

RAPALA VMC CORPORATION
CORPORATE GOVERNANCE

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1. INTRODUCTION

The purpose of the Corporate Governance of Rapala VMC Corporation (the “Company”) is to determine the responsibilities of the management, the control of its operations and the rules of procedures to be followed to maintain a high level of management and transparent operations of the Rapala VMC Group.

The Company complies with the Corporate Governance recommendation for Listed Companies issued by Helsinki Stock Exchange, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers, which entered into effect on July 1, 2004.

2. ETHICAL PRINCIPLES OF THE BUSINESS

The Company recognizes its responsibility in relation to the shareholders, clients, employees and society as well those with whom the Company does business. The Company is committed to carry on business in an ethically correct manner and according to laws in Finland and abroad.

In its operations, the Company takes into account the environment as well as health and safety. The Company co-operates transparently and honestly with authorities, local societies and other relevant parties in environmental and health and safety matters.

3. ARTICLES OF ASSOCIATION

The Company’s Articles of Association is published on the website of the Company and it is attached to this document.. According to the Articles of Association, the financial year of the Company is the calendar year.

4. ADMINISTRATIVE BODIES

4.1 General Meeting

The General Meeting is the highest decision-making body of a limited company where the shareholders participate in the supervision and management of the Company.

The Managing Director, the Chairman of the Board and a sufficient number of directors shall attend the General Meeting. A person proposed for the first time to be elected as a member of the Board of Directors shall participate in the General Meeting where the election takes place unless there are well-founded reasons for the absence.

A proposal by the Board of Directors for the election of an external auditor shall be disclosed in the invitation to the General Meeting. A prospective auditor proposed after the delivery of the invitation to the General Meeting shall be disclosed separately.

The Annual General Meeting of the Company is held once a year, generally in April. According to the Articles of Association, the Annual General Meeting shall be held before the end of June. An extraordinary General Meeting is to be convened when necessary. The shareholders exercise their rights of vote and action at the General Meetings. At the General Meeting each share is entitled to one vote.

Under the Articles of Association the shareholders of the Company are invited to the General Meeting by publishing the invitation in a widely circulated daily paper as decided by the Board of Directors. The invitation to the General Meeting shall state the matters to be handled at the General Meeting.

4.2 Board of Directors

The Board of Directors' duties and responsibilities are principally based on the Finnish Companies Act and the Company's Articles of Association. The Board of Directors is responsible for the Company's management and for the proper arrangement of the operations of the Company. According to its Charter, the Board of Directors directs and controls the management of the Company, appoints and removes the Chief Executive Officer (CEO), approves the strategic guidelines and the principles of the risk management and ensures that the management is organized properly. The Board of Directors confirms the values of the Company. The Board of Directors is obliged to act in the best interest of the Company. The Board of Directors conducts annually a self-evaluation of its performance and working methods.

The Articles of Association provide that the Board of Directors consists of no less than five and no more than ten members. The prospective candidates for the Board of Directors notified to the Board are disclosed in the invitation to the General Meeting if the candidate is supported by at least 10% of the total votes of all the shares of the Company and the candidate has given his/her consent to the election. The candidates proposed after the delivery of the invitation to the General Meeting are disclosed separately.

A person elected as a member of the Board of Directors shall have the qualifications required to perform the directors' duties and the possibility to devote sufficient time for the work. The current Board of Directors comprises seven members: the Company's CEO, Head of Rapala's Chinese Manufacturing Operations and Hong Kong Office, and five non-executive members: Mr. Emmanuel Viellard, Mr. Eero Makkonen, Mr. Jan-Henrik Schauman, Mr. Marc Speeckert and Mr. Christophe Viellard.

The members of the Board of Directors are elected by the Annual General Meeting. The term of a member of the Board of Directors lasts until the date of the next Annual General Meeting. The Board of Directors elects a Chairman to serve until the date of the next Annual General Meeting. During the financial year 2006 the Board of Directors met 18 times. Meetings of the Board of Directors usually take place in Helsinki or at the Group's other offices when the Board of Directors is visiting the Group companies.

The current members of the Company's Board of Directors are:

Emmanuel Viellard

Member until December 13, 2005 and Chairman thereafter

B.A. CPA

Year of birth: 1963

Vice Chairman and Executive Vice

President of Lisi Industries

Shareholding*: 0

Indirect shareholding through controlled corporation*: 100 000

Options*: 30 000

Jorma Kasslin

Group President and Chief Executive Officer

M.Sc. (Eng.)

