

## **PKC GROUP OYJ STOCK OPTION PLAN 2012**

The Board of Directors of PKC Group Oyj (**the Board of Directors**) has on 8 March 2012 resolved to propose to the Annual General Meeting of Shareholders of PKC Group Oyj (**the Company**) to be held on 4 April 2012, to issue stock options to the key personnel of the Company and its subsidiaries (**the Group**), 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 is 1,020,000, and they entitle their holders to subscribe for a maximum total of 1,020,000 new shares in the Company or existing shares held by the Company. The Board of Directors shall decide whether new shares or existing shares held by the Company are given to subscribers.

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

The stock options are marked with the symbol 2012A(i) and 2012A(ii); 2012B(i) and 2012B(ii); as well as 2012C(i) and 2012C(ii). A total of 170,000 stock options are included in each stock option class.

The stock options shall be issued in the book-entry system.

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

The stock options shall be issued free of charge to the Group key personnel. The Company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the Group's incentive and commitment program for the key personnel.

Upon issue, all stock options that are not distributed to the key personnel, shall be granted to PKC Wiring Systems Oy, a wholly owned subsidiary of the Company (**the Subsidiary**), to be further distributed to the key personnel.

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

The Board of Directors shall annually decide upon the distribution of the stock options to the key personnel employed by or to be recruited by the Group. The Board of Directors shall also decide upon the further distribution of the stock options granted or returned later to the Company or its assignee. Stock options may be distributed until the relevant share subscription period has begun.

The prerequisite for the distribution of stock options is that the recipient of the stock options undertakes to acquire or subscribe for the Company's shares (**shares**) with 20 per cent of the gross stock option income gained from the exercised stock options, and to hold such shares for at least two years. The Company's President and CEO must hold such shares as long as his service contract is in force.

The Board of Directors shall notify the recipients of the offer of stock options in writing. The stock options shall be delivered to the recipient when he or she has accepted the offer made by the Board of Directors. By returning the confirmation of acceptance to the Company, the recipient of the stock options shall authorize the Company or its assignee to register the stock options on the book-entry account of the recipient.

The stock options shall not constitute a part of employment or service contract of a stock option recipient, and they shall not be regarded as salary or fringe benefit. Stock option recipients shall have no right to receive compensation on any grounds, on the basis of stock options, during employment or service or thereafter. Stock option recipients shall be liable for all taxes and tax-related consequences arising from receiving or exercising stock options.

#### **5. Transfer and Forfeiture of Stock Options**

The stock options distributed to key personnel who are tax residents in Finland may freely be transferred or pledged, when the share subscription period in accordance with Section II.2 has begun. The stock options distributed to other key personnel shall not be transferable to third parties and they may only be used for share subscription or they may be sold to the Company, unless otherwise determined in Section II.7. The Board of Directors may, however, permit the transfer or pledge of stock options, e.g. in certain countries or before the beginning of the share subscription period. Should the stock option owner transfer his or her stock options, such person shall then be obliged to inform the Company about the transfer or pledge in writing, without delay.

Should a stock option owner cease to be employed by or in the service of a company belonging to the Group, for any reason other than the death or the statutory retirement of a stock option owner, or the permanent disability of a stock option owner, or another reason related to the stock option owner, determined by the Board of Directors, such person shall, without delay, forfeit to the Company or its assignee, without compensation, such stock options that the Board of Directors has distributed to him or her, for which the share subscription period specified in Section II.2 has not begun, on the last day of such person's employment or service. Should the rights and obligations arising from the stock option owner's employment or service be transferred to a new owner or holder outside the PKC Group, upon the employer's transfer of business, the proceedings shall be similar. As an exception to the above, the Board of Directors may, at its discretion, decide, when appropriate, that the stock option owner is entitled to keep such stock options, or a part of them.

The Company shall have the right to request and get transferred all forfeited stock options from the stock option owner's book-entry account on the book-entry account indicated by the Company, without the consent of the stock option owner. In addition, the Company shall be entitled to register transfer restrictions and other respective restrictions concerning the stock options on the stock option owner's book-entry account, without the consent of the stock option owner.

A stock option owner shall, during his employment, service or thereafter, have no right to receive compensation on any grounds for stock options that have been forfeited in accordance with these terms and conditions.

In case of death of the stock option owner, the stock options shall, on the date of death, be transferred to the deceased's successors who shall be entitled to exercise the stock options in accordance with these terms and conditions. When exercising stock options or upon the Company's request otherwise, the successors of the deceased stock option owner shall submit evidence about their right to the stock options to the Company. The Company may refuse to approve the share subscription based on said stock options until the Company is provided with sufficient evidence regarding the successors' rights.

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

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

Each stock option entitles its owner to subscribe for one (1) new share in the Company or an existing share held by the Company. The share subscription price shall be credited to the reserve for invested unrestricted equity of the Company.

