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TERMS AND CONDITIONS

RAUTE CORPORATION

LONG-TERM INCENTIVE PROGRAMME 2017

The Board of Directors (the “**Board**”) of Raute Corporation has approved the establishment of a long-term incentive programme for selected members of the top management of Raute Corporation and its group, effective from January 1, 2017 (below the “**Programme**”) on the following terms and conditions (the “**Terms and Conditions**”):

I General

1. The Purpose of the Programme

The Programme is made available by Raute Corporation (the “**Company**”, which term also refers to its group as a whole and each of its group companies individually as relevant in the context).

The Programme functions as a long-term incentive scheme for selected members of the top management of the Company.

The objective of the Programme is to:

- align the interests of its participants with those of the Company’s shareholders by driving long-term performance culture and profitability and by motivating the management to achieve long-term targets set by the Company;
- retain and commit the Company’s valuable key resources to the Company; and
- pay the critical leadership resources competitive compensation for excellent long-term performance.

II Programme Structure, Earning and Payment of the Reward

2. Overall Structure of the Programme

The Programme consists of annually commencing individual long-term incentive plans within which the selected participants have the opportunity to attain a long-term incentive reward if specific performance targets set by the Company for the individual plan are achieved (each a “**Plan**” and the term “**Programme**” when used herein shall, besides referring to the overall Programme as such, also mean a common reference to all the individual Plans ongoing at any given time).

Notwithstanding the above, the commencement of each and any new Plan, the Plan volume, its participants and performance targets are always subject to, and conditional on, a separate Board decision and approval.

The reward payable based on the individual Plan is paid in shares of the Company (“**Shares**”). The Company may, however, decide that the reward shall as a replacement for Shares be paid in cash as in more detail set forth further below.

3. Participants

The Company selects the persons eligible to participate in each individual Plan in its sole discretion. The persons so selected who have approved their participation in the individual Plan in a manner separately instructed by the Company are below referred to as the “**Participant(s)**”). The Participant’s acceptance of his/her participation in the Plan means his/her acceptance of these Terms and Conditions.

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Participation in the Programme means participation in the individual Plan(s) only in which the Company has specifically selected the Participant. Any Participants in any subsequent new Plans within the Programme are selected by the Company separately in each case in the Company's sole discretion.

4. Structure of the individual Plan and earning of the Reward

(i) Plan Period

Each individual Plan comprises three consecutive calendar years and is named according to said three consecutive years. Accordingly, the first Plan within the Programme is named LTI Plan 2017 – 2019.

(ii) Performance Period and possible Vesting Period

Each individual Plan contains one performance period (the “**Performance Period**”) which either consists of one calendar year or of three consecutive calendar years as decided by the Company on a Plan specific basis in its sole discretion. During the Performance Period the Participants have the opportunity to attain a long-term incentive reward subject to the fulfilment of the Performance Targets (as defined in subsection (iii) below) set by the Company.

If the length of the Performance Period is three years, the Performance Targets and the period based on which the long-term incentive reward earned by the Participants is measured, may either be set for the entire three-year Performance Period, separately for each individual calendar year within the Performance Period, for the last calendar year of the Performance Period or as a combination thereof, as determined by the Company on a Plan specific basis.

If the length of the Performance Period is one year, the Performance Period shall be followed by a two-year share price performance period (the “**Vesting Period**”) after which the possibly attained long-term incentive rewards are delivered to the Participants.

(iii) Performance Targets and Allocation of the Earning Opportunity

For each new Plan:

- The Company determines specific performance targets and their measurement scale (together the “**Performance Targets**”). The long-term incentive reward attained by the Participants is based on the extent to which the Performance Targets are achieved during the Performance Period.
 - The performance targets may be based on Share value creation or be strategic, financial or operative targets.
 - The performance measurement scale contains specific measurement points such as threshold (minimum), target and maximum performance levels between which the attained reward varies according to variables determined by the Company.
 - The amount of the long-term incentive reward payable to the Participants is determined based on the level of performance achieved on the performance measurement scale. The measurement scale is linear unless otherwise decided by the Company with respect to an individual Plan or an individual Performance Target.
 - In order for any Reward to be paid based on the Performance Targets, at least the threshold (minimum) performance level set by the Company must be achieved.
- The Company allocates a maximum earning opportunity for each Participant (the “**LTI Allocation**”). The LTI Allocation is expressed as an allocated maximum number of Shares.

