enables the Company to make awards to non-executive directors and consultants, including awards of restricted share units and restricted shares.

In Israel many companies elect for options and other equity awards issued to employees to be governed by Section 102 of the Income Tax Ordinance (New Version) (the “**Ordinance**”) under which tax can be deferred until the disposal of the shares originating from such options or equity awards by the employee. For the purposes of the Ordinance, the term “**employees**” includes officers and directors of the Company, with the exception of controlling shareholders.

The Company has elected that the employee equity grants issued pursuant to its Share Option Scheme should be under the Capital Gains route of Section 102 of the Ordinance. In accordance with such election, the equity awards must be deposited in trust with a trustee approved by the Israeli Tax Authority (“**Trustee**”) for a specific period (currently, 24 months) which commences from the date of allocation of the equity award and deposit of it with the Trustee. During this period, the equity awards may not be sold, transferred, encumbered nor used in any other way by the grantee.

## Chapter I – Required Notices and Approvals

The Company’s Share Option Scheme under Section 102 of the Ordinance was adopted by the Company’s Board and duly filed with the Israel Tax Authority (“**ITA**”) by the Trustee on 09 December 2021 according to the requirements of the ITA.

The Company’s remuneration committee approval is required for each grant under the Share Option Scheme. When the equity award is to directors, the approval of the Company’s remuneration committee and Board is required, in addition to the approval by the General Meeting of the Company. The grant of equity awards to members of the executive management requires the approval of Board, in addition to the approval of the remuneration committee.

The Trustee of the Share Option Scheme is currently IBI Trust Management Ltd. Following each grant of Options or RSUs made under Section 102, the Company is required to notify the Trustee and provide it with a copy of the Board approval and the executed award agreement.

The Company's Ordinary Shares (as defined below) were admitted to trading on the AIM Market of the London Stock Exchange, on 6 December 2021.

The Company is required to make an announcement following the grant of Options and/or RSUs to directors and persons discharging managerial responsibilities. These announcements are posted to the Company's website, available at: <https://investors.windward.ai/investors/regulatory-news-alerts/>.

## **Chapter II – General Description of the Share Option Scheme**

The Share Option Scheme grants certain employees, directors, and consultants securities in the Company. Having a personal stake in the Company's fiscal fortunes encourages productivity and commitment. The Share Option Scheme permits the grant of options, restricted shares and restricted share units under the Share Option Scheme.

The Board is empowered to administer the Share Option Scheme either directly or upon the recommendation of a committee of the Board. Additionally, subject to the requirements of the Israeli Companies Law – 5799 – 1999 (the "**Companies Law**"), the Board may vest such a committee with additional powers of administering the Share Option Scheme.

The Board shall determine the eligible grantees to whom, and the time or times at which, grants of RSUs and/or Options to purchase Ordinary Shares will be made, the number of RSUs and/or Options to be awarded, the number of Ordinary Shares subject to the RSUs and/or Options, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the awards. The Board may condition the grant or vesting of RSUs and/or Options upon the attainment of specified performance targets or such other factors as the Board may determine, in its sole discretion.

All equity awards shall have a written agreement. Each such agreement shall state the number of shares in the equity award, the tax track of such equity award (102 capital gains track, 102 ordinary income track, Section 3(i) or under a foreign jurisdiction), vesting dates, purchase price per share, if applicable, and the expiration date.

Subject to the provisions of the Share Option Scheme, each award shall vest following the relevant vesting dates and for the number of Ordinary Shares of the Company as shall be provided in the relevant agreement and Board or committee approval. Options shall only be exercisable once they have vested, while other securities will have their restrictions fall away automatically in upon such vesting.

The Company has adopted a policy on share dealing, for directors and applicable employees of the Company for the purpose of ensuring compliance by such persons consistent with the provisions of Market Abuse Regulations and of the AIM Rules for Companies relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules for Companies).

The share dealing policy, among other things, regulates trading and confidentiality of inside information for persons discharging managerial responsibility ("PDMRs") and persons closely associated with them and applicable employees, and contains provisions appropriate for a

company whose shares are admitted to trading on AIM. The Company will take all reasonable steps to ensure compliance by PDMRs and any applicable employees with the terms of that share dealing policy.

