



**European Company Conversion Plan  
for**

**ELCOTEQ NETWORK CORPORATION**

The undersigned public limited-liability company has today prepared a conversion plan pursuant to Article 37 of the Council Regulation (EC) No. 2157/2001 on the Statute for a European company (SE):

## 1. Converting company

Company: Elcoteq Network Corporation  
Corporate ID: 0861051-6  
Address: Sinimäentie 8B, 02630 Espoo, Finland  
Domicile: Lohja

## 2. Background and general conditions for conversion

Elcoteq Network Corporation (hereafter the Company) is a public limited-liability company listed on the Helsinki Exchanges, established in accordance with Finnish legislation on September 4, 1991 and registered in the town of Lohja, Finland. The Company has its head office in the city of Espoo in Finland, address Sinimäentie 8B, 02630, Espoo.

For a Finnish public limited-liability company to convert into a European limited-liability company (“Societas Europaea”, hereafter SE) the company must, pursuant to paragraph 4, Article 2 of Council Regulation (EC) No. 2157/2001 on the Statute for a European Company (SE), have had a subsidiary operating for at least two years under the laws of another EU Member State. The converting company has owned the entire share capital of the following subsidiaries in the European Economic Area (Enclosure 1: Trade Register Transcripts of the Subsidiaries):

- Elcoteq Deutschland GmbH, a company established under German law, recorded in the trade register (Amtsgerichts Überlingen, HRB 1423), holding of converting company has continued without interruption since December 1, 2000;
- Elcoteq Elektronik GmbH, a company established under German law, recorded in the trade register (Amtsgerichts Überlingen, HRB 1370), holding of converting company has continued without interruption since January 27, 2000;
- Elcoteq Communications Technology GmbH, a company established under German law, recorded in the trade register (Amtsgerichts Offenburg HRB 2276), holding of converting company has continued without interruption since November 26, 2003;
- Elcoteq Sweden AB, a company established under Swedish law, recorded in the trade register (Bolagsverket, 556620-5539), holding of converting company has continued without interruption since February 6, 2002;
- AS Elcoteq Tallinn, a company established under Estonian law, recorded in the trade register (Tallinn Linnakohtu registriosakonna 10092440), holding of converting company has continued without interruption since March 16, 1993;
- Elcoteq Hungary Ltd., a company established under Hungarian law, recorded in the trade register (Pécs, 02-09-065805), holding of converting company has continued without interruption since January 16, 1998;

- Immolease Kereskedelmi Kft., a company established under Hungarian law, recorded in the trade register (Pécs, 02-09-066384), holding of converting company has continued without interruption since February 20, 1996;
- Elcoteq Network S.A., a company established under Luxemburg law, recorded in the trade register (Registre de Commerce et des Sociétés, B 102654), holding of converting company has continued without interruption since September 3, 2004;
- Elcoteq Finland Oy, a company established under Finnish law, recorded in the trade register (1820411-6), holding of converting company has continued without interruption since March 26, 2003;
- Elcoteq Helsinki Oy, a company established under Finnish law, recorded in the trade register (468.058), holding of converting company has continued without interruption since December 20, 1989;
- Elcoteq Lohja Oy, a company established under Finnish law, recorded in the trade register (649.189), holding of converting company has continued without interruption since December 7, 1995;
- Elcoteq Design Center Oy, a company established under Finnish law, recorded in the trade register (1772804-9), holding of converting company has continued without interruption since July 15, 2002; and
- Kiinteistösaakeyhtiö Salon Joensuunkatu 13, a company established under Finnish law, recorded in the trade register (566.389), holding of converting company has continued without interruption since July 14, 1993.

### **3. Company's statutory domicile**

The Company's statutory registered office will remain in Lohja, Finland, during the process of conversion.

### **4. Conversion**

The Company will be converted into a public limited-liability European company (Societas Europaea, hereafter "SE") pursuant to paragraph 4 of Article 2 and Article 37 of the Council Regulation (EC) No. 2157/2001 on the Statute for a European company (SE).

