MERGER PLAN

The Board of Directors of Neles Corporation ("Neles" or the "Merging Company") and the Board of Directors of Valmet Oyj ("Valmet" or the "Receiving Company") propose to the Extraordinary General Meetings of the respective companies that the General Meetings would resolve upon the merger of Neles into Valmet through an absorption merger, so that all assets and liabilities of Neles shall be transferred without a liquidation procedure to Valmet, as set forth in this merger plan (the "Merger Plan", including appendices) (the "Merger").

As merger consideration, the shareholders of Neles shall receive new shares of Valmet, in proportion to their existing shareholdings, with aggregated fractional entitlements to new shares of Valmet being sold in public trading on Nasdaq Helsinki Ltd (the "Helsinki Stock Exchange") for the benefit of the shareholders entitled to such fractions. Neles shall automatically dissolve as a result of the Merger.

The Merger shall be carried out in accordance with the provisions of Chapter 16 of the Finnish Companies Act (624/2006, as amended) (the "Companies Act") and Section 52 a of the Finnish Business Income Tax Act (360/1968, as amended).

1 Companies Participating in the Merger

1.1 Merging Company

Corporate name: Neles Corporation
Business ID: 1538032-5
Address: Vanha Porvoontie 229, 01380 Vantaa
Domicile: Vantaa

Neles is a public limited liability company, the shares of which are publicly traded on the official list of the Helsinki Stock Exchange.

1.2 Receiving Company

Corporate name: Valmet Oyj
Business ID: 2553019-8
Address: Keilasatama 5, 02150 Espoo
Domicile: Helsinki

Valmet is a public limited liability company, the shares of which are publicly traded on the official list of the Helsinki Stock Exchange.

Neles and Valmet are hereinafter jointly referred to as the "Parties" or the "Companies Participating in the Merger" and, each individually, a "Party" or a "Company Participating in the Merger".

2 Reasons for the Merger

The Companies Participating in the Merger have on July 2, 2021 entered into a business combination agreement concerning the combination of the business operations of the Companies Participating in the Merger through a statutory absorption merger of Neles into Valmet in accordance with the Companies Act and this Merger Plan (the "Combination Agreement").

The purpose of the Merger is to create a leading company with a unique, competitive and balanced total offering for process industries globally, with strong positions in its respective segments including paper, board, pulp and energy technologies, flow control, automation systems and services.
The combined company’s business is expected to benefit from diversified product platforms, end markets and customers with relevant scale in key markets and an ideal positioning to benefit from the strong sustainability focus in the combined company’s end markets through megatrends such as energy transition and increasing demand for renewables.

Furthermore, the Merger is expected to create opportunities to exceed market growth, increase profitability and maintain a strong financial profile with end-markets diversification across process industries and large recurring and stable automation and services business providing resilience to business cycles. Furthermore, the Merger is expected to enhance the combined company’s positioning and offering through the strong industrial benefits of the combination of flow control and automation systems and create a platform for further growth in the automation and flow control business. The Merger is expected to contribute to shareholder value through, among others, synergies expected from the combination. The combined company is expected to benefit from Valmet’s track record and know-how in developing integrated businesses as evidenced from its growth path of automation.

3 Amendments to the Receiving Company’s Articles of Association

Articles 2, 6, 7, 8 and 9 of the Articles of Association of the Receiving Company are proposed to be amended in connection with the registration of, and conditional upon, the execution of the Merger to read as follows:

2 § Field of business

The company’s field of business is, either directly or through its subsidiaries or affiliated companies, to engage globally in designing, developing, manufacturing, building and trading machines, instruments, equipment, production plants, industrial products and systems, and spare parts in the field of technology industry, mainly pulp, paper and power industries and flow control, producing and selling services related to this field of business, such as maintenance and diagnostic services, and other industrial or commercial activities related to this field of business.

As the parent company, the company may also attend to the group’s organization, financing, purchases and other similar joint tasks as well as own real estate, shares and interests, carry out securities trading and other investment operations.

6 § Accounting period

The company’s accounting period is a calendar year.

7 § Auditor

The company has one (1) auditor, which must be an audit firm approved by the Patent and Registration Office with an authorized public accountant as the auditor in charge.

The term of office of the auditor expires at the closing of the Annual General Meeting of shareholders following the election.

8 § Notice convening a General Meeting of shareholders and the place of General Meetings of shareholders

The notice convening a General Meeting of shareholders must be delivered to the shareholders by publishing the notice on the company’s website or in one or more widely circulated daily newspapers designated by the Board of Directors or otherwise in a
verifiable manner no more than three (3) months and no less than three (3) weeks prior to
the General Meeting of shareholders, however, in any case, at least nine (9) days prior to
the record date of the General Meeting of shareholders referred to in the Finnish
Companies Act.