Year of birth: 1953

Shareholding*: 0

Indirect shareholding through controlled corporation*: 680 000

Options*: 118 334

Eero Makkonen

Chairman until December 13, 2005 and member thereafter

B.Sc. Eng.
Year of birth: 1946
Shareholding*: 0
Indirect shareholding through controlled corporation*: 100 000
Options*: 30 000

Jan-Henrik Schauman

M. Sc. (Econ.) MBA
Year of birth: 1945
Shareholding*: 0
Options*: 30 000

Christophe Viellard

Diploma ESCP
Year of birth: 1942
Shareholding*: 0
Indirect shareholding through controlled corporation*: 100 000
Options*: 30 000

King Ming (William) Ng

B.Sc. Eng.
Year of birth: 1962
Head of Rapala's Chinese Manufacturing Operations and Hong Kong Office
Shareholding*: 1 890 580
Options*: 71 533

Marc Speeckaert

Member since December 13, 2005
MBA
Year of birth: 1951
Shareholding* and Options*: 0

4.3 Remuneration Committee

The Board of Directors has appointed a Remuneration Committee that is chaired by the Chairman of the Board, Mr. Emmanuel Viellard. Its members are drawn from the Company's non-executive directors and currently consist of Mr. Jan-Henrik Schauman and Mr. Eero Makkonen.

Committee members' appointments run concurrently with a director's term as a member of the Board of Directors. During the financial year 2006 the Committee met four times.

The Remuneration Committee operates under its charter. The Committee's main responsibility is to prepare the decisions of the Board of Directors relating to the remuneration of key employees of the Group. The Committee's other tasks include reviewing and making recommendations with respect to the terms of employment of the CEO and reviewing the remuneration packages of the managers reporting to the CEO.

Due to the extent of the operations of the Company the Audit Committee and the Nomination Committee have not been established.

4.4 CEO and President

The CEO acts as the Group's President (referred to as Managing Director in the Articles of Association). The duties and responsibilities of the President are set forth in the Finnish Companies Act. The President and CEO is responsible for the day-to-day management of the Company in accordance with the instructions and rules given by the Board of Directors. Unless separately authorized by the Board of Directors, the CEO shall not take actions, which may be considered unusual or far-reaching in the view of the scope and nature of the Company's business. The CEO shall ensure that the accounting of the Company complies with the law and that the financial management of the Company has been arranged in a reliable manner.

The CEO is entitled to represent the Company in any matter within his/her authority. The CEO chairs the Executive Committee.

The CEO and his/her deputy, if any, are appointed by the Board of Directors. The CEO's service terms and conditions have been specified in writing in a service agreement approved by the Board of Directors. Since 1998 Mr. Jorma Kasslin has acted as the Company's CEO and as a member of the Board of Directors.

The monthly salary of the CEO is EUR 21 630.00. The CEO is also entitled to a profit bonus according to the principles of the Group's bonus scheme. In addition to the mandatory pension insurance, the CEO has a right to receive further compensation of EUR 8 400 annually to be placed in a voluntary pension scheme or a similar arrangement. The retirement age and pension of CEO are determined in accordance with the legislation in force. The Company shall give notice at any time or using 24 months notice period and the CEO shall give notice 3 or 6 months prior to terminating the service contract. The term of notice is dependent on the cause for termination of employment. If the service agreement is terminated by the Company without a cause, the CEO is entitled to severance compensation corresponding to 24 months' salary (excluding profit bonuses).

4.5 Executive Committee of the Group

The Executive Committee assists the CEO in managing and planning the operations of the Group. The members of the Executive Committee report to the CEO. The current members of the Executive Committee are (* shareholdings and options on December 31, 2006):

Jorma Kasslin

Group President and Chief Executive Officer (CEO)

See information above (Board of Directors)

Jouni Grönroos

Chief Financial Officer (CFO)

Shareholding*: 5 000

Indirect shareholding through controlled corporation*: 30 000

Options*: 44 500

King Ming (William) Ng

Head of Chinese Manufacturing Operations and Hong Kong Office

See information above (Board of Directors)

Olli Aho

Company Counsel, Investor Relations, Secretary of the Board

Shareholding*: 0

Indirect shareholding through controlled corporation*: 70 000

Options*: 58 806

Juhani Pehkonen

Head of Lure Business

Shareholding*: 0

Indirect shareholding through controlled corporation*: 30 000

Options*: 58 800

Stanislas de Castelnau

Head of fishing Hook Business

Shareholding*: 0

Indirect shareholding through controlled corporation*: 10 000

Options*: 51 300

4.6 Group companies

The Rapala VMC Group comprises the Company and the manufacturing and distribution subsidiaries.

All subsidiaries report to the Company. The head office of the Rapala VMC Group is located in Helsinki and Brussels. The stock of the Company is quoted on the Helsinki Stock Exchange.

Responsibility for the management of these subsidiaries rests with each company's Board of Directors, which typically comprises, the Group's CEO, the Group's CFO, and the Company Counsel and the subsidiary's President. In addition, they have management teams of their own.