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(iv) Performance Measurement

After the end of the Performance Period, the Company:

- measures the degree to which the Performance Targets were fulfilled; and
- based on the measured performance, the Company confirms the long-term incentive rewards attained by the Participants. The attained long-term incentive reward per Participant is expressed as a specific number of Shares (the “**LTI Earning**”).

If the Company decides to pay the attained rewards:

- in Shares: The number of Shares which the LTI Earnings represent, is delivered to the respective securities accounts of the Participants on the Delivery Date defined in section 6 (after the Taxes have first been withheld in accordance with section 5);
- in cash: The attained LTI Earnings are converted to a monetary amount in euro in connection with the payment of the reward as described in section 6 below (after the Taxes have first been withheld in accordance with section 5) and paid to the Participants on the Delivery Date.

(v) Communication of the LTI Allocations and LTI Earnings to the Participants

The Company:

- informs the Participants of the applicable Performance Targets and of their earning opportunities, including their LTI Allocations in connection with the launch of the Plan; and
- communicates the achieved performance results and the attained LTI Earnings to the Participants once measured and confirmed by the Company.

5. Taxation and Net Reward

The attained LTI Earning represents the gross value of the Participant’s long-term incentive reward before the deduction of applicable taxes. The Participant is entitled to the net net number of Shares which remains after the applicable taxes have first been deducted from the value of the LTI Earning. Such net reward is below referred to as the “**Performance Shares**” or the “**Reward**” (where the term “Reward” may refer to Performance Shares or, where applicable, to the net value of the LTI Earning paid in cash).

The taxes to be deducted from the value of the LTI Earning include (i) the payroll tax, employee’s pension premium (if applicable) and other salary related taxes and social insurance premiums payable by the employee and (ii) if applicable (and if decided by the Company to be deducted), possible asset transfer tax and possible other applicable taxes and charges, whether due immediately or later (“**Tax(es)**”).

6. Payment of the Reward

6.1 Time of Payment and Pay Cap

(i) Three-year Performance Period

If the Performance Period of the individual Plan is three years, the following shall apply:

The attained Reward is paid to the Participants on a day determined by the Company as soon as practicable after the latter of the following:

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- (i) the day the Company's financial results for the third calendar year of the Performance Period are published; and
- (ii) the day the Company completes the performance measurement and confirms the attained LTI Earnings in accordance with sections 4 (iv) – (v),

(the day when the payment of the Reward is effected, whether in Performance Shares or in cash, and pending any stock exchange or money transfer settlement times, below referred to as the “**Delivery Date**”). The Delivery Date is targeted to be at the latest by 15th March that respective year.

(ii) One-year Performance Period and a Vesting Period

If the Performance Period of the individual Plan comprises one calendar year, the following shall apply:

- The confirmed LTI Earnings are left awaiting the passage of the two-year Vesting Period before the Reward is delivered to the Participants. The Vesting Period commences on the date the Company confirms the amount of the attained LTI Earnings and ends on the Delivery Date, which in case of a Plan with a Vesting Period shall be a general banking day in Helsinki as soon as practicable after the Company's financial results for the second calendar year of the Vesting Period (i.e. for the third calendar year of the Plan) are published.

(iii) Pay Cap and other Terms relating to the payment of the Reward

The amount of the Reward payable to an individual Participant under an individual Plan is limited as follows: If the gross value of the LTI Earning at the time of the Delivery Date exceeds 200% of the original monetary value of the participants' LTI Allocation, the exceeding value of the LTI Earning will be cut and not paid to the Participant. For the purposes of the above calculation, the value of the LTI Allocation means its monetary value on the date the Board decided on it.

Notwithstanding anything set forth in these Terms and Conditions, no payment of any Reward to any Participant, whether in accordance with the regular Reward delivery or payment procedure or as an accelerated delivery or payment on an exceptional ground, may be made before at least 12 months have lapsed from the day when he/she became a Participant in that respective Plan. If said minimum period has not lapsed, the payment of the Reward shall be delayed until said minimum period has lapsed. Correspondingly, in case the Company based on these Terms and Conditions, as a replacement for Shares, decides to pay Rewards in cash, the amount of the payable Rewards may not be confirmed as a monetary amount in euro or be converted into a monetary amount in euro before the Reward or the corresponding earning opportunity has been expressed as a specific number of Shares for at least 12 months after the Participant(s) concerned became Participant(s) in that respective Plan.

