

COMPONENTA CORPORATION CONVERTIBLE CAPITAL NOTES 2005

I Terms and Conditions of the Convertible Capital Notes

1. Amount of the Convertible Capital Notes

The amount of the Convertible Capital Notes (Notes) shall be a maximum of EUR 14,000,000. The Board of Directors can decide to increase the maximum amount of the Notes to a maximum of EUR 19,000,000 in case of excess demand.

The Notes shall be issued within the electronic book-entry system kept by Finnish Central Securities Depository Ltd (APK). The Notes shall be issued to a maximum of 7,000 note units with a nominal value of EUR 2,000 each ("debentuuri", as referred to in the Promissory Notes Act, Paragraph 5 Section 34, hereinafter Note Unit). If, in case of excess demand, the Board of Directors increases the offered amount to a maximum of EUR 19,000,000, the Notes shall be issued to a maximum of 9,500 Note Units.

2. Subscription Right

The Notes shall be offered for subscription by public, with deviation from the shareholders' pre-emptive right to subscribe for securities. The minimum amount of a subscription for the Notes shall be EUR 10,000, i.e. five (5) Note Units.

The Board of Directors of Componenta Corporation (Componenta or Company) (Board of Directors) shall decide who shall have the right to subscribe for any Note Units left unsubscribed.

The Board of Directors shall decide on the procedure to be observed in the event of oversubscription, whereby the Board of Directors shall have the possibility of reducing subscriptions. The Board of Directors shall have the right to reject any subscription made in its entirety.

In the event of oversubscription, the intention is to allocate the Note Units amongst the subscribers who have made approvable subscriptions so that at least the minimum amount of subscription would be allocated to all subscribers.

In the event of oversubscription, the Board of Directors can decide, that the shareholders and/or stock option holders registered in the shareholders' register or in the stock option holders' register of Componenta on 10 February 2005, shall be favored when allocating the Note Units.

3. Offer Period and Place of Subscription

The period for receiving subscription offers shall commence on 1 March 2005 at 9.00 am. and end on 3 March 2005 at 4.00 pm.

Subscription offers shall be received in writing at Alexander Corporate Finance Oy, Aleksanterinkatu 19 A, 00100 Helsinki, tel. No. +358 9 6226 000.

Instructions for the subscribers are available on the internet pages of Alexander Corporate Finance Oy (www.acf.fi) and at Alexander Corporate Finance Oy.

4. Issue Rate and Approval of Subscription Offers

The rate of issue of the Notes is one hundred (100) per cent.

The Board of Directors shall decide, after the close of the Offer Period, on or about 8 March 2005, on approval of the subscription offers and shall notify subscribers in writing of approval of their subscription offers.

5. Payment of Subscriptions

Subscribers shall pay for the Note Units by 15 March 2005, in accordance with separate instructions to be specified later.

The Board of Directors shall have the right to reject any subscription offer made, partly or in its entirety, and reallocate the Note Units, unless the subscription has been paid in accordance with these Terms and Conditions and with the given instructions.

6. Maturity

The Notes shall be dated 15 March 2005.

The maturity of the Notes shall be from 15 March 2005 to 15 March 2010. The Notes shall be repaid in a bullet payment on 15 March 2010, providing that the conditions of repayment specified in Section 7 are met.

7. Repayment of the Notes

A) Repayment at Maturity

The principal of the Notes may be repaid only, if Componenta and the consolidated Group are left with full cover on restricted equity and other non-distributable items, in accordance with the balance sheet approved for the preceding financial year.

Should the conditions for repayment of the Notes not be met at maturity, the principal of the Notes shall be repaid in part to the extent that this is possible, within the scope of the conditions of repayment. In other respects, the repayment of the Notes shall always be deferred to the corresponding date in the following year, until the Notes have been repaid in full.

