

## **TERMS AND CONDITIONS OF PKC GROUP OYJ'S STOCK OPTIONS 2006**

The Board of Directors of PKC Group Oyj (Board of Directors) has in its meeting on 22 February 2006 resolved to propose to the Annual General Meeting of Shareholders of PKC Group Oyj to be held on 30 March 2006 that stock options be issued to the key personnel of PKC Group Oyj (Company) and its subsidiaries (Group) and to a wholly owned subsidiary of the Company on the following terms and conditions:

### **I STOCK OPTION TERMS AND CONDITIONS**

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

The maximum total number of stock options issued shall be 697,500, and they entitle their owners to subscribe for a maximum total of 697,500 shares in the Company (share).

#### **2. Stock Options**

Of the stock options, 202,500 shall be marked with the symbol 2006A, 232,500 shall be marked with the symbol 2006B and 262,500 shall be marked with the symbol 2006C.

The Board of Directors notifies the persons entitled to stock options in writing about the offer of stock options. The stock options shall be delivered to the recipient when he or she has accepted the Board of Directors' offer. The stock options shall be issued in the book-entry securities system.

#### **3. Right to Stock Options**

The stock options shall, in deviation from the shareholders' pre-emptive subscription rights, be issued free of charge to the key personnel of the Group and to PKC Group's wholly owned subsidiary Carhatec Oy (Subsidiary). The shareholders' pre-emptive subscription rights are proposed to be deviated from because the stock options are intended to form part of the Group's incentive and commitment program for the key personnel.

#### **4. Distribution of Stock Options**

The Board of Directors shall decide upon the distribution of the stock options. The Subsidiary shall be granted stock options to the extent that the stock options are not distributed to the key personnel of the Group. Stock options can also be distributed to PKC Group key personnel who, now or in the future, belong to the inner circle of the Company.

The Board of Directors of the Company shall later decide upon the further distribution of the stock options, granted or returned later to the Subsidiary, to the key personnel employed by or to be recruited by the Group.

Upon issue, all stock options 2006B and 2006C and those stock options 2006A that are not distributed to the key personnel, shall be granted to the Subsidiary. The Subsidiary can distribute stock options 2006 to the key personnel employed by or to be recruited by the Group by the resolution of the Board of Directors of the Company.

Stock options 2006 are subject to a share ownership plan, in which the Group key personnel are obliged to acquire the Company's shares with a proportion of the income gained from the stock options in accordance with the manner decided by the Board of Directors in connection with the decision to distribute stock options.

#### **5. Transfer of Stock Options and Obligation to offer Stock Options**

The stock options are freely transferable, when the relevant share subscription period has begun. The Board of Directors may, however, permit the transfer of a stock option also before such date. Should a stock option owner transfer his/her stock options, such person is obliged to inform the Company about the transfer in writing, without delay.

Should a stock option owner cease to be employed by or in the service of the Group, for any reason other than death or statutory retirement, such person shall, without delay, offer to the Company or its assignee, free of charge, the stock options for which the share subscription period specified in Section II.2 has not begun on the

last day of employment or service. The Board of Directors can, however, in these cases decide that a stock option owner is entitled to keep such stock options or a part of them.

Regardless of whether a stock option owner has offered his/her stock options to the Company or not, the Company is entitled to inform a stock option owner in writing that a stock option owner has lost his/her stock options on the basis of the above-mentioned reasons. The Company has the right, whether or not the stock options have been offered to the Company, to request and get transferred all the stock options under the offering obligation from a stock option owner's book-entry account to the book-entry account appointed by the Company, without the consent of a stock option owner. In addition, the Company is entitled to register transfer restrictions and other respective restrictions concerning the stock options to a stock option owner's book-entry account, without the consent of a stock option owner.

## **II SHARE SUBSCRIPTION TERMS AND CONDITIONS**

### **1. Right to subscribe for new Shares**

Each stock option entitles its owner to subscribe for one (1) PKC Group Oyj's share. The book equivalent value of each share is approximately EUR 0.34. As a result of the share subscriptions, the share capital of PKC Group may be increased approximately by a maximum total of EUR 237,150 and the number of shares by a maximum total of 697,500 new shares.

The Subsidiary shall not be entitled to subscribe for PKC Group's shares on the basis of the stock options.

### **2. Share Subscription and Payment**

The share subscription period shall be

- for stock option 2006A 1 April 2009 – 30 April 2011,
- for stock option 2006B 1 April 2010 – 30 April 2012, and
- for stock option 2006C 1 April 2011 – 30 April 2013.