In addition to being conditional on the fulfilment of the Performance Targets, the payment of the Reward to each individual Participant is always subject to the Participant specific and other conditions set forth in these Terms and Conditions.

6.2 Payment in Performance Shares or in Cash

(i) General

The Rewards are predominantly paid in Performance Shares. The Company may, however, decide that the Rewards shall, as a replacement for Performance Shares, be paid in cash if:

- The Company does not on the Delivery Date hold a sufficient number of own Shares to enable the delivery of the Rewards in Performance Shares;

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- On the Delivery Date, there is no resolution of the Company's general meeting of shareholders on a Share issue (issue of new Shares or transfer of own Shares held by the Company) or on an authorization for the Board to decide on a Share issue in order to settle the Rewards in Performance Shares; or
- The Company on some other ground deemed relevant by the Company decides, as a replacement for Performance Shares, to pay the Rewards in cash.

The Company is also entitled to decide that the Reward is paid to certain Participants in Performance Shares and to certain Participants in cash.

(ii) Payment in Performance Shares

If the Company decides to pay the Reward in Performance Shares, then:

- A certain percentage of the LTI Earning (either a standard percentage determined by the Company or an individual, Participant specific tax withholding percentage) is withheld for the settlement of the Taxes. The Company decides on the method and payment techniques applied in the settlement of the Taxes and the Rewards.
- The remaining net Reward is delivered in Performance Shares to the respective securities accounts of the Participants.

The Performance Shares are delivered to the Participants from a source and by using transaction techniques determined by the Company in its sole discretion.

The Performance Shares, once delivered to the Participants, are at their free disposal except that they are subject to the Share ownership policy set forth in section 7. All the Participants shall also always observe the Insider Rules referred to in section 19.

(iii) Payment in Cash

If the Company decides to pay the Reward in cash, the confirmed LTI Earnings are first converted to a monetary amount in euro in accordance with the principle set out below, the Taxes are withheld and the remaining net balance is paid to the Participants.

The monetary value of the LTI Earnings is determined based on the volume weighted average quotation of the Share on NASDAQ Helsinki Stock Exchange during January-February of the calendar year immediately following the third calendar year of the Performance Period.

7. Share Ownership Policy for the Participants

The Company maintains a Share ownership recommendation policy pursuant to which each Participant is encouraged to accumulate and, once achieved, to maintain a specific minimum Share ownership in the Company.

The recommended Share ownership level to be accumulated and maintained is Shares representing in value 200 % of the Participant's maximum gross earning opportunity under the latest ongoing Plan (where the term "value of the maximum gross earning opportunity" means the monetary value of the Participant's LTI Allocation on the date the Board decided on it).

Rewards received under this Programme should be used for accumulating the recommended Share ownership level as follows:

- In case of a Reward paid to the Participant in Performance Shares, the Participant should retain at least 50% of the net Performance Shares received under this Programme for fulfilling the

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above Share ownership recommendation until his/her Share ownership in the Company, either based on Performance Shares received pursuant to this Programme or based on Shares otherwise acquired or held, has reached the Share ownership level recommended above.

- In case of a Reward paid to the Participant in cash, the Participant should acquire Shares with at least 50% of the net Rewards received under this Programme for fulfilling the above Share ownership recommendation until his/her Share ownership in the Company, either based on Shares so acquired or received pursuant to this Programme or based on Shares otherwise acquired or held, has reached the Share ownership level recommended above. The Company is entitled to stipulate that the Participants shall use 50% of each cash Reward instalment received under this Programme and the individual Plan for accumulating their Share ownership until they fulfil the Share ownership recommendation.

The Company decides separately in detail on how the value of the Share ownership is calculated on concrete terms and its fulfilment monitored.

The Company is entitled to amend and permit exceptions from the above share ownership recommendation policy in its sole discretion.

