

CHARTER OF THE BOARD OF DIRECTORS

General

The duties and responsibilities of Rapala VMC Corporation's Board of Directors are defined on the basis of the Finnish Companies Act and other applicable legislation. The Board of Directors has general authority in all such matters that the law or the Articles of Association do not stipulate to be decided or performed by other bodies. The Board of Directors is responsible for attending to the administration of the Company and duly organizing its operations. The Board of Directors must act in the Company's interests in all circumstances. The Board of Directors has set as its goal to guiding the Company's operations with a view to generating maximum enduring added value to shareholders without neglecting other interest groups.

The Board of Directors draws up an annual plan and each year assesses its own activities by carrying out an internal self-appraisal. The annual plan extends until the subsequent Annual General Meeting and includes the schedule of meetings, the major issues to be discussed at each meeting, the schedule of the dates when the Board members are to familiarize themselves with the operations of the Company and its partners and the annual evaluation of its own performance at the end of the period. All matters of wide-ranging importance for the Company's operations are dealt with by the Board of Directors.

A decision of the Board of Directors must be supported by more than half of the members present or when voting is split, the Chairman has the casting vote.

Duties of the Board of Directors

Direction of Rapala VMC Corporation's business operations and strategies

- Confirm the Company's strategy and ensure that it is up-to-date
- Confirm the business plan on the basis of its strategy, annual budget and monitor its achievement
- Adopt the annual investment plan
- Decide on significant, strategically important investments or acquisitions and the sale of assets

Organization of the company's administration and functions

- Appoint and dismiss the President and CEO and the Company's Executive Committee
- Decide on the terms of employment, including incentive reward programs, of the President and CEO and his immediate subordinates
- Keep track of issues related to succession in management
- Adopt the duties and responsibilities of the Board of Directors and evaluate its performance once a year
- Decide on Group organizational structure

- Approve stock exchange releases
- Appoint Board of Directors' committees

Supervision of the company's financial administration and risk management

- Approve interim reports, annual reports and financial statements
- Hold a meeting with the Company's auditors at least once a year
- Supervise risk management and significant risks connected with the Company's operations
- Make decisions to raise loans and granting of security or collateral when their size is material

Preparation of matters to be decided on at the General Meeting of Shareholders

- Draft the Company's dividend payout policy and submit a proposal on the dividend to the General Meeting
- Submit other proposals to the General Meeting

Chairman of the Board

According to Board procedures, the Chairman of the Board, in addition to leading the work of the Board of Directors, continuously monitors the Group's operations and development through contact with the President and CEO. The Chairman of the Board of Directors ensures that the work of the Board of Directors is evaluated annually, and that the Board of Directors continuously updates and deepens its knowledge of the Group's operations and business.