B) Repayment Prior to Maturity

Componenta shall, furthermore, have the right, as from 2 January 2006, to repay the principal of the Notes in full at the rate of 100 per cent with interest accrued up to the date of the repayment, providing that

a) the conditions for repayment mentioned in Section A) above and for payment of interest mentioned in Section 8 are met, and that

b) the trade-weighted average price of the Componenta share (share) on the Helsinki Exchanges, immediately prior to the Board resolution date concerning the repayment, has, during 20 of 30 consecutive trading days, exceeded the imputed conversion price specified in the Terms and Conditions of the Notes, or as modified in accordance with the Terms and Conditions of the Notes, by a minimum of 50 per cent.

The Company shall notify the Note Unit holders (Note Unit Holder) of the exercise of the aforementioned right of repayment and of the relevant measures not later than 30 days and not earlier than 60 days prior to the Repayment Date.

The principal of the Notes shall not accrue interest for the period after the announced Repayment Date.

The Company shall, in addition to the repayment specified here, reserve for Note Unit Holders a special right of conversion pursuant to Sections 10 and 19.

Should a Note Unit Holder wish to exercise his right of conversion instead of the repayment as specified here, he/she must demand conversion of the Note Units into shares not later than 14 days prior to the Repayment Date announced by the Company. The Note Unit Holder shall, in this case, have the right to set as a condition for the conversion into shares that repayment be effected on the Repayment Date announced by the Company.

After the conversion has taken place, the Company must, without delay, notify the relevant registration authorities of the number of shares that have been issued against the Note Units.

C) Other Matters Pertaining to Repayment

Note Unit Holders shall be notified of repayment of the Notes, in accordance with Section 19, no later than 30 days prior to repayment.

The principal of the Notes shall be repaid to the party who, at the commencement of the Repayment Date, is entitled to receive the payment according to the information recorded in the relevant book-entry account. If the book-entry unit issued for a Note Unit is subject to temporary registration on the maturity date as specified in these Terms and Conditions of the Notes, or if the book-entries issued for the Note Unit have been recorded in a consignment account at the commencement of the maturity date, the repayment shall be made on the basis of the information in the book-entry account. If repayment is not possible on the basis of the information recorded in the Bondholder Register, payment shall be made to a party who can demonstrate that the book-entry issued for the Note Unit belonged to him/her at the commencement of the maturity date, in accordance with the Terms and Conditions of the Notes.

8. Interest

The annual fixed interest to be paid on the principal of the Notes is 5.75 per cent.

The interest shall be paid annually in arrears on 15 March (hereinafter Interest Payment Date), for the first time on 15 March 2006, and for the last time at maturity. If an Interest Payment Date is not a banking day, interest can be paid on the following banking day. Adjourning the payment has no effect on the amount of interest.

The first Interest Period shall commence on 15 March 2005 and end on the first Interest Payment Date. Each subsequent Interest Period shall commence on the previous Interest Payment Date and end on the following Interest Payment Date. The final Interest Period shall end on the day by which the Notes are repaid in full.

Interest shall accrue according to actual days, exclusive of the first and inclusive of the last day of each Interest Period. The number of days in the interest year shall be 365 (basis for calculation of interest "actual/365").

Interest on the Notes can be paid annually only if the amount payable can be used for the distribution of profits according to the balance sheet of the Company and its consolidated Group, as approved for the preceding financial year.

Interest left unpaid shall remain a liability of the Company and shall earn annual interest of two (2) percentage points in excess of the interest rate payable on the Notes. The Company shall be permitted to pay interest, the payment of which it has previously deferred, as well as the interest accrued on it in full or in part, at a date which it shall announce. If payment is made in part, the interest accrued on the original interest shall be payable first. Interest left unpaid and the interest which has accrued on it must be paid, nevertheless, in full

a) on the fifth banking day following approval of the consolidated balance sheet, providing this is possible according to the balance sheet on the conditions set out in the previous paragraph, or

b) on repayment of the principal of the Notes. Interest left unpaid shall not earn further interest for the time after the announced Repayment Date.

