

**THE CONVERTIBLE HYBRID BOND ARRANGEMENT AND THE RELEVANT PROPOSAL BY
THE BOARD OF DIRECTORS ON AUTHORIZING THE BOARD TO DECIDE ON GRANTING OF
STOCK OPTIONS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES REFERRED TO IN
CHAPTER 10, SECTION 1 OF THE COMPANIES ACT****1 Main terms and conditions of the convertible hybrid bond arrangement**

- The maximum value of the convertible hybrid bond (the “Bond”) is EUR 17,500,000. The Bond consists of 175 Bond notes, at most, each having the nominal value of EUR 100,000.
- The Bond is a loan that is accounted for as equity of Suominen Corporation (the “Company”). The Bond is subordinated to the Company’s other debt obligations (including potential capital loans) in accordance with its terms, but senior to its other equity instruments.
- The Bond does not have a guarantee or other collateral.
- The Bond will be directed at a limited group of qualified investors (as a private placement) in deviation from the shareholders’ preemptive rights. The minimum subscription amount of the Bond is EUR 100,000—in other words, at least one (1) Bond note.
- The subscription period is from 3 February 2014 to 4 February 2014 between 9.00 am and 4.00 pm (the “Subscription Period”). The Board of Directors of the Company may suspend or extend the Subscription Period at any time.
- The Bond notes must be paid on 7 February 2014 at the latest.
- The principal of the Bond has a fixed annual interest of 5.95 % until 10 February 2018. After that date, the principal of the Bond will have a fixed annual interest of 6.95 % until 10 February 2019. After that date, the principal of the Bond will have a fixed annual interest of 7.95 %.
- The interest accrued for the Bond by 10 February 2018 will be added to the principal of the Bond annually on 10 February (the “Capitalized Interest”). Thereafter and commencing on 10 May 2018, the interest is payable in the discretion of the Board of Directors of the Company quarterly on 10 February, 10 May, 10 August and 10 November. The Board of Directors shall decide on the payment of interest.
- No interest shall be paid on the Capitalized Interest until 10 February 2018. After that date, however, the Capitalized Interest shall be a part of the actual principal of the Bond and annual interest shall be paid to the whole amount of the principal according to the interest terms of the Bond.
- The Bond has no maturity. The Bondholder does not have the right to request for the Bond to be redeemed.

- The Company has the right to redeem the Bond in whole or in part on 10 February 2018 or thereafter, on each interest payment date, at the nominal value of the Bond together with the accrued interest.
- The Bond notes entitle the Bondholders to a special right to convert the Bond notes and the Capitalized Interest related to the notes into, at maximum, 43,330,000 new shares in the Company or own shares held by the Company. The Bondholder is entitled to subscribe for shares in the Company on the basis of its Bond notes and the Capitalized Interest related thereto in a manner where the receivable held by the Bondholder is used to set off against the subscription price.
- Conversion Rate:
 - A Bond note entitles the Bondholder to convert the Bond note and the potential Capitalized Interest for shares in the Company. The conversion rate shall be EUR 0.50 per share (the "Conversion Rate"). The Conversion Rate has been determined marked-based. The average volume weighted share price of the Company's share during the last three (3) months has been EUR 0.48.
 - The number of shares given based on the conversion right shall be determined by dividing the total of the nominal value of the Bond note and the potential Capitalized Interest with the Conversion Rate. The amount of shares to be received through the conversion must always be at least 200,000.
- The period for converting the Bond notes starts on 11 February 2014 and ends on 10 February 2018 (the "Conversion Period").
- The number of shares in the Company may be increased by no more than 43,330,000 on the basis of the conversion of the Bond notes and the potential Capitalized Interest, if the conversion is carried out by issuing new shares in the Company.
- The Conversion Rate (i.e. the subscription price for the shares received in the conversion) shall be recorded under the invested non-restricted equity fund of the Company.

2. Authorizing the Board of Directors to decide on granting of stock options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act

With reference to the hybrid bond arrangement described above, the Board of Directors proposes to the General Meeting that the General Meeting authorizes the Board to decide on the granting of stock options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act (the "Special Rights"). The Board of Directors may grant the Special Rights all at once or through a series of multiple grants. The Special Rights carry the right to receive against payment new shares in the Company or own shares held by the Company. A Special Right may also be granted to a creditor of the Company on the condition that the creditor's receivables are used to set off against the subscription price of the shares.

The purpose of the hybrid bond is to finance the purchase of Ahlstrom Corporation's Brazilian wipes fabrics business operations. Thus, the Company has a weighty financial reason to issue the hybrid bond and grant the related Special Rights.

The maximum number of new shares in the Company that may be subscribed and/or own shares held by the Company that may be conveyed by virtue of the Special Rights granted by the Company is 43,330,000 shares in total.

The Board of Directors shall decide on all other terms and conditions related to the granting of the Special Rights.

The authorization shall be valid until further notice, however not more than five (5) years after the decision by the General Meeting. The authorization shall not revoke the previous authorizations for granting of stock options and other special rights entitling to shares.

Helsinki, 10 January 2014

SUOMINEN CORPORATION

Board of Directors