Product distribution is organized through sales companies, which the Group has in 26 countries. In other countries independent importers and distributors undertake product distribution.

5. REMUNERATION**5.1 Compensation of the Members of the Board of Directors**

In 2007, the annual fees to Board members are EUR 30,000 and EUR 60,000 to the Chairman of the Board. The members of the Remuneration Committee do not receive further compensation. Members of the Board of Directors are paid a daily travel allowance corresponding to the maximum tax-exempt travel allowance and are reimbursed for accommodation and travel expenses. Members of the Board of Directors were paid a total of EUR 195 000 for their work on the Board of Directors and the Remuneration Committee in the financial year 2006.

5.2 Principles of the bonus scheme

The CEO and senior management of the Group participate in the Group's profit bonus scheme. The Group establishes every second year a profit bonus scheme for the following two years. The amount and payment of the bonus requires that established EBITDA and cash flow targets are achieved. If the targets are not achieved, payment of bonus is fully at the discretion of the Board of Directors. Bonuses awarded under the scheme are paid in two installments, the first when the audited results for the relevant financial year are known and the second after a predetermined vesting period, to encourage retention of senior management.

5.3 Share Option Programs for key personnel

On January 31, 2006, the exercise period for the 1 000 000 options issued under the 2000 Share Option Program expired. The following option schemes were in place January 1, 2007 for senior and middle management and the Board:

The 2003 Share Option Program

1 000 000 options were issued to 90 managers, 500 000 exercisable between March 31, 2005 and March 31, 2007 at an exercise price of EUR 4.80 per share (2003A) and 500 000 exercisable between March 31, 2006 and March 31, 2008 at an exercise price of EUR 6.23 per share (2003B). A total of 77 966 new shares were subscribed with 2003A options rights in February 2006 and 419 534 during 2005.

The 2004 Share Option Program

1 000 000 options were issued to 106 managers, 500 000 exercisable between March 31, 2007 and March 31, 2009 at an exercise price of EUR 6.16 per share (2004A), and 500 000 exercisable between March 31, 2008 and March 31, 2010 at an price of EUR 6.41 per share (2004B).

The 2006 Synthetic Option Program (share-based incentive plan)

A maximum of 1 000 000 options were issued to 115118 managers, 500 000 exercisable between March 31, 2009 and March 31, 2011 at an exercise price of EUR 6.44 per share (2006A), and 500 000 exercisable between March 31, 2010 and March 31, 2012 at an exercise price of EUR 6.44 per share (2006B). The share-specific cash value will be determined in accordance with the end price on the test date (i.e. vesting date) or, as the case may be, on an additional test date. End price is the volume weighted average price of the share during the ten trading days before the test date. If at test date the difference between the exercise price and the end price (including the dividend adjustment) is positive, the reward will be paid. If the difference between the exercise price and end price on the test date (including the dividend adjustment) is negative, the end price will be determined again on an additional test date, which is the six months', twelve months', eighteen and twenty-four months' months' anniversary of the test date. If the difference between the exercise price and the end price is positive on any of the additional test dates, the reward will be paid and this incentive scheme shall automatically expiry.

The subscription price shall be reduced by the amount of dividends distributed after the subscription period for option rights has ended and before the commencement of the share subscription period.

The outstanding options under the 2003 and 2004 Option Programs represented a 3.5% interest in the company's outstanding shares on December 31, 2006.

6. INTERNAL CONTROLS, FINANCIAL RISK MANAGEMENT AND AUDIT

6.1 Internal controls

The Board of Directors monitors the business activities of the Company and is responsible for ensuring that accounting, reporting and asset management are appropriately organized.

The CEO, the members of Executive Committee, and the president of each Group company are responsible for ensuring that the accounting and administration in their respective areas of responsibility are in compliance with the local laws, the Group's operating principles, and the instructions and rules issued by the Board of Directors of the Company.

The Board of Directors monitors the Group's business risks on ongoing basis. The management prepares for the Board of Directors a monthly management report, which explains the main recent developments in the business of the Group and the major Group companies.

6.2 Financial risk management

The main objective of the Group's financial risk management is to reduce the impacts of price fluctuations in financial markets and other factors of uncertainty on earnings, cash flows and balance sheet, as well as to ensure sufficient liquidity. The Board has approved the Group's risk management principles and the CEO,

together with the Group's finance management, is responsible for development and implementation of financial risk management procedures. Financial risks consist of market, default and liquidity risks.

6.2.1 Market risk

In Rapala, market risks are mainly caused by fluctuations in foreign exchange and interest rates. These fluctuations may have a significant impact on the Group's earnings, cash flows and balance sheet. In order to mitigate adverse impacts of market price fluctuations the Group uses, from time to time, derivative contracts. Currency forwards made to fix exchange rates of sales and purchase orders cause timing differences between exchange gains/losses and sales/purchases.