III Participant specific Conditions

8. Employment Precondition

No Reward is delivered or paid to any Participant (and such Participant is not entitled to any Reward) whose employment or service relationship with the Company ends or is terminated, an agreement on its termination is made or a notice regarding its termination is delivered (whichever occurs earlier) by the Participant or by the Company before the Delivery Date or otherwise before the delivery or payment of the Reward. The above rule applies even if the Reward has already been earned (but not yet delivered or paid).

Notwithstanding the above, the Participant is entitled to a Reward forming the proportion of his/her LTI Earning determined below (the “**Good Leaver Reward**”), if the Participant’s employment or service relationship with the Company terminates based on one of the following grounds (each individually a “**Good Leaver Ground**”):

- (i) the Participant’s retirement for statutory old-age, sickness or disability pension or for a supplementary old-age pension arranged by the Company (where retirement for supplementary or premature pension not arranged by the Company shall, for the avoidance of doubt, not be regarded as a Good Leaver Ground); or
- (ii) the Participant is deceased.

The amount of the Good Leaver Reward shall be determined based on the following two alternative methods:

- (i) It shall primarily be determined as such a time-based proportion of the Good Leaver’s LTI Allocation (deducted with Taxes), which is based on the performance achieved by, and the earning opportunity scaled down to, the date the Good Leaver Ground occurred;
- (ii) or, in the absence of measurable performance results at that point of time, it shall be 50% of the Good Leaver’s LTI Allocation, prorated to the time passed by the date the Good Leaver Ground occurred (deducted with Taxes).

The measurement of the Good Leaver Reward is carried out in a manner determined by the Company in its sole discretion.

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The Good Leaver Reward may at the Company's choice be paid either in cash or Shares as soon as practicable after the Good Leaver Ground occurred and after the necessary preparations for the payment thereof have been completed.

The Company may deviate from the provisions of this section 8 in individual cases in the Company's sole discretion.

9. Participant specific Changes

If a Participant during the Performance Period transfers or is transferred to a position which is in a different organizational category or layer than the position held by him/her at the time his/her LTI Allocation was determined, the Company is entitled to change and adjust the amount of his/her LTI Allocation up or down to conform to the earning opportunity applied in his/her new organizational category or layer.

In the event the Participant takes voluntary leave (i.e. other than statutory leave or absence due to long-term illness) for a period exceeding 180 days during the Plan, the Company may decrease the number of his/her allocated or earned Performance Shares in proportion to the length of the leave.

IV Corporate Level Changes

10. Adjustments in Certain Situations

10.1 Adjustment due to technical Changes in the underlying Capital Stock

If, between the determination of the Participants' LTI Allocations and the Delivery Date,

- (i) there is a change in the number of the Company's outstanding Shares in proportion to shareholdings,
- (ii) there is a technical change in the Company's underlying capital stock (such as a Share split) in proportion to shareholdings, or
- (iii) the Share ownership of the Company's shareholders in general is partly or entirely converted into a share ownership in a different entity (such as in case of a demerger),

then the Company shall make the necessary technical correction or other adjustment to the LTI Allocations, to the Performance Targets or to the already confirmed LTI Earnings, as relevant, in order to adjust the Plan to such technical change or to eliminate the impact of such change on the proportional position of the LTI Allocations or the already confirmed LTI Earnings.

Any correction or adjustment made pursuant to this Section 10.1 shall be carried out and implemented in a manner determined by the Company.

10.2 Change of Control

10.2.1 Change of Control Events

Upon the occurrence of any of the following events (each a "**Change of Control Event**") between the commencement of the Performance Period and the Delivery Date, the provisions of Section 10.2.2 further below shall apply:

- (i) a party or shareholder not having such ownership at the beginning of the Performance Period becomes the owner of more than 50% of the votes vested in all the Shares of the Company, determined in the manner stipulated in the Finnish Securities Markets Act (as amended or replaced from time to time), irrespective of whether or not this results in a public takeover bid for all the remaining Shares;
- (ii) a merger with another company which either causes a change of ownership in the Company described in subsection (i) above or a dissolution of the Company;

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- (iii) a shareholder pursuant to the Finnish Companies Act (as amended from time to time) becomes entitled and, upon demand obliged, to redeem the remaining Shares in the Company (squeeze-out); or
- (iv) the Share of the Company, based on a final decision passed either by the Company, the relevant stock exchange or a competent governmental authority, ceases to be listed on the applicable or any other regulated stock exchange within the European Economic Area (delisting).