### **5. Reasons for conversion**

The reasons for converting the Company into an SE are strategic. The SE form of incorporation will give the Company a strong pan-European identity. The Company operates globally and the aim is to strengthen its image as a pioneer and strong global company. Moreover, as an SE and in pace with the development of European company law, the Company will be able to enhance efficiency and achieve cost savings by merging its subsidiaries. The conversion will also provide flexibility in the event of future acquisitions and divestments.

A central purpose of changing the Company's form is to create an effective structural basis for continuously enhancing the Company's competitiveness.

#### **5. SE's articles of association and statutes**

The articles of association of Elcoteq Network SE are provided in Enclosure 2 of the conversion plan.

Elcoteq Network SE's statutes comprise both this conversion plan and the appended articles of association.

#### **6. Company name**

Conversion will change the Company's name to Elcoteq Network SE.

#### **7. Special benefits and rights applicable to the management and auditors of companies as a result of conversion**

Under paragraph 8, section 4, chapter 14 of the Finnish Companies' Act the members of the boards directors, the presidents and the auditors of the companies, or an authorized auditor acting as an independent expert, are not entitled to receive to special benefits or rights.

Joakim Rehn, who acts as an independent expert, is entitled to a fee based on an approved invoice.

#### **8. SE's administrative structure**

Following the conversion, the Company will comprise a one-tier system as defined in paragraph (b) of Article 38 of Council Regulation (EC) No. 2157/2001 on the Statute for a European company (SE).

#### **9. Board of directors, president and auditors**

The Company has a Board of Directors comprising 4–8 members. The Company has a president who is appointed by the Board of Directors. The Company has an auditor who is required to be an auditing company authorized by the Central Chamber of Commerce.

## **9. Rights prescribed for the protection of shareholders and/or creditors**

The rights of shareholders, option holders and convertible bond holders will remain unaltered by the conversion.

The position of the Company's creditors will remain unaltered by the conversion.

## **10. Personnel**

The rights and obligations related to the Company's conditions of employment and based on the national laws, practice and personal employment contracts and employment relationships valid on the conversion registration date will be transferred to the SE on the conversion registration date. The Company's personnel will continue to be employed in the SE on the same conditions as before the conversion.

## **11. Impact on employee representation**

Employee representation will be based on the Finnish Act on Employee Involvement in a European Company (13.8.2004/758) and the provisions of Directive 2001/86/EC of the European Union's Council of Ministers by forming a special negotiating body after the conversion plan is signed. The purpose of this body is to reach agreement with the competent body of the Company on how and on what conditions the Company's employees should be represented when the Company is granted SE status.

## **12. Registration of conversion plan**

The conversion plan will be submitted without delay to the Trade Register for registration after it is signed.

## **13. Approval of the conversion plan and SE articles of association**

The conversion plan and the articles of association of the SE will be approved by a general meeting of shareholders. A decision of a general meeting can be made at the earliest one month from the date on which the conversion plan is announced in the Trade Register.

## **14. Validity of conversion**

The conversion will enter into force when the announcement concerning the completion of the conversion is registered. The announcement will contain the decision of the general meeting to approve the conversion plan and the articles of association of the SE, statement of the

independent expert as well as the agreement between the Company and the special negotiating body.

This plan has been prepared in two (2) identical copies, one (1) for the Company and one (1) for the registration authorities.

Espoo, Finland, October 8, 2004

BOARD OF DIRECTORS OF ELCOTEQ NETWORK CORPORATION

Antti Piippo

Martti Ahtisaari

Heikki Horstia

Eero Kasanen

Henry Sjöman

Juha Toivola

Jorma Vanhanen

**ENCLOSURES:**

- 1) Trade register transcripts of the Elcoteq Network Corporation subsidiaries in the EEA.
- 2) Articles of association of Elcoteq Network SE.
- 3) Report by the Board of Directors, pursuant to paragraph 4 of Article 37 of the Council Regulation (EC) No. 2157/2001 on the Statute for a European company (SE), on the impacts of converting the Company into an SE.