IAS 39 hedge accounting is not applied but the derivatives used are for the purpose of reducing adverse impacts of market price changes on earnings and cash flows related to business and financing activities.

Major part of the Group's sales is in euro and the US dollar. Also a significant part of expenses arise in euro, the US dollar as well as the HK dollar and Chinese yuan (renminbi), which both follow quite closely the US dollar. There is quite a good balance between the income and expenses in different currencies, which provide quite an effective hedge in itself. This has also affected the Group principle not to hedge all transactions or all open positions.

The effect of 10% change in the US dollar on the Group's operating profit is some EUR 0.6 million. USD based loans hedge all internal USD loans and, in addition, major part of the exposure related to the net of USD based accounts receivables and accounts payables. However, since hedge accounting is not applied the effect of this hedge is booked in financial items. The effect of the Canadian dollar and Swedish krona is smaller. These figures are estimates and the effect of hedging has not been taken into account in them. HK dollar and Chinese yuan have been included in the USD basket in this sensitivity analysis.

Forecasted cash flows and firm commitments are hedged selectively. The Group does not currently hedge its income statement translation risk and translation of equity. During the first quarter of 2007, the Group started to hedge its net investments in AUD, JPY and NOK denominated foreign subsidiaries using equivalent currency loans and will do the same for partly SEK and for USD. denominated foreign subsidiaries during the second quarter. Hedging relationships will be treated according to IAS 39 as hedges of a net investment in a foreign subsidiary. The total non-euro-denominated equity of the Group's foreign subsidiaries was EUR 68.9 million on December 31, 2006 (2005: EUR 33.6 million).

The Group's interest rate risk is monitored as cash flow and fair value risks. In order to manage the balance between risk and cost efficiently, most of the loans and financial investments have a short-term interest rate as a reference rate.

Group borrowings are mainly in euro and the US dollar, which have a substantial contribution to overall interest rate risk. All of the Group's interest-bearing liabilities have an interest period of less than one year.

Since the value of raw materials, for which prices are determined in regulated markets, used by the Group is quite low, no commodity hedging is carried out.

6.2.2 Default risk

The Group's accounts receivables are generated by a large number of customers worldwide. The credit risk related to business operations is reduced for example by credit insurances and letters of credit.

The Group's finance management manages a major part of the credit risk related to financial instruments. It seeks to reduce these risks by limiting the counterparties to banks, which have a good credit standing. All investments related to liquidity management are made in liquid instruments with low credit risk.

6.2.3 Liquidity risk

The Group finance management raises most of the Group's interest-bearing debt centrally. The Group seeks to reduce liquidity and refinancing risks by balanced maturity profile of loans as well as by keeping sufficient amount of credit lines available. Efficient cash and liquidity management is also reducing liquidity risk.

6.3 Internal and External Audit

The Group does not have a separate Internal Audit function. The Group Finance, lead by the CFO, is responsible for periodic reviews of financial performance and internal control procedures at all Group companies and reporting significant findings to the CEO and the Board of Directors.

An external audit is performed annually in each of the Group companies and for the consolidated Group. These audits are executed principally by Ernst & Young, a company of authorized Public Accountants. The auditor in charge of the audit of the Company is Mr. Juha Nenonen. The auditors were paid a total of EUR 0.7 million in fees for the audit work and EUR 0.1 million in fees for the non-audit work in the financial year 2006.

The President and the controller of each subsidiary meet annually the local auditor at least once to discuss internal control and statutory compliance issues.

The auditors of each subsidiary provide an audit opinion to the auditors of the Company at the conclusion of each annual audit. Each annual audit may also give rise to the preparation of a management letter to the Company outlining their audit findings in greater detail and recommending any improvements in internal controls.

The Group financial management meets with the Group auditor at least twice a year to establish audit scope, to monitor financial performance and its disclosure and to review the results of audits. The Group auditor also reviews the Group's quarterly financial reports but does not issue an opinion thereon.

At the conclusion of the annual audit of the consolidated Group, the Group auditors meet with the Board of Directors of the Company to communicate the major findings of all audits that have taken place as part of the annual reporting process.

7. INSIDER ADMINISTRATION

In February 2000 the Rapala Group adopted a set of guidelines on insider administration. These guidelines were updated in January 2006. The Group's guidelines on insider administration follow the Guidelines for Insiders issued by the Helsinki Stock Exchange. Under the Group's guidelines on insider administration both permanent and project specific insiders are subject to trading restrictions regarding the Company's securities. The permanent insiders as well as persons under their custody and the corporations controlled by them are prohibited from trading with the securities three weeks prior to the publication of an annual or quarterly report of the Company. The project specific insiders are prohibited from trading with the securities during their project participation. The Company arranges internal informing, training and supervision of insider issues.