The Company shall notify Note Unit Holders, in accordance with Section 19, of the deferral of payment of interest and the payment of interest left unpaid not later than five (5) banking days prior to the Interest Payment Date.

Interest accrued on interest left unpaid shall rank senior on the Interest Payment Date, after which unpaid interest balances shall be paid and then the interest earned for the previous year.

If the Notes cannot be repaid at maturity, the interest payable on the unpaid principal of the Notes shall be two (2) percentage points in excess of the annual interest rate confirmed to this Notes up to the Payment Date.

Interest shall be paid to a party who, according to the information recorded in the Bondholder Register at the commencement of the maturity date under the Terms and Conditions of the Notes, is entitled to receive such payment.

If the book-entry unit issued for a Note Unit is subject to temporary registration on the maturity date, as specified in these Terms and Conditions of the Notes, or if the book-entries issued for the Note Unit have been recorded in a consignment account at the commencement of the maturity date, repayment shall be made on the basis of the information in the book-entry account. If repayment is not possible on the basis of the information in the book-entry account, payment shall be made to a party who can demonstrate that the book-entry issued for the Note belonged to him at the commencement of the maturity date, in accordance with the Terms and Conditions of the Notes.

The Company can pay dividends to its shareholders if, and only if, all interest payments due to the Note Unit Holders, as well as any unpaid interest and interest accrued on it, have been taken into account as an imputed reduction in non-restricted equity.

The provisions governing a Note Unit Holder's right to the payment of interest upon conversion of Note Units into shares are set out hereinafter in Section 14.

9. Priority Ranking of the Notes

Should the Company be placed in liquidation, the Notes shall fall due for repayment 90 days after the notice of liquidation has been entered into the Trade Register.

The Notes are a capital loan whose principal, interest, and any other yield may be paid on dissolution or bankruptcy of the Company solely at a priority ranking below that of all other creditors.

These Notes shall have the same priority ranking as any capital loans or comparable instruments which the Company currently have or may issue in the future.

Receivables based on the Notes may not be used to offset counterclaims.

The Notes are not secured by a guarantee or other collateral.

II Terms and Conditions of Conversion into Shares

The Notes can be converted into shares on the following Terms and Conditions:

10. Conversion Rate

Each Note Unit in the amount of EUR 2,000 entitles the Note Unit Holder to convert the Note Unit into 200 shares whose nominal value is EUR 2.00. The conversion rate is EUR 10.00.

The Notes shall be convertible into a maximum total of 1,400,000 shares. If the Board of Directors decides to increase the maximum amount of the Notes to a maximum of EUR 19,000,000, the Notes shall be convertible to a maximum of 1,900,000 Note Units.

If a Note Unit Holder, upon conversion of Note Units into shares, receives a fraction of a share, he/she shall receive a cash payment for said fraction. The price of the share in such a case shall be the closing price of the share in continuous trading on the preceding trading day. If a Note Unit Holder converts more than one Note Unit into shares at the same time, the number of full shares shall be calculated on the basis of the number of all the Note Units.

11. Conversion Period

The conversion period for the Notes shall commence on 1 May 2005 and end on 1 March 2010.

The annual conversion period for the Notes shall be from 2 January to 30 November. In the cases set out in Section 7 B), conversion into shares can also take place from 1 December to 31 December, if the Board of Directors so decides. Should the share capital of the Company be changed in the manner mentioned in Section 15 or for some other weighty reason, the Board of Directors may temporarily suspend conversion of the Note Units into shares for a specified period.

12. Entries in Book-Entry Accounts

The Note Units applied in making a conversion shall be removed from the Note Unit Holder's book-entry account at the same time as the shares received as a result of conversion are entered in the book-entry account.

The Company shall have the right, upon receipt of a notification of conversion, to record in the relevant book-entry account a restriction on transfer concerning the Note Unit which is used in making the conversion, without recourse to the Note Unit Holder.

