

## **TERMS AND CONDITIONS OF THE LASSILA & TIKANOJA SHARE OPTIONS 2008**

### **I ISSUE OF SHARE OPTIONS**

#### **1. Number of share options**

The maximum number of share options issued shall be 230,000 and they entitle their holders to subscribe for a maximum of 230,000 Lassila & Tikanoja plc's ("the Company" or "Lassila & Tikanoja") new shares.

#### **2. Issue of share options**

The share options shall, with deviation from the shareholders' pre-emptive right to subscribe, be issued to the management (including the President and CEO) or personnel to be recruited for such position ("the Participants") of Lassila & Tikanoja (or its subsidiaries, together forming "the Lassila & Tikanoja Group") as determined by the Board of Directors of the Company ("the Board") to increase the Participants' motivation and commitment to the Company. Part of the share options, or if the Board so decides, all of the share options, will be at first granted to a wholly-owned subsidiary of the Company. The subsidiary may later grant these share options to the Participants pursuant to the Company's incentive and commitment scheme.

The shareholders' pre-emptive right to subscribe is deviated from because the share options are intended to form a part of the incentive and commitment scheme and therefore the Company has a weighty financial reason for deviation.

#### **3. Granting of share options**

The Board decides upon the granting of share options to the Participants. By accepting the share options, the Participant undertakes to comply with the terms and conditions of this share option scheme and with any other instructions and terms and conditions as stipulated later by the Company, if any, and with all applicable laws and official regulations.

#### **4. The share options and the book-entry system**

The maximum number of share options issued shall be 230,000 and they will be marked as "2008".

The share options shall be issued within the book-entry system. The Board shall decide on the applicable procedure and schedule. The share options shall be entered on the book-entry account of the Participant prior to the commencement of the exercise period specified under Section II.2. The share options are subject to a transfer restriction set forth in Section I.5 below, which will be recorded in the book-entry system as a restriction concerning all the share options. The Company may record any transfer restrictions or other restrictions relating to the share options as referred to in Section I.5 below on the book-entry account of the Participant without the consent of the Participant. The Company shall also have the right, to implement the restrictions set forth under Section I.5 below, to transfer the share options from the Participant's book-entry account to a book-entry account designated by the Company without the consent of the Participant.

#### **5. Transfer restrictions and obligations to notify and to return share options**

The share options may not be transferred to a third party or pledged without the Board's approval prior to the commencement of the exercise period. The share options may be transferred freely after the commencement of the exercise period.

Should the Participant transfer his/her share options, such person shall be obliged, without delay, to inform the Company about the transfer.

Should the Participant cease to be employed by a Lassila & Tikanoja Group company for any reason other than statutory retirement or death and the exercise period has not commenced by the date of the termination of the Participant's employment contract, the Participant, or his/her beneficiaries, must offer to the Company or a third party designated by the Company, without delay and without consideration, the share options held by the Participant. The Board may, for special reasons, make an exception to this rule. The Company may on its own initiative decide to redeem the share options when this condition applies, even if the Participant or his/her

beneficiaries has not offered the share options, without consideration, to the Company or to a third party designated by the Company. The Company shall have the right to regrant the share options or to order them to be granted to Participants.

When the aforesaid obligation applies to the share options, the Company shall be entitled to transfer the share options from Participant's book-entry account to a book-entry account appointed by the Company without the consent of Participant or his/her beneficiaries.

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

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

Each share option entitles its holder to subscribe for one (1) share of Lassila & Tikanoja. The number of shares of Lassila & Tikanoja may increase by a maximum of 230,000 new shares as a result of such share subscriptions.

The subsidiary of Lassila & Tikanoja may not subscribe for shares of the Company.

### **2. Share subscription and payment**

The exercise period shall be from 1 November 2010 to 31 May 2012.

The share subscription shall take place at the head office of Lassila & Tikanoja or at another location notified by the Company and in a manner determined by the Company. Upon subscription, payment for shares subscribed for, shall be made as instructed by the Company. The Board shall resolve on the acceptance of the subscriptions.

### **3. Exercise price and its recognition**

The exercise price shall be the trading volume weighted average price of the Company's share on the OMX Nordic Exchange in May 2008, rounded off to the nearest cent.

The exercise price of the share options shall, as per the dividend record date, be reduced by the amount of dividend which exceeds 70% of the profit per share for the financial period to which the dividend applies. However, only such dividends whose distribution has been agreed upon after the option pricing period and which have been distributed prior to the share subscription are deducted from the subscription price.

If the Company distributes funds from the non-restricted equity fund, the exercise price of the share options shall be deducted by the amount of the distributable non-restricted equity decided after the determination of the exercise price but before the share subscription, as per the record date of the repayment of equity.

If the Company reduces its share capital by distributing share capital to the shareholders, the exercise price of the share options shall be deducted by the amount of the distributable share capital decided after the determination of the exercise price but before the share subscription, as per the record date of the repayment of share capital.