Share subscriptions shall take place at the head office of the Company or possibly at another location to be determined later. The stock options with which shares have been subscribed for shall be deleted from the subscriber's book-entry account simultaneously with the registration of the subscribed and fully paid shares in the subscriber's book-entry account. Upon subscription, payment for the shares subscribed for, shall be made to the bank account appointed by the Company. The Board of Directors shall decide on all measures concerning the share subscription.

### **3. Share Subscription Price**

The share subscription price shall be:

- for stock option 2006A, the trade volume weighted average quotation of PKC Group's share on the Helsinki Stock Exchange during 1 March – 31 March 2006,
- for stock option 2006B, the trade volume weighted average quotation of PKC Group's share on the Helsinki Stock Exchange during 1 March – 31 March 2007, and
- for stock option 2006C, the trade volume weighted average quotation of PKC Group's share on the Helsinki Stock Exchange during 1 March – 31 March 2008.

If the dividend ex date in 2007 or in 2008 is in March, such dividend shall be added to the above-mentioned average quotations of the trading days after the dividend ex date.

From the share subscription price of the stock options shall, as per the dividend record date, be deducted the amount of the dividend decided after the beginning of the period for determination of the share subscription price but before share subscription. The share subscription price shall, nevertheless, always amount to at least the book equivalent value of the share.

The share subscription price for stock options 2006B and stock options 2006C shall always amount to at least the share subscription price for stock options 2006A.

#### **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 dividend rights of the shares and other shareholder rights shall commence when the increase of the share capital has been entered into the Trade Register.

#### **6. Share Issues, Convertible Bonds and Stock Options before Share Subscription**

Should the Company, before the share subscription, increase its share capital through an issue of new shares, or an issue of new convertible bonds or stock options, a stock option owner shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription price or both of these.

Should the Company, before the share subscription, increase its share capital by way of a bonus issue, the subscription ratio shall be amended so that the ratio to the share capital of shares to be subscribed for by virtue of the stock options remains unchanged. If the number of shares that can be subscribed for by virtue of one stock option is a fraction, the fractional part shall be taken into account by reducing the share subscription price.

#### **7. Rights in Certain Cases**

If the Company reduces its share capital before the share subscription, the subscription right accorded by the terms and conditions of the stock options shall be adjusted accordingly, as specified in the resolution to reduce the share capital.

If the Company is placed in liquidation before the share subscription, a stock option owner shall be given an opportunity to exercise his/her subscription right before the liquidation begins, within a period of time determined by the Board of Directors.

If the Company resolves to merge in another company as the company being acquired or in a company to be formed in a combination merger, or if the Company resolves to be divided, the stock option owners shall, before the merger or division, be given the right to subscribe for the shares with their stock options, within a period of time determined by the Board of Directors. After such date no subscription right shall exist. In the above situations the stock option owners have no right to require that the Company redeem the stock options from them at their market value.

If the Company, after the beginning of the share subscription period, resolves to acquire its own shares by an offer made to all shareholders, the stock option owners shall be made an equivalent offer. In other cases, acquisition of the Company's own shares shall not require the Company to take any action in relation to the stock options.

If a redemption right and obligation to all of the Company's shares, as referred to in Chapter 14 Section 19 of the Finnish Companies Act, arises to any of the shareholders, before the end of the share subscription period, on the basis that a shareholder possesses over 90% of the shares and the votes of the shares of the Company, or if a situation, as referred to in Chapter 6 Section 6 of the Finnish Securities Market Act, arises to any of the shareholders, the stock option owners shall be given a possibility to use their right of subscription by virtue of the stock options, within a period of time determined by the Board of Directors, or they shall be given an equal possibility to that of shareholders to sell their stock options to the redeemer, irrespective of the transfer restriction defined in Section 1.5 above. A shareholder who possesses over 90% of the shares and votes of the shares of the Company has the right to purchase the stock option owner's stock options at their market value.

If the number of the Company's shares is changed, while the share capital remains unchanged, 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 shares, as well as the share subscription price total, remain the same.

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

### **III OTHER MATTERS**

The laws of Finland shall be applied to these terms and conditions. Disputes arising in relation to the stock options shall be settled by arbitration, in accordance with the Arbitration Rules of the Central Chamber of Commerce.

The Board of Directors may decide on any amendments and specifications to these terms and conditions, which are not considered essential. Other matters related to the stock options are decided on by the Board of Directors. The stock option documentation is kept available for inspection at PKC Group's head office.

The Company shall be entitled to withdraw the stock options which have not been transferred, or with which shares have not been subscribed for, free of charge, if the stock option owner acts against these terms and conditions, or against the regulations given by the Company on the basis of these terms and conditions, or against applicable law, or against the regulations of the authorities.

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