

## **Raute Corporation Stock Options 2010**

The Board of Directors (hereinafter "Board of Directors") of Raute Corporation (hereinafter "Raute" or "Company") has in its meeting on 10 February 2010 resolved to propose to the Annual General Meeting of Shareholders of Raute to be held on 31 March 2010 that stock options to subscribe for new class A shares of the Company (hereinafter "Stock Options") be issued by Raute on the terms and conditions set forth below. According to the proposal of the Board of Directors the Stock Options will be issued to the key personnel of Raute and its subsidiaries (Raute together with its subsidiaries hereinafter "Raute Group") and to a wholly-owned subsidiary of Raute Corporation separately determined by the Board of Directors (the "Subsidiary") as in detail determined by the Board of Directors.

### **I Terms and Conditions of the Stock Options**

#### **1 Number of Stock Options**

The maximum total number of Stock Options issued under this plan shall be 240,000. The Stock Options entitle to Subscribe for a maximum total number of 240,000 class A shares in Raute. (share subscription hereinafter "Share Subscription" or "Subscription, to subscribe for shares hereinafter "Subscribe", subscriber of shares hereinafter "Subscriber").

#### **2 Stock Options and the Allocation thereof**

The Stock Options will be issued under series as follows:

Series	Number of Stock Options
2010 A	80,000
2010 B	80,000
2010 C	80,000

The Board of Directors shall have the right to convert Stock Options from one series to another.

The Board of Directors decides on the allocation and distribution of the Stock Options to the key personnel of Raute Group and to the Subsidiary and from the Subsidiary further to the key personnel of Raute Group as well as the timetable thereof. The Board of Directors shall also be entitled to decide upon the allocation, conversion from one series to another and distribution of Stock Options that have been returned to the Company or to the Subsidiary.

The Stock Options shall be issued free of charge.

The persons, to whom Stock Options are issued, shall be notified in writing by the Company about the offer of Stock Options and the number of Stock Options available to each such person. The Stock Options shall be delivered to the recipient when he or she has accepted the offer of the

Board of Directors (the key employees of Raute Group who have become holders of Raute Stock Options 2010 in accordance with these terms and conditions hereinafter referred to as "Participants" and each a "Participant").

The Board of Directors shall be entitled to decide upon the approval of the Subscriptions of the Stock Options.

The right of non-Finnish employees of the Raute Group to Subscribe for the Stock Options (such as employees not generally liable for tax in Finland or not permanent residents of Finland) may be limited or their Subscription may be subject to additional terms and conditions on the basis of local securities laws, tax laws or other laws or regulations.

The Stock Options shall be issued in electronic form in the paperless book-entry securities system. The Stock Options shall be subject to a transfer restriction as described in Sections I.5 and III of these terms and conditions. The aforementioned transfer restriction shall be registered as a restriction in the book-entry securities system in the manner determined by the Board of Directors.

### **3 Right to the Stock Options**

The Stock Options shall, in deviation from the shareholders' pre-emptive subscription right, be issued to key employees of the Raute Group selected by the Board of Directors and at the discretion of the Board of Directors to the Subsidiary. The right to subscribe for the Stock Options is personal and may not be assigned. The shareholders' pre-emptive subscription right is proposed to be deviated from since the Stock Options are intended to form part of the incentive and commitment program of Raute Group's key personnel. From the point of view of the Company, this constitutes a weighty financial ground for deviating from the shareholders' pre-emptive right.

The Stock Options are allocated based on criteria determined by the Board of Directors. Offering the Stock Options is solely at the discretion of the Company. The Stock Options or the underlying shares do not constitute a part of the Participant's salary or benefit in kind or otherwise any part of the employment contract, nor should they be regarded as such. The Participant shall not be entitled to compensation on any ground based on the Stock Options during his/her employment or thereafter from any company belonging to Raute Group.

### **4 Distribution of the Stock Options**

The Board of Directors decides upon the allocation and distribution of the Stock Options, upon the time of the allocation and distribution as well as on the reallocation and redistribution or delivery to the Subsidiary of Stock Options which have been offered to key personnel but which have not been subscribed for by the key personnel to whom Stock Options have originally been offered or which have subsequently been returned to the Company from their holders as a result of termination of employment or due to other grounds.