In order to participate in the General Meeting of shareholders, a shareholder must register
with the company at the latest on the date referred to in the notice convening the meeting,
which may be at the earliest ten (10) days prior to the General Meeting of shareholders.

General Meetings of shareholders may be held in Helsinki, Espoo or Vantaa.

9 §  
Annual General Meeting of shareholders

At the Annual General Meeting, the following are
presented:

1. the financial statements of the company, which also include the consolidated
   financial statements of the group, and the report of the Board of Directors;

2. the auditor’s reports concerning the company and the group;

resolved:

3. adoption of the financial statements of the company, which also include the
   approval of the consolidated financial statements of the group;

4. the use of the profit shown on the balance sheet;

5. releasing the members of the Board of Directors and the President from liability;

6. the number of members of the Board of Directors;

7. the remuneration of the chairman, vice chairman and other members of the
   Board of Directors as well as the auditor;

8. the adoption of the remuneration policy, when necessary;

9. the adoption of the remuneration report;

10. any other matters submitted to the General Meeting by the Board of Directors,
    auditor or shareholders sufficiently in advance so that the matter can be included
    in the notice convening the meeting;

11. any other matters specified in the notice convening the meeting;

elected:

12. the chairman, vice chairman and other necessary members of the Board of
    Directors; and

13. the auditor.

If a vote is held at the company’s Annual or Extraordinary General Meeting of shareholders,
the chairman of the General Meeting of shareholders shall determine the voting procedure.

The proposed Articles of Association of the Receiving Company, including the above amendments,
are attached to this Merger Plan in its entirety as Appendix 1.
4 Administrative Bodies of the Receiving Company

4.1 Board of Directors and Auditor of the Receiving Company and Their Remuneration

According to the proposed Articles of Association of the Receiving Company, the Receiving Company shall have a Board of Directors consisting of a minimum of five (5) and a maximum of eight (8) members. The number of the members of the Board of Directors of the Receiving Company shall be conditionally confirmed and the members of the Board of Directors shall be conditionally elected by the Extraordinary General Meeting of the Receiving Company resolving on the Merger (the “Valmet EGM”). Both decisions shall be conditional upon the execution of the Merger. The term of such members of the Board of Directors shall commence on the date of registration of the execution of the Merger (the “Effective Date”) and shall expire at the end of the first annual general meeting of the Receiving Company following the Effective Date.

The Board of Directors of the Receiving Company shall propose a resolution to the Valmet EGM, according to which the number of the members of the Board of Directors of the Receiving Company shall be eight (8) and according to which Mikael Mäkinen, current Chairman of the Board of the Receiving Company, would be conditionally elected to continue as Chairman of the Board of Directors of the Receiving Company, Jaakko Eskola, current Chairman of the Board of the Merging Company, would be conditionally elected as new Vice Chairman of the Board of Directors of the Receiving Company, Aaro Cantell, Pekka Kemppainen, Monika Maurer, Eriikka Söderström and Per Lindberg, each a current member of the Board of Directors of the Receiving Company, would be conditionally elected to continue to serve on the Board of Directors of the Receiving Company, and that Anu Hämäläinen, a current member of the Board of Directors of the Merging Company, would be conditionally elected as new member of the Board of Directors of the Receiving Company for the term commencing on the Effective Date and expiring at the end of the first annual general meeting of the Receiving Company following the Effective Date.

The Board of Directors of the Receiving Company shall also propose to the Valmet EGM a resolution on the remuneration of the Chairman, Vice Chairman and other members of the Board of Directors of the Receiving Company, including remuneration of the members of the Audit Committee and the Remuneration and HR Committee of the Receiving Company, for the term commencing on the Effective Date and expiring at the end of the first annual general meeting of the Receiving Company following the Effective Date. The annual remuneration of the new members to be elected shall be paid in proportion to the length of their term of office. Otherwise the resolutions on Board remuneration made by the Annual General Meeting of the Receiving Company held on March 23, 2021 or a subsequent Annual General Meeting of the Receiving Company held before the Effective Date shall remain in force unaffected and, for the avoidance of doubt, full annual remuneration until the next annual general meeting of the Receiving Company shall be paid to those members who have not been conditionally elected to continue to serve on the Board of Directors of the Receiving Company.

