

## Press Release

Stockholm, 21 April 2010

*N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

The shareholders in  
**RusForest AB (publ)**

are hereby summoned to the annual general meeting to be held on 20 May 2010 at 3 p.m. at 7A Konferens on Strandvägen 7A, Stockholm

### ***Notification etc.***

Shareholders who wish to participate in the annual general meeting must *firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of 14 May 2010, and *secondly* notify the company of their participation in the annual general meeting no later than 4 p.m. on 14 May 2010. The notification shall be in writing to RusForest AB, attn. Mia O'Connor, Hovslagargatan 5, 111 48 Stockholm, via fax +46 8 545 015 54 or via email [agm@rusforest.com](mailto:agm@rusforest.com). The notification should state the name, personal/corporate identity number, shareholding, address, telephone number daytime and, where applicable, information about representatives, counsels and assistants. When applicable, complete authorization documents, such as registration certificates and powers of attorney for representatives and counsels, shall be appended the notification.

### ***Nominee shares***

Shareholders, whose shares have been registered in the name of a bank or other trust department or with a private securities broker, must temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the annual general meeting. Shareholders wishing such re-registration must inform their nominee of this well before 14 May 2010, when such re-registration must have been completed.

### ***Proxy etc.***

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or a corresponding document shall be appended. The power of attorney and the registration certificate may not be older than one year. The power of attorney in original and, where applicable, the registration certificate, should be submitted to the company by mail at the address set forth above well in advance of the general meeting.

### ***Proposed agenda***

1. Opening of the meeting;
2. Election of a chairman at the meeting;
3. Preparation and approval of the voting list;
4. Approval of the agenda;
5. Election of one or two persons to verify the minutes;
6. Determination as to whether the meeting has been duly convened;
7. Presentation of the annual accounts and the auditor's report, and the group annual accounts and the auditor's report on the group accounts;
8. Resolution regarding the adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet;
9. Resolution regarding appropriation of the company's result according to the adopted balance sheet (see below);
10. Resolution regarding discharge from liability for the members of the board of directors and the managing director;
11. Determination of the number of members and deputy members of the board of directors and auditors and deputy auditors (see below);
12. Determination of the fees to the board of directors and the auditors (see below);
13. Election of members and chairman of the board of directors and auditor (see below);
14. Proposal regarding the adoption of RusForest AB's employee stock option plan 2010/2015, resolution to issue warrants and approval of disposition of warrants within the employee stock option program
15. Closing of the meeting.

### ***The board of directors' proposals***

#### **Resolution regarding appropriation of the company's result in accordance with the adopted balance sheet (item 9)**

The board of directors proposes that the company's profit shall be carried forward.

#### **The board of directors' of RusForest AB proposal regarding the adoption of RusForest AB's employee stock option plan 2010/2015, resolution to issue warrants and approval of disposition of warrants within the employee stock option program (item 14)**

The board of directors proposes that the annual general meeting resolves to adopt RusForest AB's employee stock option plan 2010/2015.

#### ***Number of employee stock options and exercise price***

Employee stock options of three different series, with the right to acquire not more than 1,200,000 shares, equally divided between the Series, in RusForest, may be issued under the employee stock option plan. Each stock option may be exercised to acquire one share in the company for payment of an exercise price corresponding to (a) 120 per cent for employee stock options Series 1, (b) 130 percent for employee stock options Series 2 or (c) 150 percent for employee stock options Series 3, of the average volume weighted RusForest share price during the period 3 May 2010 up to and including 18 May 2010 as quoted on NASDAQ OMX First North's official price list. The exercise price, determined as set out above, shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each stock option entitles to subscription for shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with market practice.