8. SHARES AND SHAREHOLDERS

The Company's minimum share capital is EUR 2.835 million and its maximum authorized share capital is EUR 11.339 million, within which limits the share capital may be increased or decreased without amending the Articles of Association. On December 31, 2006 the share capital fully paid and reported to the Trade Register was EUR 3.465 million.

The counter book value of a share is EUR 0.09. On December 31, 2006 the number of shares was 38 576 269. Each share is entitled to one vote.

At the end of 2006 the stake of the share capital held by non-Finnish shareholders was 81.1%. The percentage of nominee-registered shares was 25.1%.

9. SHAREHOLDER AGREEMENTS

Viellard Migeon & Cie and Utavia S.à.r.l entered into a shareholders' agreement on 29 June 2006 with respect to their shares in Rapala VMC Corporation, and the shareholders of Utavia S.à.r.l have agreed to be bound by the said shareholders' agreement. The main shareholder of Utavia S.à.r.l. is the Chief Executive Officer of Rapala VMC Corporation, Jorma Kasslin, with approximately 43 % shareholding. The other shareholders are board members or managers of Rapala VMC Corporation. In total, Utavia S.à.r.l. has some 40 shareholders.

Utavia S.à.r.l. purchased, on 29 June 2006, from De Pruines Industries 1,610,000 shares representing approximately 4.17 % of the issued share capital and voting rights in Rapala VMC Corporation. De Pruines Industries is a subsidiary of Viellard Migeon & Cie. After the deal, Viellard Migeon & Cie owns directly or through its subsidiaries approximately 27.3 % of the issued share capital and voting rights of Rapala VMC Corporation.

In the shareholders' agreement Utavia S.à.r.l. has undertaken to vote in Rapala VMC Corporation's general meetings of shareholders in favour of the resolutions approved and/or submitted by Viellard Migeon & Cie and authorised Viellard Migeon & Cie to exercise the voting rights attached to the Rapala VMC Corporation shares held by it. Utavia S.à.r.l. has undertaken not to sell more than 50 % of the shares it owns in Rapala VMC Corporation during the period of first two years after the execution of the shareholders' agreement. Viellard Migeon & Cie has a right of first refusal to any shares sold by Utavia S.à.r.l.

The parties to the shareholders' agreement undertake to use and exercise the votes that they control at the general meetings of shareholders of Rapala VMC Corporation so that two persons designated by Viellard Migeon & Cie and one person designated by Utavia S.à.r.l. (the first person to be appointed being Jorma Kasslin in this respect) are appointed as members of the board of directors. The parties to the shareholders' agreement have agreed to support Jorma Kasslin as the CEO of Rapala VMC Corporation for a period of three years from the execution of the shareholders' agreement and election of Emmanuel Viellard as the chairman of the board during the same period.

10. APPENDICES

Articles of Association
Resumes of the members of the Board of Directors
Resumes of Executive Committee members
Disclosed notifications on major holdings
10 major shareholders on 31 December 2006

ARTICLES OF ASSOCIATION OF RAPALA VMC CORPORATION

1 Trade name and domicile of the company

The trade name of the company is Rapala VMC Oyj and in English Rapala VMC Corporation.

The domicile of the company is Asikkala.

2 Line of business of the company

The line of business of the company is the design, development, manufacture, marketing, distribution and sales of fishing lures and baits as well as that of other recreational accessories and equipment and products related to sports and outdoor activities. The company may also own and obtain shares and other securities and real property.

3 Book-entry system and record date procedure

The shares of the company are incorporated in the book-entry system.

4 Board of directors

The company has a board of directors consisting of at least five (5) and at most ten (10) members who are elected in the general shareholders' meeting and their term of office lasts until the closing of the following general shareholders' meeting.

The board of directors elects one of its ordinary members chairman.

5 Managing director

The company has a managing director elected by the board of directors.

The company may have one or more deputy managing directors elected by the board of directors.

6 Representing the company

The chairman of the board of directors and the managing director are authorised to represent the company, each alone, and the members of the board of directors two together.

The board of directors of the company may authorise other persons to represent the company by virtue of procurator any two of them jointly or any one of them together with a member of Board of Directors or the Managing Director.

7 Accounting period

The accounting period of the company begins on 1 January and ends on 31 December.

The documents of the financial statements shall be prepared in good time and they shall be submitted to the auditors for the annual audit at least one (1) month prior to the general shareholders' meeting.

8 Auditors

The company has one ordinary auditor, who shall be a public authorised accounting firm chartered by the Central Chamber of Commerce.

The term of office of the auditors ends at closing of the general shareholders' meeting following their election.