The exercise price shall, however, always amount to at least EUR 0.01.

The exercise price shall be recognised in the invested non-restricted equity fund.

### **4. Acceptance of subscriptions and the issue of new shares**

The Board shall accept subscriptions regularly in its Board meetings and shall have the new shares, based on the accepted subscriptions, registered without delay. The Board shall also submit the new shares to public trading together with the existing shares of the Company, provided that the Company's share is publicly traded at the time. The Board does not have any obligation to accept subscriptions made after the end of the financial year before the Annual General Meeting.

Shares subscribed for and fully paid for shall be entered in the subscriber's book-entry account after the acceptance of the subscription and registration of the shares.

## **5. Shareholder rights**

The entitlement for dividends together with other shareholder rights shall commence when the shares have been registered in the trade register.

## **6. Share issues, share options and other special rights entitling to shares prior to exercise**

Should the Company, prior to exercise, resolve to issue new shares or new share options or other special rights entitling to shares, a share option holder shall have the same or equal right as a shareholder. Equality will be implemented in the manner resolved by the Board by amending the number of shares available for subscription, the exercise price, or both.

## **7. Option holder's rights in certain specific situations**

- a) Should the Company, before the exercise period commences, be placed in liquidation, the option holders shall be given an opportunity to exercise their options during a period specified by the Board. If the Company is deregistered from the trade register, before the share subscription, the share option holder shall have the same right as, or an equal right to, that of a shareholder.
- b) Should the Company, during the exercise period, decide to acquire its own shares by means of an offer made to all shareholders, the Company is obliged to make an equal offer to the option holders. If the Company repurchases its own shares or option rights or any special rights entitling to shares in any other manner, no action needs to be taken with regard to the share options.
- c) Should the Company resolve to merge with another company or with a company to be formed in a combination merger or should the Company resolve to be demerged, the option holders will be given the right to exercise all subscription rights before the merger or demerger as determined by the Board and within a period specified the Board. Following the closing of the merger or demerger, any unexercised share options will expire. The provision stated in this paragraph also applies to a merger, in which the Company is an acquiring company, and whereby the Company registers itself as a European Company (Societas Europae) in another member state in the European Economic Area. The same also applies, if the Company resolves to restructure itself into a European Company and transfers its domicile into another member state. In the situations set forth herein, the option holder has no right to demand that the Company redeems the share options at their fair value.
- d) If, before the end of the exercise period, a situation referred to in Chapter 18, Section 1, of the Companies Act arises in which a shareholder possesses over 90% of the shares and votes in the Company and therefore has the right and the obligation to redeem the shares of the remaining shareholders, or if a purchase offer, as referred to in the Finnish Securities Market Act, is made for the Company's shares, the option holders are given an opportunity to exercise their subscription rights within a period specified by the Board. In a situation referred to in Chapter 18, Section 1, of the Companies Act, the unexercised share options expire when the period specified by the Board expires.
- e) Should the share of the Company cease to be publicly traded on the OMX Nordic Exchange before the end of the exercise period, the option holders are given an opportunity to exercise their subscription rights during a period specified by the Board before the trading with the Company's shares ends. The unexercised share options shall expire when the trading with the Company's share ends.
- f) Should the Company, before the end of the exercise period, resolve to be converted from a public limited company to a private limited company, the option holders are given an opportunity to exercise their subscription rights during a period specified by the Board. After this, the unexercised share options shall expire.

## **8. Dispute resolution**

Any disputes regarding the share options shall be settled by arbitration in accordance with the arbitration rules of the Helsinki Central Chamber of Commerce by using a single arbitrator. The Finnish law shall apply to the arbitration proceedings.

## **9. Other matters**

The Board shall decide on all other matters related to the share options and the underlying shares. The Board may also issue instructions and binding orders applicable to the Participants. The Board is entitled to make, other than substantial, amendments to these terms and conditions. The Board may also, within its authority and in compliance with the Finnish Companies Act, authorise the President and CEO to act on its behalf.

In respect of the share options granted, the Participant shall not be entitled to any compensation on any grounds from any company belonging to the Lassila & Tikanoja Group either during or after the Participant's employment relationship with any of the said companies. No benefit derived from the share options under this share option scheme is pensionable.

In the event of conflict between Finnish and English version, the Finnish language version of these terms and conditions shall prevail.

Should a Participant breach these terms and conditions, the Company's stipulations regarding these terms and conditions, and/or any applicable laws or official regulations, the Company has the right to redeem without consideration, all of the Participant's share options which have not yet been transferred or exercised.

The Company may send any notices relating to this share option scheme to the option holder by post or by e-mail, or if the share options are listed on the stock exchange, by means of a stock exchange release. The documentation relating to the share options is available for inspection at the Company's head office in Helsinki.