

**RUUKKI GROUP PLC**

**STOCK OPTION PLAN**

**I/2008**

## **I. GRANTING OF STOCK OPTIONS**

### **1. Number of stock options**

The maximum total number of stock options issued shall be 2,900,000 and they entitle their holders to subscribe for a maximum total of 2,900,000 new shares of the Ruukki Group Oyj (hereinafter also the "Company") or old shares of the Ruukki Group Oyj in the possession of the Company.

### **2. Right to stock options**

The stock options shall, deviating from the shareholders' pre-emptive subscription right be issued to the CEO of Ruukki Group Plc.

The shareholders' pre-emptive subscription right is deviated from since the stock options are intended to form a part of the incentive and commitment program of the Company. It shall thus be considered that the Company has a weighty financial reason for that.

### **3. Offering of stock options**

The stock options shall be offered gratuitously in the way mentioned above to the CEO of the Company. The offered stock options shall be subscribed for by December 31<sup>st</sup>, 2015 according to the given instructions. The place for the subscription shall be the head office of the Company or other place determined by the Board of Directors. The acceptance of the subscription shall take place at the time and in the way determined by the Board of Directors of the Company.

### **4. Stock Options**

Ruukki Group Oyj shall issue a maximum total number of 2,900,000 stock options.

The limitations in accordance with section I.5 of these terms shall be directed towards the stock options.

### **5. Prohibition of Transfer and Pledge and Obligation to Return the Stock Option**

The receiver of options has not right to transfer the options to third person or to pledge the options without permission of the Company. The board of directors has the competence to give the permission. This prohibitions is in force until December 31<sup>st</sup>, 2012.

In case the holder of the stock options does not work as the CEO of the Company when the subscription period of all or some of the shares commences, the holder of the stock options has an obligation to return the option rights whose subscription period has not yet begun.

### **6. Options and the Book-Entry System**

The options may be emitted in the book-entry system. The board of directors has the competence to make a decision on the book-entry system and the procedures and schedules related to this. The issuing of the options necessitates that the subscriber has open a book-entry account required and a bank account related to that if the options shall be set to the book-entry system.

The limitations in accordance with section 1.5 of these terms shall be directed towards the stock options. If the options shall be set to the book-entry system the limitations shall be registered in the book-entry system so that the limitations apply to all the options.

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

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

Each stock option entitles its holder to subscribe for one (1) new share of the Company or one old share of the Company.

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

The share subscription period for 1,450,000 stock options commences on October 1<sup>st</sup>, 2009 and for 1,450,000 stock options on October 1<sup>st</sup>, 2010. The subscription period matures on December 31<sup>st</sup>, 2015.

The share subscription shall take place at the head office of Ruukki Group Oyj and possibly at some other place to be determined later. The payment of the subscription shall be made at the same time with the subscription. The whole paid subscription price shall be entered in the paid-up unrestricted equity fund. The Company shall decide on all measures concerning the share subscription. The Board of Directors shall decide on the acceptance of the subscriptions.

### **3. Share subscription price**

The share subscription price for stock options is EUR 2.30 per share.

The subscription price of the share subscribed with the stock options shall be lowered on each record date of payment of dividend with the amount of the dividend decided after the issuing of the stock options.

The subscription price of a share of the Company is defined using the share issue of summer 2007 that was executed as auction in which EUR 2,30 was set as the price of the share of the Company.

### **4. Acceptance of subscriptions and registration of shares**

The Board of Directors accepts the made subscriptions quarterly in its meetings and brings the information concerning the increase in share capital based on the accepted subscriptions immediately to registration. After that the new shares shall be registered to the book-entry system and shall be taken subject to public trade together with the shares of the Company that are subject to public trade. The Board of Directors shall however not have the obligation to accept before the Annual General Meeting a subscription made after the end of the accounting period.

### **5. Shareholder rights**

The shares entitle to dividend. Other shareholder rights will commence after the registration of the share subscription in the Trade Register.

## **6. Share issues, convertible bonds and option loans and stock options before the share subscription**

### 6.1. Free bonus issue

Should the Company increase the shares of the Company with free bonus issue before the end of the subscription period, the subscription price and the stock option shall be amended pursuant to the following formulas:

*New subscription price=*

the subscription price before the free bonus issue x the amount of shares before the free bonus issue divided by the number of the shares after the free bonus issue

*The new amount of shares to be subscribed for=*

the amount of shares to be subscribed for by virtue of the stock option before the free bonus issue x the amount of shares after the free bonus issue divided by the amount of shares before the free bonus issue

Should the Company before the end of the share subscription period amend the share capital without the amount of the shares being amended, this shall not influence the right to subscription caused by the stock options.

### 6.2. Altering the amount of shares with the share capital remaining the same

Should the Company before the end of the share subscription period alter the number of shares with the share capital remaining the same, the formulas mentioned above in section 6.1. shall be applied in amending the subscription price and the number of the shares to be subscribed for.

