

## TERMS AND CONDITIONS OF THE TENDER OFFER

### **Tender offer**

Fortum Corporation (the "Offeror") hereby offers to acquire, in accordance with the terms and conditions set forth below, all of the issued and outstanding shares in Ekokem Corporation ("Ekokem"), excluding shares that the Offeror has agreed to acquire from Ekokem's four largest shareholders under the share purchase agreement entered into on 27 May 2016 and shares held by Ekokem or its subsidiaries (the shares subject to the tender offer are hereinafter referred to as the "Shares").

The Shares subject to the tender offer may, by choice of Fortum Corporation, be purchased by Fortum Corporation's wholly owned direct or indirect subsidiary instead of being purchased directly by Fortum Corporation, in which case the relevant subsidiary shall be deemed to be the Offeror.

### **Share offer price**

The share offer price is 165 euros for each Share. The price per Share is the same for both Ekokem class A Shares and class B Shares. The price per Share is subject to adjustment as described below.

### **Adjustment of the share offer price based on dividends and/or other distribution of funds**

Dividends or other distribution of funds based on the decision made by Ekokem's annual general meeting on 29 April 2016 or a decision made prior to such annual general meeting shall not result in a reduction of the share offer price. A possible resolution made by Ekokem after the annual general meeting held on 29 April 2016 to distribute dividends or make other distribution of funds, which entitles a shareholder who has accepted the tender offer to such distribution, shall result in an equal reduction of the share offer price payable to such shareholder.

### **The offer period**

The offer period will commence on 8 June 2016 at 9:00 am (Finnish time) and acceptances may be submitted until 30 September 2016 at 4:00 p.m. (Finnish time), unless the offer period is extended as set forth below.

The Offeror may extend the offer period at any time. The Offeror will separately give notice of a possible extension of the offer period.

### **Conditions for completion of the tender offer**

The obligation of the Offeror to execute the transactions under the tender offer is conditional upon that the share purchases under the agreement entered into between the Offeror and Ekokem's four largest shareholders on 27 May 2016 have been completed such that the Offeror has gained majority ownership in Ekokem. A precondition for such

share purchases is that the Offeror receives the required clearances from the competition authorities. The fulfilment of all the conditions for executing the transactions under the tender offer as set out herein will be separately notified by the Offeror.

### **Acceptance of the tender offer**

The account operators will send a notification of the tender offer, the acceptance form and thereto related instructions to all their customers who at the beginning of the offer period are registered as shareholders in the shareholders' register of Ekokem maintained by Euroclear Finland Ltd.

A shareholder of Ekokem who is registered in the shareholders' register and who wishes to accept the tender offer shall fill in, sign and deliver the acceptance form to the account operator managing the shareholder's book-entry account in accordance with the instructions and within the time limit set by the account operator.

Such Ekokem's shareholders who do not receive instructions and the acceptance form from their account operator, or whose account operators do not collect acceptance forms, may give their acceptance at the offices of Danske Bank.

The shareholder shall deliver the acceptance form in accordance with the account operator's instructions and the acceptance form shall be deemed to have been delivered only when actually received by the relevant account operator or Danske Bank. The Offeror reserves the right to reject any acceptance given in an incorrect or incomplete manner, as well as any acceptance not concerning all Shares kept at the book-entry account of the shareholder.

By accepting the tender offer, the shareholder of Ekokem authorizes Danske Bank, a party authorized by Danske Bank or the account operator managing the shareholder's book-entry account to enter a transfer restriction or a sales reservation concerning the Shares on the shareholder's book-entry account after the shareholder has delivered its acceptance form. In addition, the shareholder who has accepted the tender offer authorizes Danske Bank, a party authorized by Danske Bank or the account operator managing the shareholder's book-entry account to make any other necessary entries and to take all other actions required to technically execute the tender offer, and to sell to the Offeror all the Shares held at such book-entry account at the time when the transactions under the tender offer are executed, in accordance with

the terms and conditions of the tender offer. An acceptance given during the offer period is effective also until the end of any extended offer period.

A shareholder who has validly accepted the tender offer in accordance with its terms and conditions and who has not properly withdrawn its acceptance, may not sell or otherwise dispose of its Shares.

A shareholder may only accept the tender offer unconditionally. The tender offer must be accepted separately for each book-entry account if the Shares are held in different book-entry accounts.

Shareholders whose Shares are registered in the name of a nominee and who wish to accept the tender offer, are required to affect such acceptance in accordance with the nominee's instructions.

The acceptance of the tender offer with respect to pledged Shares requires the consent of the relevant pledgee. The shareholder accepting the offer shall be responsible for obtaining such consent. The consent by the pledgee shall be delivered in writing to the account operator.

