

## OUTOKUMPU OYJ 2003 STOCK OPTION TERMS AND CONDITIONS

### I STOCK OPTION TERMS AND CONDITIONS

#### 1. Number of stock options

The number of stock options issued will be 5 100 000 which entitle to subscribe for a total of 5 100 000 shares in Outokumpu Oyj.

#### 2. Stock options

Of the stock options 1 700 000 will be marked with the symbol 2003A, 1 700 000 will be marked with the symbol 2003B and 1 700 000 will be marked with the symbol 2003C. The persons to whom stock options will be issued will be notified in writing by the Company about the offer of stock options. Stock option certificates shall, upon request, be delivered to the stock option owner at the start of the relevant share subscription period unless the stock options have been transferred to the book-entry securities system.

#### 3. Right to stock options

The stock options shall, with deviation from the shareholders' pre-emptive right to subscription, be gratuitously granted to Orijärvi Oy (Orijärvi), a wholly owned subsidiary of Outokumpu). Stock options shall later be distributed to the key persons of the Outokumpu Group, from Orijärvi Oy, by the resolution of the Board of Directors of Outokumpu Oyj. It is proposed that the shareholders' pre-emptive right to subscription be deviated from since the stock options are intended to form part of the Outokumpu Group's incentive and commitment program for the key persons.

#### 4. Distribution of stock options

The Board of Directors shall later on decide upon the further distribution of the stock options granted to Orijärvi, to the key persons employed by or to be recruited by the Outokumpu Group.

Upon issue all stock options 2003A, 2003B and 2003C shall be granted to Orijärvi. Orijärvi may distribute stock options 2003A, 2003B and 2003C to the key persons employed by or to be recruited by the Outokumpu Group by the resolution of the Board of Directors.

#### 5. Transfer of stock options and obligation to offer stock options

The stock options are freely transferable, when the relevant share subscription period has begun. The Company shall hold the stock options on behalf of the stock option owner until the beginning of the share subscription period. The stock option owner has the right to acquire the possession of the stock options when the relevant share subscription period begins. Should the stock option owner transfer his/her stock options, such person is obliged to inform the Company about the transfer in writing without delay. The Board of Directors may, as an exception to the above, permit the transfer of a stock option also before such date.

Should a stock option owner cease to be employed by or in the service of the Outokumpu Group, for any other reason than the death of the employee, or the statutory retirement of the employee in compliance with the employment contract, or the retirement of the employee otherwise determined by the Company, before September 1, 2008, such person shall without delay offer to the Company or its order, free of charge, the stock options for which the share subscription period in accordance with Section II.2 had not begun at the last day of such person's employment or service.

Regardless of whether the stock option owner has offered his/her stock options to the Company or not, the Company is entitled to inform the stock option owner in writing that the stock option owner has lost his/her stock options on the basis of the above-mentioned reasons. Should the stock options be transferred to the book-entry securities system, the Company has the right, whether or not the stock options have been offered to the Company, to request and get transferred all the stock options, for which the share subscription period had not begun, from the stock option owner's book-entry account to the book-entry account appointed by the Company without the consent of the stock option owner. In addition, the Company is entitled to register transfer restrictions and other respective restrictions concerning the stock options to the stock option owner's book-entry account without the consent of the stock option owner.

## II SHARE SUBSCRIPTION TERMS AND CONDITIONS

### 1. Right to subscribe new shares

Each stock option entitles its owner to subscribe for one (1) share in Outokumpu Oyj. The account equivalent value of each share is EUR 1.70. As a result of the subscriptions the share capital of Outokumpu Oyj may be increased by a maximum of EUR 8 670 000 and the number of shares by a maximum of 5 100 000 new shares.

Orijärvi, as a subsidiary of Outokumpu, shall not be entitled to subscribe shares in Outokumpu Oyj on the basis of the stock options.

### 2. Share subscription and payment

The share subscription period shall be:

- For stock option 2003A from September 1, 2006 to March 1, 2009,
- For stock option 2003B from September 1, 2007 to March 1, 2010 and;
- For stock option 2003C from September 1, 2008 to March 1, 2011.

The share subscription shall take place at the head office of Outokumpu or possibly at another location to be determined later. The subscriber shall transfer the respective stock option certificates with which he/she subscribes shares to the Company, or in case the stock options have been transferred to the book-entry securities system, the stock options with which shares have been subscribed shall be deleted from the subscriber's book-entry account. Payment for shares subscribed shall be effected upon subscription to the bank account appointed by the Company. The Company shall decide on all measures concerning the share subscription.

