

THE BOARD OF DIRECTORS OF RAPALA VMC CORPORATION RESOLVED ON KEY EMPLOYEE LONG-TERM INCENTIVE PLAN

The Board of Directors of Rapala VMC Corporation has approved a new Performance Share Plan for the Group key employees. The aim of the new plan is to align the objectives of the shareholders and the key employees in order to increase the value of the Company in the long-term, to retain the key employees at the Company, and to offer them a competitive reward plan that is based on earning and accumulating the Company's shares. The new plan is directed to approximately 40 people, including the CEO and other members of the Executive Committee of the Group.

The new Performance Share Plan 2018—2020 includes one three-year performance period, calendar years 2018—2020. The potential reward from the performance period will be based on the Group's financial performance criteria which will be measured during the financial year 2020 and the Company's share price criterion which will be measured during a measurement period of forty (40) consecutive trading days in November—December 2020. The Board of Directors may also resolve on other 40 trading day measurement periods. The financial performance criteria for the performance period are the Group Product Sales in 2020, the Group's Comparable Earnings before Interest and Taxes margin in 2020 (EBIT %) and the Group's Average Working Capital Ratio in 2020.

The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 900,000 Rapala VMC Corporation shares including also the proportion to be paid in cash. The potential rewards from the performance period 2018—2020 will be paid partly in the Company's shares and partly in cash in 2021. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment.

A significant proportion of the reward allocations of the CEO and other members of the Executive Committee of the Group will be dependent on their personal investments in the Company shares and share ownership of the shares acquired through such investments.

RAPALA VMC CORPORATION
The Board of Directors

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Rapala VMC Corporation ("the Group") is a leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. The Group also has a strong global position in other fishing categories and it is one of the leading distributors of outdoor, hunting and winter sport products in the Nordic countries. The Group has the largest distribution network in the industry. The main manufacturing facilities are located in Finland, France, Estonia, Russia, Indonesia and the UK. The Group brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Sufix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini and Peltonen. The Group, with net sales of EUR 253 million in 2017, employs some 2 600 people in 42 countries. Rapala VMC Corporation's share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.