The term of the current members of the Board of Directors of the Receiving Company not conditionally elected to continue to serve on the Board of Directors of the Receiving Company for the term commencing on the Effective Date shall end on the Effective Date.

The term of the members of the Board of Directors and the President and CEO of the Merging Company shall end on the Effective Date upon the dissolution of the Merging Company. The members of the Board of Directors and the President and CEO of the Merging Company shall be paid a reasonable remuneration for the preparation of the final accounts of the Merging Company.
The auditor of the Receiving Company will continue in its position and the Merger will not impact the resolution by the Annual General Meeting of the Receiving Company held on March 23, 2021 or a subsequent Annual General Meeting of the Receiving Company held before the Effective Date in respect of the auditor’s remuneration.

The Board of Directors of the Receiving Company, after consultation with the Board of Directors of the Merging Company, may amend the above-mentioned proposal concerning the election of members of the Board of Directors of the Receiving Company, in case one or more of the above-mentioned persons would not be available for election at the Valmet EGM.

The Board of Directors of the Receiving Company, after consultation with the Board of Directors of the Merging Company, shall have a right to convene a General Meeting of Shareholders after the Valmet EGM to (i) resolve to supplement or amend the composition or remuneration of the Board of Directors of the Receiving Company in case a person conditionally elected as a member of the Board of Directors by the Valmet EGM would have to be replaced by another person due to resignation, incapacity or any other reason by virtue of which the conditionally elected person would be unable to act as a member of the Board of Directors of the Receiving Company, or in case the remuneration of the Board of Directors of the Receiving Company would need to be amended for some other reason; and/or (ii) replace the auditor of the Receiving Company, prior to the Effective Date in case the Receiving Company’s current auditor would have to be replaced.

The Parties have agreed that the Shareholders’ Nomination Board of the Receiving Company as from the Effective Date shall have five (5) members, of which one (1) shall be nominated by each of the four (4) largest shareholders and the fifth being the Chairman of the Board of Directors of the Receiving Company.

The Board of Directors of the Receiving Company shall propose to the Valmet EGM a temporary deviation from the Charter of the Receiving Company’s Shareholders’ Nomination Board to the effect that the composition of the Shareholders’ Nomination Board will be amended after the Effective Date and the right to nominate representatives to the Shareholders’ Nomination Board following the Effective Date shall be vested with the shareholders having the largest share of the votes represented by all the shares in the Receiving Company on the first business day following the Effective Date, provided that the Effective Date occurs no less than four (4) months prior to the planned date of the next Annual General Meeting of the Receiving Company.

4.2 President and CEO of the Receiving Company

Pasi Laine shall as from the Effective Date act as the President and CEO of the Receiving Company. In the event that Pasi Laine resigns or otherwise must be replaced by another person prior to the Effective Date, the Boards of Directors of the Receiving Company and the Merging Company shall mutually agree on the appointment of a new President and CEO.

5 Merger consideration and grounds for its determination

5.1 Merger Consideration

The shareholders of the Merging Company shall receive as merger consideration 0.3277 new shares of the Receiving Company for each share owned in the Merging Company (the “Merger Consideration”), that is, the Merger Consideration shall be issued to the shareholders of the Merging Company in proportion to their existing shareholding with a ratio of 0.3277 : 1. There is only one share class in the Receiving Company, and the shares of the Receiving Company do not have a nominal value. In accordance with Chapter 16, Section 16, Subsection 3 of the Companies Act, shares
in the Merging Company held by the Merging Company or the Receiving Company do not carry a right to the Merger Consideration.

In case the number of shares received by a shareholder of the Merging Company (per each individual book-entry account) as Merger Consideration is a fractional number, the fractions shall be rounded down to the nearest whole number. Fractional entitlements to new shares of the Receiving Company shall be aggregated and sold in public trading on the Helsinki Stock Exchange and the proceeds shall be distributed to shareholders of the Merging Company entitled to receive such fractional entitlements in proportion to their holding of such fractional entitlements. Any costs related to the sale and distribution of fractional entitlements shall be borne by the Receiving Company.

The allocation of the Merger Consideration shall be based on the shareholding in the Merging Company at the end of the last trading day preceding the Effective Date. The final total number of shares in the Receiving Company issued as Merger Consideration shall be determined on the basis of the number of shares in the Merging Company held by shareholders, other than the Receiving Company or the Merging Company itself, at the end of the day preceding the Effective Date. Such total number of shares issued shall be rounded down to the nearest full share. On the date of this Merger Plan, the Merging Company holds 150,361 treasury shares and the Receiving Company holds 44,415,207 shares in the Merging Company. Based on the situation on the date of this Merger Plan, the total number of shares in the Receiving Company to be issued as Merger Consideration would therefore be 34,664,986 shares.

