

REQUEST OF THE ISSUER

To the bondholders in:

Helsinki, 11 February 2016

**KOTKAMILLS GROUP OY'S (FORMERLY EAGLE INDUSTRIES OY)
EUR 105,000,000 SENIOR SECURED CALLABLE BONDS 2015/2020, ISIN: FI4000148705
(THE "BONDS")**

1. BACKGROUND

We refer to the terms and conditions governing the Bonds dated 6 March 2015 (the "Terms and Conditions"). Capitalised terms used herein, unless the context otherwise requires, shall have the meaning assigned to such terms in the Terms and Conditions.

The Issuer completed the acquisition of all shares in Kotkamills Oy (the "Target") on 25 March 2015. The Group currently has four major business lines: Absorbex®, Imprex®, Solaris® and sawmill.

Following the Completion, the Issuer has taken steps, along with steps to complete the PM2 Conversion, to improve performance and profitability of the Target by optimising and developing certain of the existing operations. As part of such efforts, the Issuer is contemplating entering into the following transactions:

- (i) at any time prior to 31 December 2017, leasing the Target's sawmill operations and related equipment for a maximum period of ten (10) years to a third party tenant (the "Lessee") and transferring the administration and maintenance of the sawmill to the Lessee for a monthly leasing payment provided that such monthly leasing payment shall within twelve (12) months from the commencement of the lease period exceed the current monthly profit (calculated based on the average monthly profit during 2015) generated by the sawmill (the "Lease");
- (ii) transferring employees of the Target currently working at the sawmill to the Lessee as existing workers in connection with the Lease;
- (iii) selling the current sawmill inventory to the Lessee at market price in connection with the Lease; and
- (iv) assigning the existing delivery and customer contracts relating to the sawmill to the Lessee in connection with the Lease,

(the transactions referred to in items (i) – (iv) together the "Transaction").

The Issuer estimates that the sawmill would require investments of approximately EUR 5 to 10 million to achieve desired capacity and profitability improvements. At the same time, the Issuer estimates that an equivalent investment in the Group's other business lines would create

higher profits for the Group. Against this background, the Issuer believes that the Transaction would be an attractive proposal both for the Group and the Lessee. The Transaction would also enable the Group to allocate more resources to the PM2 Conversion and, after the increase in sawmill's capacity through increased by-product supply, allocate additional resources to its other existing business lines. On the basis of the above, the Issuer is of the view is that there are sound business reasons for the Transaction.

According to the Issuer, completion of the Transaction does not affect the validity of the Transaction Security provided by the Target under the relevant Transaction Security Documents.

Pursuant to clause 13.6 (*Disposal of Assets*) of the Terms and Conditions "*the Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of any business, assets or shares in any Subsidiary*" unless specifically allowed under the Terms and Conditions and, therefore, the Issuer requires a consent from the Bondholders to complete the Transaction. For the Request (as defined below) to be approved by the Bondholders, Bondholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure must consent to the Request.

The Issuer has requested the Trustee to choose a Written Procedure under which the Bondholders shall vote for the Request and provide the Bondholders with necessary instructions in respect of the procedure.

2. REQUEST

The Issuer requests the following consents and waivers from the Bondholders under the Terms and Conditions for the purpose of completing the Transaction:

- (i) consent to the Transaction and confirmation and agreement that clause 13.6 (*Disposal of Assets*) of the Terms and Conditions shall not apply to the Transaction; and
- (ii) granting of consequent waivers of the relevant provisions of the Terms and Conditions, including but not limited to clause 13.6 (*Disposal of Assets*),

(the consents and waivers set out in items (i)-(ii) above jointly the "Request").

Except as set out in the Request with respect to the Transaction, the Terms and Conditions shall remain unamended.

* * *

The information in this communication regarding the Issuer and market conditions is provided by the Issuer, and the Trustee expressly disclaims any liability whatsoever related to such information.

The Request is presented to the Bondholders without evaluation or recommendations from the Trustee. The Bondholders must independently evaluate whether the above request is acceptable or not.

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3. PROCEDURE

Pursuant to clause 19(c) of the Terms and Conditions, to be entitled to exercise voting rights in a Written Procedure, a person must be registered as a Bondholder to the Book-Entry Securities System at the end of a CSD Business Day specified by the Trustee (the "Record Date"). For the purpose of the Written Procedure initiated hereunder, the Record Date shall be 26 February 2016 and, therefore, to be eligible to participate in this Written Procedure, a person must be a Bondholder on such Record Date.

Bondholders may participate in the Written Procedure relating to the Request by completing and providing the Trustee with a signed voting form (form of which is attached hereto as Schedule 1) (the "Voting Form") and, if applicable, a signed power of attorney / authorisation (form of which is attached hereto as Schedule 2) or, if the Bonds are held in custody, other evidence sufficient to the Trustee. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorization or other assistance to participate.

A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only. A matter decided by way of a Written Procedure is binding on all Bondholders, irrespective of them responding in the Written Procedure.

The Trustee must be provided with a duly signed Voting Form **no later than 5.00 p.m. (CET), 1 March 2016**, by e-mail or via courier or post to the relevant address indicated below. Votes received thereafter may be disregarded.

The Issuer requests the Trustee to send the decision of the Bondholders to the following addresses:

(a) by e-mail:

mail@nordictrustee.fi

(b) via courier or post:

Nordic Trustee Oy
Mikonkatu 1 B
00100 Helsinki, Finland

4. FURTHER INFORMATION

The Trustee may be contacted in relation to procedural questions regarding the voting process and related matters at mail@nordictrustee.fi or +358505748556

For all other queries relating to the subject matter of the Request, please contact the Issuer at markku.hamalainen@kotkamills.com or +358 40 721 0548.

Kind regards,

NORDIC TRUSTEE OY
as Trustee

VOTING FORM

VOTING FORM

For voting in the Written Procedure relating to Kotkamills Group Oy's (formerly Eagle Industries Oy) EUR 105,000,000 Senior Secured Callable Bonds 2015/2020, ISIN: FI4000148705 (the "Bonds")

We refer to communication from Nordic Trustee Oy dated 11 February 2016 concerning the initiation of a Written Procedure relating to the Bonds (the "Letter"). Capitalised terms used herein, unless the context otherwise requires, shall have the meaning assigned to such terms in the Letter or the Terms and Conditions.

The undersigned Bondholder or authorised person / entity (the "Voting Person"), votes either **For** or **Against** the Request by ticking the applicable box below.

For the Request

Against the Request

Name of the Voting Person: _____

Capacity of the Voting Person: _____ Bondholder: _____ authorised person: _____

Voting Person's business id / reg.no / id.no
and country of incorporation / domicile: _____

Nominal Amount voted for (in EUR): _____

Telephone number

E-mail address

Signature, position and name in block letters

Place and date

POWER OF ATTORNEY

POWER OF ATTORNEY / AUTHORISATION

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EUR 105,000,000 Senior Secured Callable Bonds 2015/2020, ISIN: FI4000148705
(the "Bonds")**

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We hereby authorise:

Name(s) of the authorised person(s)

to represent and vote on behalf of

Name of the Bondholder

in the Written Procedure relating to the Bonds set out in the Letter.

Date and place: _____

Name:

Authorised signatory of the Bondholder

Name:

Authorised signatory of the Bondholder