### 3. Share subscription price

The share subscription price shall be:

- For stock option 2003A the trade volume weighted average quotation of the Outokumpu Oyj share on the Helsinki Exchanges between December 1, 2003 and February 29, 2004,
- For stock option 2003B the trade volume weighted average quotation of the Outokumpu Oyj share on the Helsinki Exchanges between December 1, 2004 and February 28, 2005 and;

- For stock option 2003C the trade volume weighted average quotation of the Outokumpu Oyj share on the Helsinki Exchanges between December 1, 2005 and February 28, 2006.

Any amount of dividend decided after the end of the period for determination of the share subscription price but before share subscription, shall be deducted from the share subscription price of stock options, as per the dividend record date. Imputation credit, as referred to in Section 4 in the Imputation Credit Act (1232/1988), shall not be taken into account. The share subscription price shall nevertheless always amount to at least the account equivalent value of the share.

#### 4. Registration of shares

Shares subscribed for and fully paid shall be registered in the book-entry account of the subscriber.

#### 5. Shareholder rights

Dividend rights of the shares and other shareholder rights shall commence when the increase of the share capital has been entered into the Finnish Trade Register.

#### 6. Share issues, convertible bonds and stock options before share subscription

Should the Company, before the share subscription, increase its share capital through an issue of new shares, or issue of new convertible bonds or stock options, so that the shareholders have pre-emptive right to subscription, a stock option owner shall have the same right as or an equal right to that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription price or both of these.

Should the Company, before the share subscription, increase its share capital by way of a bonus issue, the subscription ratio shall be amended so that the ratio to the share capital of shares to be subscribed by virtue of stock options remains unchanged. If the number of shares that can be subscribed for by virtue of one stock option should be a fraction, the fractional part shall be taken into account by reducing the subscription price.

#### 7. Rights in certain cases

If the Company reduces its share capital before the share subscription, the subscription right accorded by the terms and conditions of the stock options shall be adjusted accordingly as specified in the resolution to reduce the share capital.

If the Company is placed in liquidation before the share subscription, the stock option owner shall be given an opportunity to exercise his subscription right before the liquidation begins within a period of time determined by the Board of Directors.

If the Company resolves to merge in another company as the company being acquired or in a company to be formed in a combination merger or if the Company resolves to be divided, the stock option owner shall, before the merger or division, be given the right to subscribe for the shares with his stock options within a period of time determined by the Board of Directors. After such date no subscription right shall exist. In the above situations the stock option owner has no right to require that the Company redeem the stock options from him/her for market value.

If the Company, after the beginning of the share subscription period, resolves to acquire its own shares by an offer made to all shareholders, the stock option owners shall be made an equivalent offer. In other cases acquisition of the Company's own shares does not require the Company to take any action in relation to the stock options.

In case, before the end of the subscription period, a situation, as referred to in Chapter 14 Section 19 of the Finnish Companies Act, in which a shareholder possesses over 90% of the shares of the Company and therefore has the right and obligation to redeem the shares of the remaining Shareholders, or a situation, as referred to in Chapter 6 Section 6 of the Finnish Securities Market Act, or a situation, as referred to in Section 16 in the Articles of Association, arise, the stock option owners shall be entitled to use their right of subscription by virtue of the stock option within a period of time determined by the Board of Directors.

If the number of the Company's shares is changed while the share capital remains unchanged, the share subscription terms and conditions of the stock options shall be amended so that the relative proportion of shares available for subscription with the stock options to the total number of the Company's shares, as well as the share subscription price total, remain the same.

Converting the Company from a public company into a private company shall not affect the terms and conditions of the stock options.

### III OTHER MATTERS

The laws of Finland shall be applied to these terms and conditions. Disputes arising in relation to the stock options shall be settled by arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce.

The Board of Directors may decide on the transfer of the stock options to the book-entry securities system at a later date and on the resulting technical amendments to these terms and conditions, including those amendments and specifications to the terms and conditions, which are not considered essential. The Board of Directors shall decide on other matters related to the stock options. The stock option documentation is kept available for inspection at the head office of Outokumpu.

The Company is entitled to withdraw the stock options, which have not been transferred, or with which shares have not been subscribed, free of charge, if the stock option owner acts against these terms and conditions, or against regulations given by the Company on the basis of these terms and conditions, or against applicable law, or against regulations by authorities.

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