Apart from the Merger Consideration to be issued in the form of new shares of the Receiving Company and proceeds from the sale of fractional entitlements, no other consideration shall be distributed to the shareholders of the Merging Company.

5.2 Grounds for the determination of the Merger Consideration

The Merger Consideration has been determined based on the relation of valuations of the Merging Company and the Receiving Company. The value determination has been made by applying generally used valuation methods. The value determination has been based on the stand-alone valuations of the Companies Participating in the Merger taking into account various company specific factors.

Based on their respective relative value determinations, which are supported by fairness opinions received by each of the Merging Company and the Receiving Company from their respective financial advisors, the Boards of Directors of the Merging Company and the Receiving Company have concluded that the Merger Consideration is fair from a financial point of view of the Merging Company and the Receiving Company.

6 Distribution of the Merger Consideration

The Merger Consideration shall be distributed to the shareholders of the Merging Company, other than the Receiving Company or the Merging Company itself, on the Effective Date or as soon as reasonably possible thereafter.

The Merger Consideration shall be distributed in the book-entry securities system maintained by Euroclear Finland Ltd. The Merger Consideration payable to each shareholder of the Merging Company shall be calculated, using the exchange ratio set forth in Section 5.1 above, based on the number of shares in the Merging Company registered in each separate book-entry account of each such shareholder at the end of the last trading day preceding the Effective Date. The Merger Consideration shall be distributed automatically, and no actions are required from the shareholders of the Merging Company in relation thereto. The new shares of the Receiving Company distributed
as Merger Consideration shall carry full shareholder rights as from the date of their registration in the Finnish Trade Register.

7 Option rights and other special rights entitling to shares
The Merging Company has not issued any option rights or other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act.

8 Share-based incentive plans
The Merging Company has four (4) share-based long-term incentive plans under which share rewards have not been paid in their entirety by the date of this Merger Plan: Performance Share Plan (PSP) 2021–2023, Performance Share Plan (PSP) 2020–2022, Deferred Share Unit Plan (DSUP) 2021–2023 and Deferred Share Unit Plan (DSUP) 2019–2021.

The Board of Directors of the Merging Company has, conditionally and subject to the execution of the Merger, resolved on the impact of the Merger on such incentive plans in accordance with their terms and conditions. According to the resolution, the incentive plans will be settled in cash. In the event that any amendments to the treatment of the incentive plans in the Merging Company are required prior to the Effective Date, the Board of Directors of the Merging Company shall resolve on such matters prior to the Effective Date subject to the Combination Agreement and Section 11 below.

9 Share capital and other equity of the Receiving Company
The share capital of the Receiving Company is EUR 100,000,000. The share capital of the Receiving Company shall be increased by EUR 40,000,000, in connection with the registration of the execution of the Merger, after which the share capital of the Receiving Company shall be EUR 140,000,000. The equity increase of the Receiving Company, insofar as it exceeds the amount to be recorded into the share capital, shall be recorded as an increase of the reserve for invested unrestricted equity in accordance with Section 10 below.

10 Description of assets, liabilities and shareholders’ equity of the Merging Company and of the circumstances relevant to their valuation, of the effect of the Merger on the balance sheet of the Receiving Company and of the accounting treatment to be applied in the Merger
In the Merger, all (including known, unknown and conditional) assets, liabilities and responsibilities as well as agreements and commitments and the rights and obligations relating thereto of the Merging Company, and any items that replace or substitute any such item, shall be transferred to the Receiving Company.

The Merger is to be carried out by applying the acquisition method using book values. The merger result will be calculated as a difference of the acquisition cost of the previously held interest in the Merging Company by the Receiving Company and the corresponding net assets of the Merging Company transferred in the Merger. The assets and the liabilities in the closing accounts of the Merging Company are recognized at book value in appropriate asset and liability line items in the balance sheet of the Receiving Company in accordance with the Finnish Accounting Act (1336/1997, as amended) and the Finnish Accounting Decree (1339/1997, as amended), except for the items relating to receivables and liabilities between the Receiving Company and the Merging Company; these receivables and liabilities will be extinguished in the Merger. The Receiving Company’s assets include shares representing 29.57% in the outstanding shares of the Merging Company. As the value of the shares in the Merging Company in the Receiving Company’s balance sheet is greater than the
related net assets transferred to the Receiving Company from the Merging Company the merger loss will be recognized related to previously held interest and allocated to assets and liabilities transferred attributable to the merger loss.