9 Summons to the meetings and place of meeting

The shareholders of the company are summoned to the shareholders' meeting by publishing the summons in a widely circulated daily paper decided by the board of directors. The summons shall be published no earlier than three (3) months and no later than seventeen (17) days prior to the date of registration.

A shareholder, who wishes to participate the shareholders' meeting, shall register himself in advance at the place mentioned in the summons and no later than on the date mentioned in the summons, which may not be earlier than ten (10) days prior to the date of the meeting.

The shareholders' meeting may be held in the domicile of the company or in Helsinki.

10 General shareholders' meeting

At the general shareholders' meeting, which shall be held before the end of June, the shareholders shall

be presented with

1. the annual accounts as well as the consolidated accounts and the board of directors' annual report;
2. the auditors' report;

resolve on

3. the approval of the annual accounts which includes the approval of the group annual accounts;
4. the use of profits shown in the balance sheet ;
5. the granting of discharge from liability of the members of the board of directors and the managing director;
6. the remunerations of the members of the board of directors and the auditors;
7. the number of the board of directors;

elect

8. the members of the board of directors;
9. the auditor and a deputy auditor if needed;

handle

10. other matters mentioned in the summons to the meeting.

RESUMES OF THE BOARD MEMBERS

EMMANUEL VIELLARD

Chairman of the Board, Rapala VMC Corporation

Vice Chairman and Chief Executive Officer of Lisi Industries

Year of birth 1963

Education

Degree from the Ecole de Hautes Etudes Commerciales du Nord (Lille) – major in entrepreneurship

Qualified chartered accountant

Work experience

2000 Vice Chairman and CEO, GFI Industries, LISI Group

1998 CEO, Blanc Aero Industries

1996 Deputy CEO, Blanc Aero

1995 Group Financial Controller, LISI Group (ex GFI Industries)

1986 Financial Consultant, Audit Manager, Arthur Andersen

Other

CEO of VMC family holding Company

Director for Lisi, Welding Group, Fromagers+, Hi Shear Corporation

Judge at the Belfort commercial court

Member of the Cercle de l'Ill

JORMA KASSLIN

President and Chief Executive Officer, Rapala VMC Corporation

Year of birth 1953

Education

Master of Science in Technology, Helsinki University of Technology

Work experience

1998 – President, CEO, Member of the Board of Directors, Rapala VMC Corporation

1989 – 1998 Vice President, COO, Member of the Board of Directors, Rapala Corporation, Finland

1988 – 1989 Managing Director, Karto Oy, Finland

1985 – 1988 Business Unit Manager, prefabricated houses, Rauma Repola Oy, Finland

1978 – 1985 Manager, door factory, Schauman Oy, Finland

EERO MAKKONEN

Member of the Board, Rapala VMC Corporation

Year of Birth 1946

Education

Engineer, Oulu Institute of Technology

Work experience

2002-2004 Deputy Chairman of the Board of Directors, Skanska Oy

2001-2002 Chairman of the Board of Directors, Skanska Oy

1994-2001 CEO, Skanska Oy

1992-1994 CEO, Haka Oy

1985-1991 CEO, Insinöörirakentajat Oy

1983-1985 Manager / House factory of Kauhajoki, Rauma Repola Oy

1979-1983 Manager / construction industry, Oy Wilhelm Schauman Ab

1977-1978 District Manager, OMP-Yhtymä Oy, Saudi Arabia

1976-1977 District Manager, Vise Ky, Saudi Arabia

1973-1975 Work Manager, Vesi-Seppo Ky

Confidential Posts

2002- Member of the Board of Directors, Tulikivi Oy

2001- Second Deputy Chairman, The Confederation of Finnish Construction Industries

2000- Chairman of the Board of Directors, Rapala Normark / Rapala VMC Corporation

JAN-HENRIK SCHAUMAN

Member of the Board, Rapala VMC Corporation

Year of birth 1945

Education

M.Sc. (Eco.), Svenska Handelshögskola, Helsinki, 1969

MBA, University of Pittsburgh, 1970

Work experience

1991-1999 Managing Director, Wicoria Oy Ab

1986-1990 Chairman of the Board, Oy BS Finance AB

1984-1986 Manager Building Materials, Oy Wilhelm Schauman Ab

1985 Vice President Area Headquarters, FNBC London

1982-1984 Vice President, Chief Area Credit Officer, FNBC Frankfurt

1973-1982 Vice President, Scandinavian representative, FNBC Stockholm

1972-1973 Assistant Manager, FNBC London

1970-1972 Trainee, The First National Bank of Chicago

Confidential Posts

1999- Member of the Board, Rapala Normark Oyj

1993- Member, SFP finansutskott

1989- Member of the Board, Oskar Öflunds stiftelse

1989- Chairman of the Board, Oy Bicca Invest Ab

CHRISTOPHE VIELLARD

ESCP, Vice President of Viellard Migeon et Cie. (VMC)