The Board determines in each case whether a Change of Control Event has occurred and its decision is binding on the Participants.

10.2.2 Consequence of a Change of Control Event

Upon the occurrence of a Change of Control Event, the Board determines in its sole discretion whether and in which manner this will affect the Programme and the ongoing Plans, including at the Board's choice (but not limited to) one of the following consequences or a combination thereof:

- (i) An accelerated termination of the Programme and the ongoing Plans, combined with an accelerated payment of a reward deemed reasonable by the Board (if the payment of any reward based on the performance achieved by then is regarded by the Board as justified) or of the already confirmed Rewards,
- (ii) The payment of earned Rewards (where applicable) is deferred for the duration of a transition period determined by the Board (e.g. in order to safeguard a successful implementation of the transaction which caused the Change of Control Event),
- (iii) The Plan participations are transformed into participations in a long-term incentive scheme maintained by the new controlling shareholder or, if applicable, by the company which was the receiving company in the merger, or
- (iv) The Plan continues unchanged.

However, in case of any of the Change of Control Events either referred to in subsections 10.2.1 (iii) (squeeze-out) or (iv) (delisting) or that referred to in subsection 10.2.1 (ii) (merger) in a manner which results in the dissolution of the Company:

- (i) either the Board shall terminate the Programme and the Company shall pay the Participants a cash-out payment deemed reasonable by the Board (if the payment of any reward based on the performance achieved by then is regarded by the Board as justified) or the already confirmed Rewards on a date determined by the Board;
- (ii) or, alternatively and if relevant, the Participants' participations in the Programme are converted to participation in a long-term incentive scheme maintained or adopted by the new controlling shareholder or, as applicable, by the company which was the receiving company in the merger on terms deemed reasonable by the Board.

V Administration of the Programme and Miscellaneous Terms

11. Non-assignability and Shareholder Rights

The Participant may not transfer or assign any of his/her rights or obligations derived from the Programme. Neither the LTI Allocation nor the confirmation of the attained LTI Earning constitutes any subjective right which the Participant could assign, transfer or otherwise dispose of.

Performance Shares received under the Programme shall carry shareholder rights once registered on the Participant's securities account.

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12. The Incentive Nature of the Programme

The Programme is exclusively an incentive scheme unilaterally made available by the Company in its sole discretion. Neither the participation in the Programme nor any rights arisen thereunder constitute any part of, or have any impact on, the terms of the Participant's employment or service relationship. Accordingly, it is also in the sole discretion of the Company whether an individual person is eligible for participation in the Programme or in any individual Plan (irrespective of whether he/she has participated in a previous Plan).

The Reward is not regarded as compensation for work contribution. In accordance therewith the Reward is neither regarded as pensionable salary nor results in pension accrual or in pension benefit. Should the Reward despite the above, under mandatory law, be regarded as pensionable salary, the Company shall be entitled to withhold and deduct any payable employer's and employee's pension premiums/contributions and any resulting or related social security contributions and insurance premiums from the Reward before its delivery to the Participant(s) concerned.

The LTI Earning or the Reward shall neither entitle the Participant to, nor form the basis of, any vacation pay or any severance, termination or other similar payment payable at the end of employment or service.

13. Implementation, Changes

The Company decides on all matters, measures and procedures in the administration and implementation of the Programme and on the interpretation and implementation of these Terms and Conditions. The Company may delegate such rights and powers to third parties in its sole discretion.

The Company is entitled to change, amend and deviate from these Terms and Conditions in relation to individual Participants and in relation to the Participants in general.

The Company is entitled to make any technical, numerical and other corrections in the implementation of the Programme. If an incorrectness caused by any reason is detected in the underlying data, based on which the Performance Targets, the LTI Allocations or the LTI Earnings have been determined or measured, the Company is entitled to make the necessary adjustments to the Performance Targets and, if relevant, to the LTI Allocations or to already confirmed LTI Earnings, including with retroactive effect, in order to eliminate the impact of the incorrectness.

The Company's rights and powers under these Terms and Conditions are exercised by the Board. The Board may delegate its rights and powers hereunder in its sole discretion.