### **5 Transfer of Stock Options and Obligation to Offer Stock Options**

Stock Options for which the Share Subscription period set forth in Section II.2 has not commenced, may not be transferred, pledged, or disposed of in any manner without the consent of the Company. The Board of Directors decides on the granting of the consent. The Stock Options are freely transferable once the respective Share Subscription period in relation to them has commenced. The Board of Directors may, however, permit the transfer or pledge of a Stock

Option also prior to such date in which case the Participant is obliged to immediately inform the Company of the execution of the transfer or pledge in writing. The Board of Directors may also decide that in certain specified jurisdictions, the Stock Options may not be transferred at all or set other restrictions to the transferability or disposability of the Stock Options.

Should a Participant cease to be employed by or at the service of the Raute Group, for any reason other than death, retirement for statutory pension (such as statutory old-age pension or statutory pension due to permanent illness or disability) or retirement for supplementary old-age pension arranged by the Company, such person shall, without delay, offer to the Company or upon the Company's demand to the Subsidiary or to third party specified by the Company, free of charge, the Stock Options for which the Share Subscription period specified in Section II.2 had not commenced on the last day of such person's employment or service. The Board of Directors may, however, also in case the employment of a Participant ceases due to other reason than the permitted reasons described above, due to a significant ground, decide that the Participant is entitled to keep the Stock Options subject to the offering obligation or a part of them.

Regardless of whether the Participant has offered his/her Stock Options to the Company, the Subsidiary or to the third party specified by the Company or not, the Company is entitled to inform the Participant in writing that the Participant has lost his/her Stock Options on the basis of the above-mentioned reasons. The Board of Directors shall in such case have the right at its discretion either to cancel such Stock Options, to transfer the Stock Options further to the Subsidiary or to a third party or to leave them waiting for a subsequent further transfer to a third party. The Company shall, irrespective of whether the Stock Options have been offered to the Company or to a party specified by the Company, to have all the Stock Options subject to the offering obligation recovered and transferred from the Participant's book-entry account to a book-entry account specified by the Company or, alternatively, to cancel the subject Stock Options without the consent of the Participant. The Company is, in addition, entitled to register the transfer restrictions and other respective restrictions concerning the Stock Options to the Participant's book-entry account without the consent of the Participant. The Board of Directors is entitled to offer such Stock Options further to key personnel employed by or at the service of Raute Group or to the Subsidiary.

Should the Participant cease to be employed by or at the service of the Company, the Board of Directors may decide that the Participant, in order to be able to utilize the Stock Options, has to exercise all or a part of the Stock Options before a specific date set by, and in the manner determined by, the Board of Directors.

## **II Terms and Conditions of the Share Subscription**

### **1 Right to Subscribe for Shares**

Each Stock Option entitles its holder to Subscribe for one (1) new class A share in Raute. As a result of the Share Subscriptions, the number of class A shares of Raute may be increased by a maximum of 240,000 new shares and the share capital of Raute may as a result of the share subscriptions made with the Stock Options increase with the maximum of 480,000 euro. Out of the Share Subscription price the amount equalling the nominal value of the share shall be transferred to the share capital and the exceeding amount to the fund for invested non-restricted equity.

The Subsidiary shall not be entitled to subscribe for shares with the Stock Options.

## **2 Share Subscription and Payment**

The Share Subscription period shall be

- for Stock Option 2010 A 1 March 2013 - 31 March 2016
- for Stock Option 2010 B 1 March 2014 - 31 March 2017
- for Stock Option 2010 C 1 March 2015 - 31 March 2018

However, the Share Subscription period shall not commence until publication of the Company's financial statements for the financial year preceding the commencement of the Share Subscription period. If the financial statements have not been published prior to the abovementioned date, the Board of Directors will decide on a later date on which the Share Subscription period shall commence.

Share Subscriptions shall take place at the head office of Raute or at the premises of a subscription agent determined by the Board of Directors. The Stock Options with which shares have been subscribed for shall be deleted from the Subscriber's book-entry account. Upon Subscription, payment for the shares subscribed for, shall be made to the bank account specified by the Company. The Share Subscription can, if so resolved by the Board of Directors, be conditional on the Participant's satisfaction of taxes relating to the Share Subscription or other corresponding conditions determined by the Board of Directors.

The Board of Directors may suspend the Share Subscription for a specific period of time due to significant reasons. Whether such a significant reason is at hand shall be determined by the Board of Directors at its discretion.

The Board of Directors shall decide on all procedural matters and measures concerning the Share Subscription.