### 6.3. New subscription, putting the stock options into circulation and other special rights entitling to shares

Should the Company before the subscription of shares issue new shares or put new option rights into circulation or other special rights entitling to shares so that the shareholder has the pre-emptive right for subscription, the holder of a stock option shall have the same or equal right as the shareholder. The equality shall be conducted in a way determined by the Board of Directors of the Company so that the number of the shares to be subscribed for, the subscription prices or both shall be amended.

Should the new number of the shares to be subscribed for one stock option be a fraction, the fraction shall be taken into account by decreasing the subscription price.

## **7. The rights of a stock option holder in certain cases**

- a) Should the Company reduce its share capital before the share subscription period, the right to the share subscription of the holder shall be amended correspondingly in a way specified in the resolution to lower the share capital.
- b) Should the Company be placed in liquidation before the share subscription period, the holder of the stock options shall be given the right to subscribe during a period prior to the commencement of the liquidation, as stipulated by the Board of Directors. Thereafter the right to subscribe shall end.
- c) Should the Company decide to acquire its own shares before the end of the subscription period, it shall not influence the right to subscription caused by the stock options.
- d) Should the Company resolve to merge with another company or with a company to be formed or resolve to be divided
  - 1) the Company or the surviving company or the new company to be formed in a combination merger (conditionally) and its Board of Directors can decide to offer on similar terms the exchange of stock options, within a time limit determined by the Board of Directors, complying in the merger or division with the terms and conditions directed towards the shares of the Company, when applicable. If the exchange of the stock options to similar new stock options is resolved to be offered, the stock option holder shall not either have the right to demand the redemption of stock options in a way meant in the Finnish Companies Act; or
  - 2) the Board of Directors can in the merger or division also have the right to decide that the stock option holder shall be given the right to subscribe for the shares before the merger or division within a time limit determined by the Board of Directors. Thereafter no right for subscription shall exist.
- e) Should the shareholder ("Redeemer") before the share subscription be entitled to a right of redemption meant in Section 1 of Chapter 18 of the Finnish Companies Act, the stock option holder shall, without letting the prohibition of transfer of section 1.5 to prevent, offer his stock options to the Redeemer to be redeemed on similar terms, when applicable, with the shareholders or to be exchanged with the stock options of the Redeemer. The obligation to offer the stock options to be exchanged with the stock options of the Redeemer is primary in comparison with the redemption when the Redeemer makes an offer concerning the exchange of the stock options. The stock option holder shall however have the right to offer his stock options to be exchanged with the stock options of the Redeemer only if an investment bank, chosen by the Board of Directors and independent in respect of the possible exchange or purchase offer concerning the shares of the Company, has given a statement on the financial fairness of the terms of the exchange to the stock option holders. In case the Redeemer shall not redeem the stock options or make an exchange offer concerning them, which offer would be considered to be

financial fair in the above mentioned way, within three months since the right of redemption or the redemption obligation has been entered into the Trade Register, the stock option holder shall immediately thereafter be entitled to subscribe for the shares of the Company with all his stock options within a month, regardless of whether the share subscription period for stock options has commenced. Thereafter no right for subscription shall exist.

## **8. Resolution of disputes**

In case the disputes concerning these stock options can not be resolved in negotiations between the parties, they shall be settled in the arbitration tribunal in Helsinki by one (1) arbitrator. In case the parties are unable to agree on the arbitrator, the Board of Directors of the Finnish Bar Association shall appoint the arbitrator.

## **9. Other matters**

The Board of Directors of the Company shall decide on other matters concerning the subscription of stock options and shares.

The Company shall decide on matters related to stock options and on the shares to be subscribed for by virtue of them. The Company shall also give binding stipulations for the people receiving stock options. The Board of Directors of the Company can only make such changes to these terms that are not considered to be essential.

The stock option holder shall not for any reason be entitled to any compensation related to the stock options during or after his employment or service in the Company.

The Company can take necessary measures without hearing the grantees of stock options in order to fulfil its legal payment liabilities and other liabilities related to the stock options and in order to improve the administration of the stock option plan. Among other things in order to fulfil its withholding obligations, the Company shall have the right to deduct the necessary amount from the proceeds of the grantee of stock options, which proceeds result from the transfer of stock options or from the sale of shares subscribed for by virtue of them.

In case the grantee of stock options breaches these terms and conditions and/or applicable laws and regulations of the authorities, the Company shall have the right to vitiate and/or to redeem free of charge all stock options which have not been transferred or exercised for share subscription.

All announcements, related to these stock option terms and conditions, between the Company and the stock option holders can be sent either by post or e-mail.

This stock option plan has been drafted in Finnish and English languages. In the even of any discrepancies between Finnish and English versions of terms and conditions, the Finnish version shall prevail.