Without limiting the other rights of the Company under these Terms and Conditions, the Company is entitled to, and these Terms and Conditions constitute an authorization for the Company to, in relation to individual Participants and in relation to the Participants in general:

- (i) decide whether the Reward is paid in Performance Shares or in cash (if paid in cash, the term "Performance Shares" in any applicable context used herein is deemed to refer to the corresponding amount in cash);
- (ii) if the Reward is paid in cash, stipulate that all or specific Participants shall, or a third party at the request of the Company on behalf of and in the name of the Participants will, use the proceeds or a certain portion thereof to acquiring Shares;
- (iii) decide whether the withholding of the cash portion from the LTI Earning which is reserved for the payment of the Taxes is determined based on a personal payroll tax rate or based on a uniform tax rate determined by the Company;
- (iv) make the necessary roundings in case the number of Shares which the final LTI Earning comprises or the final number of Performance Shares does not form an integer; and
- (v) apply for and effect the registration of the delivered Performance Shares to the respective securities accounts of the Participants.

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Each Participant by accepting participation in the Plan:

- (i) consents to and authorizes the Company and any external service provider designated by the Company to execute:
 - all acts and measures necessary or deemed desirable by the Company in the implementation of the Programme and the individual Plan; and
 - all acts and measures decided to be taken or effected by the Company by virtue of these Terms and Conditions; and
- (ii) agrees for his/her part to sign and deliver all the notifications, consents, proxies and documents necessary in the implementation of the acts and measures referred to in subsection (i) above.

If a Participant fails for his/her part within a reasonable timeframe set by the Company (or by any external service provider designated by the Company) to contribute to the implementation of the Plan or to the acts or measures referred to above, the Company is entitled to remove the Participant from the Plan and this shall not in such case be entitled to any Reward under the Plan.

Despite the withholding of Taxes in accordance with Section 5, each Participant is personally liable in his/her own personal taxation for any residual and final Tax in accordance with applicable laws.

The Company neither has any obligation to hedge, nor any liability to compensate any decrease in, the value of the Performance Shares retained based on the Share ownership recommendation set out in Section 7.

14. Adjustment due to Changed Circumstances

14.1 Changed Circumstances

In the event of, or upon the applicability of, any of the following events or grounds (each an “**Adjustment Ground**”) during the Plan, Section 14.2 further below shall apply:

- (i) an exceptional event or changed circumstances in the Company or in its operating environment or a material change in the Company’s corporate, group or business structure or strategy, which has / have a material impact on the fundamentals underlying, or the evaluation of, the earning opportunity within, or the target setting of the Plan;
- (ii) particularly weak financial result or outlook of the Company or a distressed financial position of the Company; or
- (iii) other weighty ground;

as their applicability and significance is evaluated by the Board in its sole discretion.

14.2 Consequences of Changed Circumstances

In the event of, or upon the applicability of, an Adjustment Ground, and notwithstanding anything set forth in these Terms and Conditions, the Board is entitled, including with retroactive effect in relation to an already ongoing Plan, to:

- (i) adjust the LTI Allocations and/or the Performance Targets;
- (ii) adjust the amount of already confirmed LTI Earnings or the amount of the Rewards,
- (iii) cancel Rewards or postpone their delivery or payment, or
- (iv) make other adjustment,

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if the Board considers that this is well-grounded or necessary from the Company's perspective and in the interest of the Company and its shareholders.

15. Non-recurring Items

The Company is entitled to adjust the Performance Targets, the LTI Allocations and/or the LTI Earnings (up or down) in its sole discretion in order to deal with and/or to eliminate the impact of the following items if relevant with regard to the applicable Performance Targets:

- (i) non-recurring or extraordinary revenue, profits or losses and other non-recurring items generated or occurred during the Performance Period or prior to the performance measurement; and
- (ii) additional investments which were not included in the budget or the business plan and divestments and other rearrangements in, or reorganization of, business(es) during the Performance Period or prior to the performance measurement which were not included in the budget or the business plan.

16. Misconduct

If a Participant has:

- (i) intentionally or by gross negligence caused a falsification of the financial or other data, based on which the Performance Targets or Rewards are or have been determined or measured;
- (ii) committed substantial misconduct in his/her service at the Company; or
- (iii) acted grossly unethically or otherwise in a manner which materially breaches the loyalty required from the Participant towards the employer in his/her employment or service relationship;

the Company is entitled (a) to cancel such Participant's right to any Reward under the Programme (irrespective of whether already earned or not) and (b) to remove such Participant from the Programme with immediate effect irrespective of whether or not the Participant's conduct constitutes a ground to terminate or rescind the Participant's employment or service relationship.