The Company or the Subsidiary shall not be entitled to subscribe for shares on the basis of the stock options.

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

The share subscription period shall be,

- for stock option 2012A(i) and 2012A(ii), 1 April 2015—30 April 2017
- for stock option 2012B(i) and 2012B(ii), 1 April 2016—30 April 2018
- for stock option 2012C(i) and 2012C(ii), 1 April 2017—30 April 2019.

Should the last day of the share subscription period not be a banking day, the share subscription may be made on a banking day following the last share subscription day.

The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors.

Share subscription shall take place at the head office of the Company or possibly at another location and in the manner determined later. Upon subscription, payment for the shares subscribed for, shall be made to the bank account indicated 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 2012A(i) and 2012A(ii), the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd during 1 January—31 March 2012

- for stock option 2012B(i) and 2012B(ii), the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd during 1 January—31 March 2013
- for stock option 2012C(i) and 2012C(ii), the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd during 1 January—31 March 2014.

In case the above-mentioned trade volume weighted average quotation of the share is lower than the shareholders' equity per share in the consolidated financial statements preceding the period of determination of the share subscription price, the Board of Directors shall be entitled to decide that the shareholders' equity per share in the preceding consolidated financial statements shall be used as the share subscription price.

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

Shares subscribed and fully paid for shall be registered on the book-entry account of the subscriber. The stock options used for share subscription shall be deleted from the subscriber's book-entry account simultaneously with the registration of the subscribed and fully paid shares on the subscriber's book-entry account.

#### **5. Shareholder Rights**

The dividend rights of the new shares and other shareholder rights shall commence after the shares have been entered into the Trade Register.

Should existing shares, held by the Company, be given to the subscriber of shares, the subscriber shall be given the right to dividend and other shareholder rights after the shares have been registered on his or her book-entry account.

#### **6. Share Issues, Stock Options and Other Special Rights Entitling to Shares before Share Subscription**

Should the Company, before the share subscription, decide on an issue of shares or an issue of new stock options or other special rights entitling to shares, so that the shareholders have pre-emptive right to subscription, 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 prices or both of these.

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

Should the Company be placed in liquidation before the share subscription, the stock option owner shall be given an opportunity to exercise his or her share subscription right, within a period of time determined by the Board of Directors. Should the Company be deregistered, before the share subscription, the stock option owner shall have the same right as, or an equal right to, that of a shareholder.

Should the Company resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the stock option owners shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for shares with their stock options, within a period of time determined by the Board of Directors. Alternatively, the Board of Directors may give a stock option owner the right to convert the stock options into stock options issued by the other company, in the manner determined in the draft terms of merger or demerger, or in the manner otherwise determined by the Board of Directors, or the right to sell stock options prior to the registration of the execution of a merger or a demerger. After such period, no share subscription right or conversion right shall exist. The same proceeding shall apply to cross-border mergers or demergers, or should the Company, after having registered itself as an European Company (*Societas Europae*), or otherwise, register a transfer of its domicile from Finland into another member state of the European Economic Area. The Board of Directors shall decide on the impact of potential partial demerger on the stock options. In the above situations, the stock option owners shall have no right to require that the Company redeem the stock options from them at their market value.

Should the Company, after the beginning of the share subscription period, resolve to acquire its treasury shares or stock options or other special rights entitling to shares by an offer made to all shareholders, the stock option owners shall be made an equivalent offer. In other cases, acquisition or redemption of the Company's treasury shares, stock options or other special rights entitling to shares shall not require the Company to take any action in relation to the stock options and shall have no impact on the position of the stock option owner.

Should a redemption right and obligation to all of the Company's shares, as referred to in Chapter 18 Section 1 of the Finnish Limited Liability Companies Act, arise to any of the shareholders, prior to the end of the share subscription period, on the basis that a shareholder possesses over 90 per cent of the shares and the

votes of the shares in the Company, the stock option owners shall be given a possibility to exercise their right of share subscription by virtue of the stock options, within a period of time determined by the Board of Directors, or the stock option owners shall have an equal obligation to that of shareholders to transfer their stock options to the redeemer, irrespective of the transfer restriction in Section 1.5 defining that the stock options are not transferable to third parties.

### **III OTHER MATTERS**

These terms and conditions shall be governed by the laws of Finland. 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 by three arbitrators.

The Board of Directors may decide on the technical amendments resulting from incorporation of stock options into the book-entry securities system, to these terms and conditions, as well as on other amendments and specifications to these terms and conditions which are not considered material. Other matters related to the stock options shall be decided on by the Board of Directors, and it may also give stipulations binding on the stock option owners.

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

The Company may maintain a register of the stock option owners to which the stock option owners' personal data is recorded. The Company may send all announcements regarding the stock options to the stock option owners by e-mail.

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