### **Allocation**

The employee stock options can be allocated to persons, in Sweden or other countries, who at the time of allocation are employed on a permanent basis by a company within the RusForest group, and who at such time have not given or been given notice of termination of the employment. As regards employees in other countries than Sweden it is thereby presupposed that the allocation is in compliance with law and that the allocation, according to the board of directors' opinion, can be made at reasonable administrative and financial costs and efforts. Allocation of employee stock options can also be made to persons who commence such employment after the initial allocation. The board of directors shall resolve upon the allocation of employee stock options and the allocation shall be made within two categories. Category 1 includes the managing director with an allocation of not more than 600,000 employee stock options per person. Category 2 includes directors in the company, apart from the managing director, with an allocation of not more than 200,000 employee stock options per person.

Allocation shall, among other things, be determined with regard to the employee's performance, position within and contribution to RusForest.

No employee is guaranteed allocation of employee stock options. Allocation of employee stock options shall be determined by the board of directors within the scope of the above.

### **Restrictions regarding the right to transfer and exercise the employee stock options**

Issued employee stock options shall not be considered as securities and shall not be transferable to a third party.

The right to acquire new shares under the employee stock options shall for each holder be vested, with 1/5 of the employee stock options allocated from each Series to such holder as from the date falling one year from the date of the initial allocation (which is expected to occur on 1 June 2010) (the "anniversary date"), and an additional 1/5 as from each of the four subsequent anniversary dates, provided that the holder at such dates is still employed within the RusForest group. Employee stock options within each series, that have been vested, may be exercised for subscription of shares during the period 1 June 2015 up to and including 1 December 2015. As regards employee stock options, which may be exercised as set forth above, the exercise period upon termination of employment shall be three (3) months as from the termination of employment after which period all employee stock options shall become void.

In relation to the vesting of employee stock options, *inter alia*, the performance, position and work input of the employee shall also be considered.

Vesting in accordance with the above may be accelerated only if any shareholder (together with closely-related parties) reaches more than 2/3 of the shares or votes in the company, or if a shareholders' meeting so resolves.

### **Consideration, value, etc.**

The employee stock options shall be issued free of charge and the holders will be taxed when the options are exercised, as regards holders deemed to be resident in Sweden for tax purposes, as income from employment, for the difference between the market value of RusForest's share at the time of exercise of the employee stock option and the exercise price of the employee stock option. The majority of the persons that will be allocated employee

stock options are domiciled and liable to taxes in Russia, where as far as the company has learned, social security charges (*Sw. arbetsgivaravgifter*) are not payable.

There is no market value for the employee stock options. A value may, however, be calculated in accordance with an established model for options. When calculating the value, the restrictions in the right to transfer and exercise the employee stock options and the fact that the employee stock options are forfeited if the employment of the holder is terminated have been considered. The option value of the employee stock options under the employee stock option plan is, based on a valuation made by the company, SEK 4.86 per employee stock option, assuming an average exercise price of approximately SEK 31.47 per share (of which SEK 28.32 for Series 1, SEK 30.68 for Series 2 and SEK 35.40 for Series 3, based on the price SEK 23.60 of the RusForest share at closing on 19 April 2010). When valuating the options, the company has used Black & Scholes model for valuating options, assuming a risk free interest of 2.469 percent, a volatility of 30 percent and duration of 1,800 days.

#### ***Hedging of the employee stock option plan***

To hedge that RusForest can meet its obligations, including the payment of social security charges, to the holders of employee stock options at the time of exercise of the employee stock options, it is proposed that the annual general meeting also resolves to issue not more than 1,254,000 warrants with the right to subscribe for new shares to the wholly-owned subsidiary RusForest Ltd. Not more than 54,000 of the warrants will be used to finance any costs, including potential social security charges, which arise at the time of exercise of the employee stock options. Any surplus warrants not necessary to finance such costs shall be cancelled.

#### ***Reasons***

The reasons for adopting RusForest's employee stock option plan 2010/2015, and the reasons for the deviation from the shareholders' preferential rights in the issue of warrants, are that the board of directors considers it very important to be able to motivate, keep and recruit qualified employees to the group through giving the employees the opportunity to become owners in the company. The board of directors is of the opinion that this strengthens the interest for the company's business and also stimulates company loyalty in the future. As the employee stock option plan is intended to be an incentive for the employees in the RusForest group, it is assessed to positively influence the future development of the group and thereby be beneficial for the shareholders.