13. Increase in Share Capital through Conversion of Notes

The share capital of Componenta can be increased through a conversion of Note Units by a maximum of EUR 2,800,000, and the number of shares can increase by a maximum of 1,400,000 new shares. If the Board of Directors decides to increase the maximum amount of the Notes to a maximum of EUR 19,000,000, the share capital of the Company can be increased through a conversion of Note Units by a maximum of EUR 3,800,000, and the number of shares can increase by a maximum of 1,900,000 new shares.

14. Dividend Rights and Other Shareholder Rights and Dividend Compensation

New shares entitle their holders to a dividend for the first time for the financial year during which the conversion has taken place. Other shareholder rights shall commence from the date on which the increase in share capital is entered into the Trade Register.

When Note Units are converted into shares, the Note Unit Holder shall not be entitled to interest accrued on the principal of the Notes from the beginning of the preceding Interest Period. If, however, interest is due from a previous Interest Period and the interest accrued on this amount has not been paid by the conversion date, owing to a cause mentioned in Section 8 of the Terms and Conditions of the Notes, or if it cannot be paid in accordance with said Section, the provisions of Section 8 shall be applied to the payment of said accrued interest, and when the conversion is made, a separate certificate for the amount of interest due shall be issued to the Note Unit Holder.

To the extent that the total amount of dividends per share paid by Componenta during a financial year is higher than 5.75% of the last quoted share price of the preceding financial year, the amount that exceeds

5.75% of the said share price, shall be compensated to a Note Unit Holder who is converting Note Units into shares, on the conversion date. The potential compensation shall only be paid for financial years preceding the conversion during the maturity. If changes defined in Section 15 take place after the end of the financial year but before the dividend payment, the amount of the above mentioned divided per share shall be adjusted correspondingly. The compensation shall be paid in cash within one (1) week of the conversion date, if the amount payable can be used for the distribution of profits according to the balance sheet of the Company and its consolidated Group, as approved for the preceding financial year. No interest or interest on arrears shall be paid on the compensation.

15. Share Issues, Convertible Notes, Stock Options, and Other Instruments entitling their Holder to Shares prior to the Close of the Conversion Period

Should the Company, prior to the close of the conversion period, increase its share capital through a new issue or issue new stock options or issue new convertible loans or other instruments entitling their holders to shares under the Finnish Companies Act such that the shareholder has a pre-emptive right of subscription, the Note Unit Holder shall have a right which is the same or equal to that of a shareholder. His/her principle of equality shall be implemented in a manner decided by the Board of Directors such that

- a) the number of shares which can be received through conversion is changed, or
- b) the Note Unit Holder is offered a similar pre-emptive right of subscription to that of shareholders, or
- c) a combination of the methods mentioned above in Sections a) and b) is used.

Should the Company, prior to the close of the conversion period, increase its share capital through a bonus issue, the rate of conversion shall be changed such that the proportion of the share capital represented by the shares to be received as a result of conversion remains unchanged.

16. Rights of Note Unit Holders in Certain Special Cases

Should the Company reduce its share capital otherwise than in the ways mentioned in Chapter 6, Section 1, Paragraphs 1, 4 and 5, of the Finnish Companies Act, prior to the close of the conversion period, the conversion rate shall be amended accordingly in the manner specified in detail in the resolution to reduce share capital. If the share capital is reduced in the ways set out in the aforementioned legal provisions, the reduction of share capital shall not have an effect on the conversion rate.

Should the Company buy back its own shares in proportion to the holdings of the shareholders, prior to the close of the conversion period, Note Unit Holders shall have a right that is the same or equal to that of shareholders. The principle of equality shall be implemented in a manner decided by the Board of Directors such that the number of shares to be received as a result of conversion shall be altered, or such that an opportunity shall be reserved for Note Unit Holders to exercise their conversion right, prior to the commencement of the share buyback, during a fixed period set by the Board of Directors.

Should the Company be placed in liquidation, prior to the close of the conversion period, an opportunity shall be reserved for Note Unit Holders to exercise their conversion right, during a fixed period set by the Board of Directors, prior to the commencement of liquidation.