Year of birth 1942

Work experience

1999 – 2003 Member of the COB college (Commission des Opérations de Bourse de Paris)

1991 – 1994 President of the Chamber of Commerce and Industry of Belfort

1974 – 2000 President of VMC Pêche group of companies

Awards

Founder of EFITA, European Fishing Tackle Trade Association

Legion of honour

KING MING (WILLIAM) NG

Head of Rapala's Chinese Manufacturing Operations and Hong Kong Office

Year of birth 1962

Education

B.Sc. Eng, University of Hong Kong

Work experience

2001 Joined the Board of Directors of the Rapala VMC Corporation

2001 Willtech Industrial Ltd. joined the Rapala VMC Group. President of Willtech Industrial Ltd.

1996 Acquired 50% share of Wing Crown Electroplating Factory

1991 Set up Willtech Industrial Ltd. Appointed as Managing Director of the company.

1990 Set up Fuji Injection Moulding Factory, which was sold in 1992.

1990 - 1990 Development Manager, Shakespeare (HK) Ltd.

1989 -1990 Product Manager, Technicast Sdn. Bhd. in Malaysia

1987 - 1989 Project Engineer, Chen Hsong Machinery Co. Ltd.

MARC SPEECKAERT

Sofina, General Manager and Member of the Board of several subsidiaries

Year of birth 1951

Education

Degree in Applied Economics and Master in Business and Administration - Université Catholique de Louvain

Degree in Economical, Political and Social Sciences – Université Catholique de Louvain

Work experience

- 2004- Sofina, General Manager and Member of the Board of several subsidiaries
- 1994 -2004 Belgacom, Chief Financial Officer (1994-2002), then Chief Strategy & Business Development Officer and Pension Funds General Manager, Member of the Board of several subsidiaries in Belgium, France and Luxembourg and Chairman of the Audit Committee (Proximus)
- 1991-1994 Lhoist Group, Group Chief Financial Officer and Member of the Executive Committee, Member of the Board of several subsidiaries in Belgium and abroad
- 1986-1991 Glaverbel Group, Controller (1986-1988), then CFO (1989-1991), Member of the Executive Committee, Member of the Board of several subsidiaries in Belgium, Holland, Italy and the USA
- 1977-1986 ITT Corporation, several management positions in Belgium and abroad:1983-1986 ITT Standard Basle, Switzerland (Finance Manager), 1977-1983 ITT Europe and ITT Africa and Middle East (Financial Analyst, Cost and Project Analyst)
- 1974-1977 Touche Ross & C°, Assistant/Senior Auditor

RESUMES OF EXECUTIVE COMMITTEE MEMBERS

JORMA KASSLIN

See resumes of the Board members

JOUNI GRÖNROOS

Chief Financial Officer (CFO), Rapala VMC Corporation

Year of birth 1965

Education

Master of Science (Economics), Helsinki School of Economics

Work Experience

2005 – CFO Rapala VMC Corporation

2003 – 2005 Executive Vice President, Finance and Risk Management, Outokumpu Stainless Steel Oy

2001 – 2003 Executive/Senior Vice President, Finance and Risk Management, AvestaPolarit Oy

1990 – 2000 Corporate Tax Manager and Vice President, Corporate Accounting and Taxation, Outokumpu Oy

1989 – 1990 Auditor, KPMG Finland

1987 – 1988 Tax Inspector, Espoo Tax Office

KING MING (WILLIAM) NG

See resumes of the Board members

OLLI AHO

Company Council, Investor relationships, Secretary of the Board, Rapala VMC Corporation

Year of birth 1959

Education

Master of Laws, University of Helsinki

Work experience

1998- Company Council, Investor relationships, Secretary of the Board of Directors, Rapala VMC Corporation

1994-1998 Senior Associate, Rotterdam office of the law firm Loyens & Volkmaars

1987-1994 Internal Legal Counsel and International Tax Manager, Neste Oy

1984-1987 Several positions as a civil servant with the Finnish National Tax Board

JUHANI PEHKONEN

Head of the of Lure Division

Year of birth 1955

Education

Master of Science in Technology, Helsinki University of Technology, Wood Processing Department

Work experience

1998 – Rapala Oy

1989 – 1997 Managing Director, Suomen Taloteollisuus Oy

Manager of Housing Factory, Suomen Taloteollisuus Oy

1985 – 1988 Manager of Window Factory, Rauma-Repola Oy

Manager of Housing Factory, Rauma-Repola Oy

1982 – 1984 Managing Director, R&H Kumpulainen Ky

Production Manager, R&H Kumpulainen Ky

1980 – 1982 Manager of Door Factory, Rauma-Repola Oy

STANISLAS DE CASTELNAU

Head of the Hook Division, General Manager of VMC Peche SA

Year of birth 1963

Education

Centrale Paris Engineer High School

Work experience

2001 – 2004 Head of the Hook Division, Rapala VMC Corporation

General Manager, VMC Peche SA

1994 – 2000 Production Manager (3 years), Lafarge Platres

Product Manager (3 years), Lafarge Platres

1992 – 1993 General Manager, Visio France and SN Plasmatech

1990 – 1991 Crew Manager, surveys in Thailand, Pakistan, Malaysia, Myanmar, Venezuela Compagnie Generale de Geophysique