#### **Completion of the tender offer**

Share transactions involving Shares, for which the shareholders have validly provided their acceptance of the tender offer prior to the fulfilment of the conditions for execution of the tender offer transactions set out in section "Conditions for completion of the tender offer", will be executed within approximately five (5) Finnish banking days following the fulfilment of said conditions. Settlement will be effected and the share offer price will be paid into the bank account connected to the selling shareholder's book-entry account (or in case of Shares registered in the name of a nominee, into the bank account specified by the custodian or nominee) on approximately the second (2<sup>nd</sup>) Finnish banking day following the execution of the transactions under the tender offer.

In connection with the notification concerning fulfilment of the above-mentioned conditions for executing the tender offer transactions the Offeror shall notify any possible extension of the offer period, and with respect to such Shares for which the shareholders accept the tender offer after the fulfilment of the aforementioned conditions, the Offeror shall also notify the terms regarding execution, payment and settlement applied on such transactions. The transactions concerning such Shares shall however be executed at least within two (2) week intervals.

In any case, the share offer price will not be paid to a bank account situated in the United States, Canada, Japan, Australia, South Africa or Hong Kong or any other jurisdiction where the tender offer is

not to be made (see section "Other matters"), and all guidance from custodians or nominees specifying bank accounts in such jurisdictions will be rejected. Actual time of the shareholder's receipt of payment will in each case depend on the payment traffic schedules between financial institutions and agreements between the holder and its account operator, custodian or nominee.

Title to Shares, for which the tender offer has been validly accepted, shall pass to the Offeror against the payment of the share offer price.

The Offeror will be responsible for payment of the Finnish transfer tax, if any, payable on the transactions under the offer.

Fees charged by account operators, asset managers, nominees or any other person for the release of any pledges or the removal of other possible restrictions preventing a sale of the relevant Shares, as well as fees relating to a shareholder's withdrawal of an acceptance of the tender offer, will be borne by each shareholder. The Offeror shall be responsible for other customary fees relating to book-entry registrations required for the purposes of the tender offer, the execution of transactions concerning the Shares under the tender offer, or the payment of the share offer price.

#### **Right to withdrawal**

An acceptance made pursuant to the terms and conditions of the tender offer may be withdrawn during the offer period until the Offeror has announced that the conditions set forth in section "Conditions for completion of the tender offer" have been fulfilled. A valid withdrawal of the acceptance of the tender offer requires that a written notice of withdrawal is submitted to the same account operator to whom the acceptance form regarding the relevant Shares was submitted. If the Shares are registered in the name of a nominee, the owner of the Shares shall request the nominee to give the withdrawal notification. If a holder of Shares withdraws its acceptance in accordance with the terms and conditions of the tender offer, the transfer restriction registered on the Shares will be removed as soon as possible and within approximately three (3) Finnish banking days following the receipt of the withdrawal notice. The account operator managing the relevant book-entry account or the nominee may charge a fee for withdrawals in accordance with its price lists.

#### **Applicable Law**

The tender offer shall be governed by Finnish law and all disputes relating thereto shall be resolved exclusively by the courts of Finland.

**Other matters**

The tender offer is not being made directly or indirectly in any jurisdiction where either the making of or participating in such tender offer would be prohibited by applicable law or would require registration or further documents or measures in addition to those required under Finnish law. As such, the marketing brochure, these terms and conditions of the tender offer or related notices or acceptance forms are not and may not be distributed, forwarded or transmitted into or in any jurisdiction where such distribution, forwarding or transmission would be prohibited by applicable law or would require registration or further documents or measures in addition to those required under Finnish law by any means whatsoever including, without limitation, mail, facsimile transmission, telex, e-mail, telephone, internet or other forms of communication. In particular, the tender offer is not being made, directly or indirectly, in or into, and the marketing brochure, these terms and conditions of the tender offer or related notices or acceptance forms must under no circumstances be distributed into or accepted by any means by persons located or resident in, or persons (including agents, fiduciaries or other intermediaries) acting for the account or benefit of persons located or resident in, the United States, Canada, Japan, Australia, South Africa or Hong Kong. Any purported acceptance of the tender offer resulting directly or indirectly from a violation of these restrictions will be invalid.

The Offeror retains the right to acquire shares during and after the offer period also by other means than as provided for in this tender offer.

These terms and conditions of the tender offer have been prepared in the Finnish language. The terms and conditions of the tender offer are also available in English and Swedish. In the event of any discrepancy between the language versions, the Finnish language version shall prevail.