Should a situation, prior to the close of the conversion period, arise of the type specified in Chapter 14, Section 19, of the Finnish Companies Act, whereby a shareholder holds more than 90% of the Company's shares and voting rights and thus has a right and obligation to redeem the remaining shares, an opportunity shall be reserved for Note Unit Holders to exercise their conversion right during a fixed period set by the Board of Directors, after which time the conversion right shall lapse. The same right to convert the Note Units into shares shall be given to a Note Unit Holder in a situation, whereby a shareholder holds more than two-thirds of the voting rights of the Company's shares, as specified in Chapter 6, Section 6, of the Finnish Securities Market Act, and therefore such shareholder must offer to redeem the Company's remaining shares and securities entitled to shares, in accordance with the Finnish Companies' Act. If the Note Unit

Holder does not use this right, his/her conversion right shall not, however, lapse, due to this offer of the type specified in the Finnish Securities Market Act.

Should the Company be changed from a public company into a private company, prior to the close of the conversion period, an opportunity shall be reserved for Note Unit Holders to exercise their conversion right, during a fixed period set by the Board of Directors, prior to the change.

Should the Company, prior to the close of the conversion period, decide to merge, not being the surviving entity, into another company or into a company to be formed as the result of a combination merger, or decide to demerge, an opportunity shall be reserved for Note Unit Holders to exercise their conversion right, during a fixed period set by the Board of Directors, prior merger or demerger, after which time the conversion right shall lapse.

Should, prior to the close of the conversion period, the nominal value of the share be changed such that the share capital remains unchanged, the conversion rate shall be changed such that the aggregate nominal value of the shares to be received as a result of conversion and the aggregate imputed conversion price remain unchanged.

III Other Terms and Conditions

17. Technical Amendments

The Board of Directors shall have the right to amend the technical procedures connected with the Notes in respect of payments and conversion into shares or other similar matter, without the consent of Note Unit Holders or Note Unit Holders' meeting.

The Company shall advise Note Unit Holders of any amendments, in accordance with Section 19.

The Notes shall be applied for public listing on the Helsinki Exchanges.

18. Note Unit Holders' Meeting

(A) The Board of Directors shall have the right to convene a meeting of the Note Unit Holders of these Notes (Note Unit Holders' Meeting) to decide on amendments to the Terms and Conditions of the Notes.

(B) Notice of a Note Unit Holders' Meeting shall be published no later than 10 days prior to the meeting, in accordance with Section 19. The notice shall specify the date, hour, place, and agenda of the meeting, as well as the procedure for registering to attend the meeting.

(C) The Note Unit Holders' Meeting must be held in Helsinki and its chairman shall be appointed by the Company.

(D) The Note Unit Holders' Meeting shall have a quorum if two or more persons together holding at least 50% of the outstanding principal amount of the Notes are present. The Note Unit Holders' Meeting shall, nevertheless, only have a quorum for passing an extraordinary resolution pursuant to Section 18 (I) if two or more persons are present who together represent at least 75% of the outstanding principal amount of the Notes.

(E) If the Note Unit Holders' Meeting does not have a quorum within 30 minutes of the time for starting the meeting as set forth in the notice, consideration of the agenda of the meeting can be deferred to a new Note Unit Holders' Meeting, at the request of the Company, said meeting to be held within no less than 14 days and no more than 28 days at a place designated by the Company.

The new Note Unit Holders' Meeting shall have a quorum if two or more persons together representing at least 10% of the outstanding principal amount of the Notes are present. The new Note Unit Holders' Meeting shall, nevertheless, constitute a quorum for the purpose of passing an extraordinary resolution

COMPONENTA

pursuant to Section 18 (I) only if two or more persons are present who together represent at least 67% of the outstanding principal amount of the Notes.

(F) Notice of a new Note Unit Holders' Meeting to be held owing to an adjournment, shall be published in the same manner as the notice convening the original meeting. The notice shall furthermore state the conditions under which a quorum shall be constituted.