If the Participant has committed an act described in subsection (i) above, the Company is, in addition, entitled to recover and collect from him/her any Reward already paid to him/her (or the monetary value thereof), the earning or amount of which was influenced by such act.

The Participant shall not be entitled to any compensation on the account of any of the consequences enforced by the Company by virtue of this Section 16.

Any measures and consequences which the Company intends to implement based in this section 16 shall be implemented within a reasonable time from the date the Company became aware of the respective misconduct or a suspected misconduct and, after possible further inquiries and investigations, received knowledge of the relevant facts and circumstances relevant in assessing the case.

17. Adjustment to Laws and Elimination of Increased Costs

The Company is entitled to change and deviate from these Terms and Conditions:

- i) in order to adjust the Programme and its terms to conform to local laws, regulations, governmental orders or taxation practices and to their changes; and
- ii) in order to eliminate the impact of, or increased costs resulting from, the changes referred to in subsection (i) above;

including with retroactive effect from the effective date of such ground.

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18. Validity and Termination of the Programme

These Terms and Conditions are valid with effect from January 1, 2017 and shall apply to the individual Plans which commence effective as of January 1, 2017 or thereafter.

Each individual Plan is valid and effective from the first day of its Performance Period provided that the commencement of that individual Plan has been approved by the Board.

The individual Plan shall terminate either without separate decision or notice when the Rewards possibly earned thereunder have been paid to the Participants in accordance with these Terms and Conditions or when the Board by virtue of the terms set forth above in these Terms and Conditions decides on an accelerated termination of the Plan.

In addition and notwithstanding anything set forth in these Terms and Conditions, the Company is always in its sole discretion entitled to terminate the Programme (together with the ongoing Plan(s)) as well as individual Plans with immediate effect.

In case of such termination, the Participants shall be paid, with respect to the terminated Plan(s) in which they were participating at the time of the termination (deducted with Taxes):

- (i) a time-based proportion of their LTI Allocations for the ongoing Performance Period(s) and adjusted based on the performance achieved by, and the earning opportunity scaled down to, the date of the termination; or
- (ii) possible already earned Rewards not yet paid by the time of the termination;

as in detail determined by the Company. However, if the Company is in a distressed financial position, the Board may decide that no Rewards shall be paid in connection with the termination of the Programme or the Plan(s).

19. Insider Rules

The Company's Share is publicly traded on NASDAQ Helsinki Ltd. There are specific EU and national laws, regulations, rules and guidelines (including among others the EU Market Abuse Regulation ("MAR")), regulations, rules and guidelines issued by the European Securities and Markets Authority, the Finnish Financial Supervisory Authority, NASDAQ Helsinki Ltd and internal rules of the Company (including among others the Group Insider Policy):

- (i) which regulate and set restrictions on the disclosure and use of insider information and on trading with the Company's Share; and
- (ii) which regulate the disclosure of managers' transactions;

together the "**Insider Rules**".

The Insider Rules also apply to Performance Shares received pursuant to this Programme. Each Participant shall acquaint him-/herself with the Insider Rules and is personally responsible for complying with them. The individual Participant should ensure whether he/she is among the persons who shall report and disclose transactions pursuant to MAR and, if this is the case, is responsible for complying with these disclosure and reporting rules.

In case of any uncertainty about the obligations or restrictions resulting from the Insider Rules, the Participant should consult the designated compliance officer within the Company.

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20. Governing Law and Settlement of Disputes

The Programme, the individual Plans and these Terms and Conditions are governed by and construed in accordance with the laws of Finland without regard to its rules and principles regarding conflict of laws.

Any dispute or claim arising out of or in relation to the Programme or an individual Plan, which has not been settled through negotiations between the parties concerned, shall be finally settled by arbitration in Helsinki, Finland, in accordance with the Rules for Expedited Arbitration of the Finland Chamber of Commerce.

21. Confidentiality

These Terms and Conditions are confidential other than as, and to the extent, published by the Company in its sole discretion.

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