The share dealing policy sets out certain closed periods during which dealing in the Company's securities is restricted or prohibited, these closed periods include, *inter alia*, the 30 day period preceding the preliminary announcement of the Company's annual results (or, where no such announcement is released, up to the publication of the Company's annual financial report), or the release of the Company's half-yearly financial report, as well as when a director or applicable employee is in possession of inside information. During a closed period, the relevant grantees will not be able to exercise or sell any of the Options and/or RSUs held by them or on their behalf by the Trustee (as applicable).

Upon vesting, Options shall be exercisable pursuant to the terms under which they were awarded and subject to the terms and conditions of the Share Option Scheme. The exercise price for each Ordinary Share to be issued upon exercise of an Option shall be such price as is determined by the Board in its discretion, provided that the price per share is not less than the nominal value of each Ordinary Share, or to the extent required pursuant to applicable law to qualify for favorable tax treatment (as determined by the Board), not less than 100% of the fair market value of an Ordinary Share on the date of grant. Upon vesting, the RSUs restrictions fall away automatically. The Board may determine that Options may be exercised by way of a "cashless exercise" mechanism, in accordance with any applicable requirements of the ITA and any applicable regulations, as relevant. The Company, via the Trustee, currently offers a "cashless exercise" mechanism for Options.

Unless otherwise determined in the relevant award agreement, an Option or RSU (as defined below) may be exercised after the date of termination of Option holder's employment if (i) termination is without cause, rights may be exercised for three months after termination; or (ii) termination is the result of death or disability of the Option holder, right may be exercised within a period of twelve 12 months after termination.

Otherwise, the options may be exercised by the grantee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable under the terms of an option agreement, prior to the relevant expiration date.

The Company may issue Restricted Share Units ("**RSUs**") from time to time under the Share Option Scheme. The RSUs are an equity award according to which, under the terms of the Share Option Scheme Ordinary Shares will be issued to (or for the benefit of) a grantee promptly following each vesting date which was determined by the Board or a committee of the Board, provided that the grantee is still engaged by the Company on the applicable vesting date.

### **Chapter III – General Description of the offered Ordinary Shares**

The Company shall determine the number of Ordinary Shares reserved the Share Option Scheme from time to time, and such number may be increased or decreased by the Company

from time to time. Any Ordinary Shares under the Share Option Scheme, in respect of which the rights of a grantee to purchase and/or receive the same shall for any reason terminate, expire or otherwise cease to exist, shall again be available for grant as equity awards under the Share Option Scheme. Any Ordinary Shares that remain unissued and are not subject to equity awards at the termination of the Share Option Scheme shall cease to be reserved for purposes of the Share Option Scheme. Until termination of the Share Option Scheme the Company shall at all times reserve a sufficient number of Ordinary Shares to meet the requirements of the Share Option Scheme.

The RSUs and Options are granted over Ordinary Shares of the Company. The rights attached to the Ordinary Shares are set forth in Company's Articles of Association <https://investors.windward.ai/wp-content/uploads/2021/12/Windward-Articles-of-Association.pdf>. A grantee holding RSUs and/or Options shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Ordinary Shares issuable upon the vesting of any part of the RSUs and/or Options unless and until such Ordinary Shares shall have been issued by the Company to such grantee (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.

#### **Chapter IV – General Disclosures**

The Board may at any time, after consultation with the Trustee, amend, suspend or terminate the Share Option Scheme, other than amendments which may adversely affect outstanding equity grants.

Neither the Share Option Scheme nor any grant of equity awards to a grantee shall impose any obligation on the Company, to continue the employment or engagement of any grantee, and nothing in the Share Option Scheme or in any equity award granted pursuant thereto shall confer upon any grantee any right to continue to serve as an employee, consultant or director of the Company or restrict the right of the Company to terminate such engagement at any time.

Information regarding the current and historic price of the Ordinary Shares is available at: <https://www.investegate.co.uk/Index.aspx?searchtype=2&words=Windward>.

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