



## VESTING CRITERION OF TULIKIVI CORPORATION STOCK OPTIONS 2013A AND 2013B AND MARKET VALUE OF STOCK OPTIONS 2013B

The Board of Directors of Tulikivi Corporation decided on 17 September 2013 to issue stock options to the Tulikivi Group key employees. The number of stock options is 1,800,000 and they entitle their owners to subscribe for as many new series A shares or series A shares held by the company. The share subscription period is 1 May 2016–31 May 2018 for stock option 2013A; 1 May 2017–31 May 2019 for stock option 2013B; and 1 May 2018–31 May 2020 for stock option 2013C. The share subscription price of the stock options is EUR 0.33 per share. The Board of Directors will determine separate financial targets based on the company's performance improvement program for vesting of each stock option class.

The market value and the vesting criterion of the stock option 2013A have been published on 26 November 2013. The target established for the 2014 financial year's Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) for the vesting of the stock options 2013A was not achieved. The Board of Directors decided to continue the measurement period of the target for the 2015 financial year.

The share subscription period for stock options 2013B will begin only if the targets established for the 2015 financial year's EBITDA adjusted by non-recurring items are fulfilled.

The number of stock options 2013B is 610,000. The theoretical market value of one stock option 2013B is EUR 0.03 per stock option. The theoretical market value of the stock options 2013B is EUR 18,300 in total. The theoretical market value of one stock option has been calculated through the use of Black & Scholes stock option pricing model with the following input factors: share price EUR 0.21, share subscription price EUR 0.33, risk free interest rate 0.13%, validity of stock options approximately 4.5 years and volatility 33%. The theoretical market value of the stock options has not been adjusted downward for the probability of not fulfilling the targets established for the vesting criterion.

The terms and conditions of the stock options 2015 has been published on 17 September 2013.

### TULIKIVI CORPORATION

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*Tulikivi comprises the Tulikivi Corporation, which is a listed family enterprise, and its subsidiaries. Tulikivi is the world's largest manufacturer of heat-retaining fireplaces. The company has three product groups: Fireplaces, Sauna and Interior. Tulikivi and its customers value wellbeing, interior design and the benefits of bioenergy. Tulikivi's net sales are approximately EUR 40 million, of which exports account for about half. Tulikivi employs approximately 300 people.*