(G) Note Unit Holders' voting rights shall be determined on the basis of the principal amount of Note Units held. Componenta and the consolidated companies of the Componenta Group shall not hold voting rights at the Note Unit Holders' Meeting.

Resolutions of the Note Unit Holders' Meeting shall be passed by a simple majority of the votes cast. Should the voting result in a tie, the chairman shall have the casting vote. An extraordinary resolution pursuant to Section 18 (I) shall be passed, however, only if it obtains at least three-quarters of the votes cast.

(H) A representative of the Company and a person authorized to act for the Company shall have the right to attend and speak at a Note Unit Holders' Meeting.

(I) A Note Unit Holders' Meeting shall have the right to decide on the following matters, which may be set forth in a proposal of the Board of Directors, subject to an extraordinary resolution supported by a minimum of three-quarters of the votes cast:

(a) altering the basis for calculation of interest on the Notes,

(b) changing the denomination of the Notes,

(c) amending the conditions under which a Note Unit Holders' Meeting shall have a quorum or amending the qualified majority requirement for passing an extraordinary resolution and

(d) amending Section 9 of the Terms and Conditions of the Notes.

(J) Resolutions passed by a Note Unit Holders' Meeting shall be binding upon all Note Unit Holders, regardless of whether they are present at a meeting and of whether the resolution of the Note Unit Holders' Meeting has been entered in their Note Units. Note Unit Holders are obliged to inform subsequent transferees of the Note Units of the resolutions of the Note Unit Holders' Meeting.

(K) Terms and Conditions of the Notes, the amendment of which requires the approval of a General Meeting of Shareholders of Componenta may not be amended by a resolution of a Note Unit Holders' Meeting before the General Meeting of Shareholders has given its approval.

(L) Where, in accordance with the Terms and Conditions of the Notes, the Company may unilaterally decide on a measure, a decision taken on such a matter shall not require the approval of a Note Unit Holders' Meeting.

(M) A reduction of the principal or the interest of the Notes and an amendment to the last paragraph of Section 8 of these Terms and Conditions, with prejudice to the Note Unit Holders, shall require the consent of all the Note Unit Holders as given at a Note Unit Holders' Meeting or in some other certifiable manner.

19. Notices

Note Unit Holders shall be obliged to inform the Company in case of changes in his/her contact information or in case he/she transfers his/her Note Units.

Note Unit Holders shall be advised of matters pertaining to the Notes by means of a notice published in Helsingin Sanomat or in another national daily newspaper designated by the Board of Directors. Note Unit

Holders shall be considered to have received notification when the notice has been published in Helsingin Sanomat or in another national daily newspaper designated by the Board of Directors.

In addition to the procedure described in the previous paragraph, the Company can deliver notifications concerning the Notes in writing directly to Note Unit Holders, making said delivery to the addresses they have informed to the Company. Mailed notification shall be considered to have been delivered on the date when the delivery has been left in the post office. In this context, a Note Unit Holder is deemed to be the party who, on the day of publication of the notice, has been entered as a Note Unit Holder for the Notes in the Bondholder Register which is kept by Finnish Central Securities Depository Ltd.

20. Statute of Limitations

Where payment of the principal or interest has not been possible, due to missing contact information, within three (3) years of the date on which payment was first due under the Terms and Conditions of these Notes, the right to any and all payment shall be forfeit (Act on Expiration of Debts (15.8.2003/728, Section 4).

21. Governing Law

These Convertible Capital Notes shall be governed by Finnish law, and disputes arising in respect of them shall be resolved in a competent court in Finland.

22. Force Majeure

Componenta cannot be held responsible for the unreasonable impairment of its operations due to a case of force majeure or a similar cause.

23. Information

Copies of the documents pertaining to the Notes shall be available for public inspection at the Head Office of Componenta at Nuijamiestentie 3C, 00400 Helsinki.

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