## **3 Share Subscription Price**

The Subscription price for the shares ("Subscription Price") shall be:

- for Stock Option 2010 A, the trade volume weighted average quotation of the Raute share in continuous trading, rounded off to the nearest cent, on NASDAQ OMX Helsinki during the two month period immediately following the announcement day of the financial statements for the year 2009 (the announcement day shall not be included in the aforementioned two month period),
- for Stock Option 2010 B, the trade volume weighted average quotation of the Raute share in continuous trading, rounded off to the nearest cent, on NASDAQ OMX Helsinki during the two month period immediately following the announcement day of the financial statements for the year 2010 (the announcement day shall not be included in the aforementioned two month period), and
- for Stock Option 2010 C, the trade volume weighted average quotation of the Raute share in continuous trading, rounded off to the nearest cent, on NASDAQ OMX Helsinki during the two month period immediately following the announcement day of the financial statements for the year 2011 (the announcement day shall not be included in the aforementioned two month period).

The Subscription Price shall, however, always be at least the nominal value of the share.

If the Company distributed dividend or otherwise funds from distributable equity funds during the aforementioned determination period of the Subscription Price, the value of the dividend or other

distributed funds, proportioned to the number of shares, shall be deducted from such trading with the share, which is used as the basis for the determination of the Subscription Price and in which the dividend or other distributed funds have been left with the seller of the shares (as this is determined pursuant to the settlement rules of NASDAQ OMX Helsinki Oy applied from time to time).

From the Subscription Price shall, as per the relevant record date, be deducted the amount of the dividend or funds distributed through a distribution of funds from the distributable equity fund decided after the end of the period for determination of the Share Subscription price but before Share Subscription.

#### **4 Registration of Shares**

Shares Subscribed for and fully paid shall be registered in the book-entry account of the Subscriber.

#### **5 Shareholder Rights**

The shares Subscribed for with the Stock Options shall entitle to a dividend and other distribution of profit, if any, and the other financial and administrative rights attached to the share, commence when the increase of the share capital has been registered in the Finnish Trade Register.

#### **6 Share Issues, Stock Options and Specific Rights before Share Subscription**

Should the Company before the Share Subscription issue new shares, stock options or specific rights entitling to shares, a holder of Stock Options shall have the same or equal right as the shareholders. If the shareholders have the pre-emptive subscription right in such issue, the equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for Subscription, the Subscription Price or both. If the issue is effected in deviation from the shareholders' pre-emptive subscription right, the holder of Stock Options shall not be entitled to participate in the issue by virtue of the Stock Options and the terms and conditions of the Stock Options shall not be amended in connection therewith.

#### **7 Rights in Certain specific Cases**

If the Company reduces its share capital in proportion to the existing shareholdings before the Share Subscription for the purposes of distributing funds to its shareholders, a holder of Stock Options shall have the same or equal right as the shareholders and the Share Subscription right accorded by the terms and conditions of the Stock Options shall be adjusted correspondingly. A reduction of the share capital for other purposes shall not affect the Subscription rights pertaining to the Stock Options.

Should the Company be placed into liquidation before the Share Subscription, the holder of Stock Options shall be given an opportunity to exercise his/her Share Subscription right during a period to be determined by the Board of Directors, such period commencing no later than one month after the Company has decided on the placing into liquidation. If the Company is removed from the Finnish Trade Register without liquidation process or otherwise than as a result of a merger or demerger, the holder of Stock Options shall have no Subscription right.

If the Company decides to merge in whatever form or demerge, the holders of Stock Options shall be given the right to Subscribe for the shares before the merger or demerger with the Stock

Options within a period of time determined by the Board of Directors. After the expiry of the above period determined by the Board of Directors no Subscription right shall exist. Alternatively, the Board of Directors may grant the holders of the Stock Options the right to subscribe for stock options issued, under the corresponding terms and conditions, by the receiving company or the company to be formed in a combination merger or demerger on the same principles that the shareholders have been given shares of the acquiring or new company, as set forth in the merger or demerger plan. The holder of Stock Options may in case of a merger or demerger require redemption of his/her Stock Options in accordance with the provisions stipulated in the Finnish Companies Act expect that they shall not have any such right in the above case in which the holders of Stock Options are offered the right to subscribe for stock options issued by the receiving company or the company to be formed in a combination merger or demerger in accordance with the provisions set forth further below.

If the Company, prior to the expiry of the Share Subscription period, resolves to acquire or redeem its own shares or specific rights to its share by an offer made to all shareholders in proportion to ownerships, the holders of Stock Options shall be made the same or an equivalent offer as the shareholders. In order to maintain the equality the Board of Directors may decide, if necessary, either to change the number or Subscription price of the shares to be Subscribed for under the Stock Options, or both, or alternatively to allow the holders of Stock Options to exercise the right to Subscribe prior to the implementation of the acquisition or redemption, during a period to be determined by the Board of Directors. In other cases, acquisition or redemption of the Company's own shares or the acquisition or redemption of Stock Options to the Company shall not require the Company to take any action in relation to the Stock Options.