#### ***Dilution of existing shares and votes***

To hedge the employee stock options which are allocated within the employee stock option program it is proposed that 1,254,000 warrants shall be issued.

Based on the number of existing share and votes and with the assumption that all existing and outstanding warrants are exercised, the proposed employee stock option program, assuming that all employee stock options and the hedging warrants are exercised, will result in a dilution of not more than approximately five percent of the shares and the number of votes. If existing outstanding warrants are not exercised, the dilution, under the conditions described above, will instead be not more than approximately five and a half percent of the shares and number of votes.

### **Majority requirements**

Resolutions in accordance with the board of directors' proposals fall within Chapter 16 of the Swedish Companies Act regarding certain directed issues etc. and require support of shareholders representing not less than 9/10 of the votes cast as well as of the shares represented at the annual general meeting.

### **The nomination committee's proposals**

#### **Proposal regarding the number of members and deputy members of the board of directors and auditors and deputy auditors, fees to the board of directors and the auditors and election of members and chairman of the board of directors and auditor (items 11, 12 and 13)**

The nomination committee, comprising of Anders Börjesson, Vostok Nafta, chairman; Per Josefsson, Fonden Zenit; Viking Kjellström, SEB; and Sven Hirdman, chairman of the RusForest board of directors has submitted the following proposals:

- The number of board members shall be seven (7), with no deputy members (item 11).
- The number of auditors shall be one (1) registered auditing company (item 11).
- The fees to each board member who does not draw any salary from the company shall amount to SEK 150,000. The fee to the chairman of the board of directors shall however amount to SEK 300,000. In addition, the nomination committee proposes that the board of directors establish an audit committee and an operational committee, each consisting of up to three members, where fees to the chairmen amounts to SEK 100,000 and to the other members SEK 75,000. (item 12).
- Auditors' fee is proposed to be paid on account approved by the board of directors (item 12).
- Re-election of Sven Hirdman, Johan Unger, Franz Bergstrand, Torbjörn Gunnarsson, Per Brilioth and Aleksandr Williams as board members and election of Jerker Karlsson as new board member. Sven Hirdman is proposed to continue as chairman of the board of directors. For the audit committee it is proposed Sven Hirdman (chairman), Johan Unger and Per Brilioth. For the operational committee it is proposed Franz Bergstrand (chairman) and Jerker Karlsson. The composition of the committees may be altered upon the resolution of the board of directors. (item 13).

Jerker Karlsson is a forest officer, holds a forest license and has more than 40 years experience of from forest and wood industry. Between 1970 and up to retirement in 2009, Jerker Karlsson was employed within SCA, *inter alia* as CEO for SCA Skog (between 1989 and 2008), vice CEO for SCA Forest Products (2000-2009) and chairman in SCA Transforest (2000-2009).

- The auditing company Ernst & Young AB was elected as auditor of the company for the time until the annual general meeting to be held 2010, at the extraordinary shareholders meeting on 18 April 2006. Following a completed procurement process it is proposed that KPMG Bohlins AB is elected as auditor of the company for the time until the end of the annual general meeting to be held 2014, with the authorized accountant Carl Lindgren as the auditor in charge (item 13).

---

Annual accounts, auditor's report and the board of directors' complete proposal regarding item 14 above will as from 6 May 2010 be held available at the company's office, Hovslagargatan 5, 111 48 Stockholm, and at the company's webpage [www.rusforest.com](http://www.rusforest.com) and

be sent to shareholders that so request and inform the company of their postal address. The proposal regarding item 14 will also be sent free of charge to those shareholders that have notified their attendance at the annual general meeting.

---

Stockholm, April 2010  
**RusForest AB (publ)**  
*The board of directors*

*RusForest offers a unique opportunity to invest in Russian forestry: [www.rusforest.com](http://www.rusforest.com)  
RusForest AB's Certified Adviser on First North is HQ Bank*