1988 – 1989 Field Engineer, Schlumberger Overseas S.A., Bangladesh

Other

1986 – 1987 Officer in Marine Commandos, France, Djibouti

DISCLOSED NOTIFICATIONS* ON MAJOR HOLDINGS IN 2006 **(* UNDER CHAPTER 2, SECTION 10 OF THE FINNISH SECURITIES MARKET ACT)**

RAPALA VMC CORPORATION STOCK EXCHANGE RELEASE

22 MARCH 2006

Rapala VMC Oyj has today received notification from Ng (William) King Ming in accordance with Chapter 2, Section 9 of the Finnish Securities Market Act. As a result the restructuring of the shares in Ng (William) King Ming's family, the holdings of Ng (William) King Ming falls below 5 % of the voting rights and share capital of Rapala VMC Oyj.

Ng (William) King Ming holdings in Rapala VMC Oyj are divided as follows:

	N:o of Shares	Proportion of share capital	Proportion of voting rights
Through Top Emerald Holdings Limited, Registration No:528010	1,851,688	4.80 %	4.80 %
Total	1,851,688	4.80 %	4.80 %

The registered share capital of Rapala VMC Oyj comprises of a total of 38,576,269 shares entitling to 38,576,269 votes.

Rapala VMC Oyj has not received the information mentioned in subsection 7 of Chapter 2, Section 4 of the Finnish Securities Market Act.

RAPALA VMC OYJ

For further information: Company's Legal Council, Olli Aho, tel. +31 653 140 818.

RAPALA VMC CORPORATION STOCK EXCHANGE RELEASE

29 August 2006

NOTIFICATION IN ACCORDANCE WITH CHAPTER 2 SECTION 9 OF THE SECURITIES MARKETS ACT

Rapala VMC Corporation (Business ID 1016238-8) has today received notification from Viellard Migeon & Cie (registration number in France 535 420 228 RCS Belfort) and Utavia S.à.r.l. (registration number in Luxembourg B7974 Luxembourg) in accordance with the implementing provision of act No 442/2006 amending the Securities Market Act and Chapter 2, Section 9 of the Finnish Securities Market Act.

As a result of a shareholders' agreement entered into on 29 June 2006 relating to shares in Rapala VMC Corporation, the holdings of Viellard Migeon & Cie and Utavia S.à.r.l. exceed three tenth (3/10)but is less than one third (1/3) of the voting rights and share capital in Rapala VMC Corporation.

Viellard Migeon & Cie's current holding, together with its subsidiary De Pruines Industries and Utavia S.à.r.l.'s holding, in Rapala VMC Corporation is as follows:

Shareholder	Number of shares	Proportion of share capital	Proportion of voting rights
Viellard Migeon & Cie	10,414,071	27.00 %	27.00 %
De Pruines Industries	90,000	0.23 %	0.23 %
Utavia S.à.r.l.	1,610,000	4.17 %	4.17 %
Total	12,114,071	31.40 %	31.40 %

The registered share capital of Rapala VMC Corporation comprises a total of 38,576,269 shares, said shares entitling to 38,576,269 votes.

RAPALA VMC CORPORATION

For further information:

The Company's Legal Counsel, Olli Aho, tel. +358 9 7562 540.

10 MAJOR SHAREHOLDERS

10 major shareholders according to the share register at 31 December 2006

<u>10 major shareholders</u>	<u>Number of shares /% of votes</u>
Viellard Migeon & Cie	10 414 071 / 27.0 %
Sofina NV	7 500 000 / 19.4 %
Odin Norden	1 630 022 / 4.2 %
Odin Forvaltnings AS	1 152 050 / 3.0 %
Evli-Select Investment fund	749 000 / 1.9 %
Odin Forvaltnings AS/Odin Europa SMB	661 750 / 1.7 %
Eläke-Fennia pension insurance fund	600 000 / 1.6 %
Nordea Nordic Small Cap -sijoitusrahasto	550 400 / 1.4 %
OP-Finland Small Firm fund	530 000 / 1.4 %
Administrative registrations	9 665 229 / 25.1 %
<u>Other shareholders total</u>	<u>5 123 747 / 13.3 %</u>
Total number of shares	38 576 269 / 100 %