If a redemption right and redemption obligation to all of the Company's shares, as referred to in the Finnish Companies Act, arises to a shareholder, before the end of the Share Subscription period, on the basis that a shareholder possesses over 90% of the shares and votes in the Company ("Redemption of Minority Shares"), or if the ownership of a shareholder reaches or exceeds such a level that the shareholder has under the Finnish Securities Markets Act the obligation to launch a public offer for the redemption of the remaining shares in the Company, the holders of Stock Options shall be entitled to use their right of Subscription by virtue of the Stock Options, within a period of time determined by the Board of Directors, or, if so decided by the Board of Directors, they shall be entitled to have an equal right to that of shareholders to sell their Stock Options to the redeemer or offeror, irrespective of the transfer restriction defined in Section I.5 above. Upon the occurrence of a Redemption of Minority Shares the holders of Stock Options shall have the corresponding obligation to that of the Company's shareholders to transfer all of their Stock Options for redemption by the party having the redemption right and the party having the redemption right shall have the right to redeem all the Stock Options simultaneously with and in the same procedure as the outstanding shares of the Company.

If the number of the Company's existing shares is changed while the share capital remains unchanged (except the situations set forth above in section II 6 or in this section II 7), the Share Subscription terms and conditions shall be amended so that the relative proportion of shares available for Subscription with the Stock Options to the total number of the Company's outstanding shares, as well as the aggregate Subscription Price, remain unchanged.

The Company's decision to cancel existing shares held by the Company itself, to issue new shares to the Company itself or to reduce share capital without distribution to shareholders shall not affect the terms and conditions of the Stock Options.

Converting the Company from a public company into a private company shall not affect the terms and conditions of the Stock Options.

Should the holder of Stock Options be entitled to exercise the Stock Options based on this Section II.7 in a situation in which the Subscription Price cannot yet be determined pursuant to these Terms and Conditions, the Subscription price for the shares shall be determined based on the last ended period for determination of the Subscription price pursuant to Section II.3.

### **III Other Matters**

The laws of Finland shall be applied to these terms and conditions and all aspects related to the Stock Options and Subscription. Disputes arising in relation to the Stock Options shall be settled by arbitration in accordance with the Rules for Expedited Arbitration of Arbitration Board of the Central Chamber of Commerce of Finland. The arbitral tribunal shall consist of one arbitrator.

Matters and procedures related to the Stock Options shall be resolved by the Board of Directors. The Board of Directors may, in addition, decide on amendments and specifications to the terms and conditions which are not considered essential. The Stock Option documentation referred to in the Finnish Companies Act shall be available for inspection at the head office of Raute.

The Participant and any transferee not permitted under these terms and conditions or not approved by the Board of Directors has an obligation to convey, without any consideration, and the Company shall be entitled to enforce and get transferred from such party/-ies to a party specified by the Company, free of charge, the Stock Options held by such party and at its discretion to cancel such Stock Options. The Board of Directors shall also have the right to implement and get transferred without any consideration to a party specified by it Stock Options held by a party which breaches these terms and conditions, any regulations or instructions given by the Company based on these terms and conditions, applicable law or regulations given by authorities. The Company is entitled to apply for and effect a transfer of all Stock Options from the aforementioned Participant's or non-permitted transferee's (whichever is applicable) book-entry account to a book-entry account specified by the Company or, alternatively, cancel such Stock Options without the consent of the subject Participant or non-permitted transferee (whichever is applicable).

The Board of Directors will have a right to take any measures as it considers necessary to meet any legal payment or other liability in respect of the Stock Options, or to enhance administration of the Stock Options. The Company shall for such purpose have the right e.g. to restrict the transferability of the Stock Options or in order to fulfil its obligation to remit the payroll tax to deduct the necessary portion from the exercise of the Stock Options or from the proceeds received by the Participant from the sale of the Shares subscribed for with the Stock Options and the right to transfer, without the consent of the Participant, Stock Options from the book-entry account of the Participant to an account designated by the Company to be held on such account on behalf of the Participant.

The Participants are themselves responsible for the taxes and tax-related payments which relate to the Stock Options and the transfer and use thereof.

These Stock Option terms and conditions have been prepared in the Finnish and in English languages. In case of any discrepancy between the Finnish and English terms and conditions, the Finnish terms and conditions shall prevail.