The equity of the Receiving Company shall be formed in the Merger by applying the acquisition method so that the amount corresponding the book value of the net assets of the Merging Company, of which the net assets related to previously held ownership in the Merging Company have been deducted, shall be recorded into reserve for invested unrestricted equity of the Receiving Company with the exception of the increase in share capital as described in Section 9 above.

A description of the assets, liabilities and shareholders’ equity of the Merging Company and an illustration of the post-Merger balance sheet of the Receiving Company is attached to this Merger Plan as Appendix 2.

The final effects of the Merger on the Receiving Company’s balance sheet will be determined according to the circumstances and the laws and regulations governing the preparation of the financial statements in Finland (the “Finnish Accounting Standards”) at the Effective Date of the Merger.

11 Matters outside ordinary business operations

From the date of this Merger Plan, each of the Parties shall continue to conduct their operations in the ordinary course of business and in a manner consistent with past practice of the relevant Party, unless the Parties specifically agree otherwise.

Except as set forth in this Merger Plan and the Combination Agreement, and unless the Parties specifically agree otherwise, the Merging Company and the Receiving Company shall during the Merger process not resolve on any matters (regardless of whether such matters are ordinary or extraordinary) which would affect the shareholders’ equity or number of outstanding shares in the relevant company, including but not limited to corporate acquisitions and divestments, share issues, issue of special rights entitling to shares, acquisition or disposal of treasury shares, dividend distributions, changes in share capital, or any comparable actions, or take or commit to take any such actions, except for:

(A) In case of the Receiving Company:
   (i) a distribution of funds for the financial year ending December 31, 2021 (if the execution of the Merger has not taken place prior to February 28, 2022) prior to the Effective Date in an aggregate amount not exceeding EUR 180 million and it being understood that (i) the Receiving Company cannot under any circumstances distribute a higher amount of funds than set forth in this sentence and (ii) this sub-section (A)(i) may not restrict the distribution of minority dividend in accordance with the Companies Act; and
   (ii) issuance of a maximum of 251,230 shares under the current share-based incentive plans;

(B) In case of the Merging Company:
   (i) a distribution of funds for the financial year ending December 31, 2021 (if the execution of the Merger has not taken place prior to February 28, 2022) prior to the Effective Date in an aggregate amount not exceeding EUR 40 million and it being understood that (i) the Merging Company cannot under any circumstances
distribute a higher amount of funds than the combined amount of the distribution of funds set forth in this sentence and the extra distribution of funds set forth in sub-section (B)(ii) below; and (ii) this sub-section (B)(i) may not restrict the distribution of minority dividend in accordance with the Companies Act (and the possible distribution of minority dividend shall not restrict the extra distribution of funds set forth in sub-section (B)(ii) below); and

(ii) an extra distribution of funds in the amount of EUR 2.00 per share either as dividend or return of equity or a combination of the aforementioned prior to the Effective Date to the shareholders of the Merging Company (the “Extra Distribution to Neles Shareholders”);

in each case listed above under sub-sections (A) and (B), as agreed in more detail and in accordance with the Combination Agreement.

For the avoidance of doubt, nothing in this Section or this Merger Plan shall prevent the payment of the share remuneration payable for the members of the Board of Directors of the Merging Company in accordance with the decision by the annual general meeting of the Merging Company held on March 23, 2021.

12 Capital loans
Neither the Merging Company nor the Receiving Company has issued any capital loans, as defined in Chapter 12, Section 1 of the Companies Act.

13 Shareholdings between the Merging Company and the Receiving Company
On the date of this Merger Plan, the Merging Company or its subsidiaries do not hold any shares in the Receiving Company. On the date of this Merger Plan, the Receiving Company holds 44,415,207 shares in the Merging Company.

On the date of this Merger Plan, the Merging Company holds 150,361 treasury shares. Neither of the Companies Participating in the Merger has a parent company.

14 Business mortgages
On the date of this Merger Plan, there are no business mortgages as defined in the Finnish Act on Business Mortgages (634/1984, as amended) pertaining to the assets of either the Merging Company or the Receiving Company.

15 Special benefits or rights in connection with the Merger
The President and CEO of the Merging Company is a participant in certain share-based incentive plans referred to in Section 8 above. Save for the contemplated settlement of share-based incentive plans in cash, conditional upon the execution of the Merger referred to in Section 8 above, no special benefits or rights, each within the meaning of the Companies Act, shall be granted in connection with the Merger to any members of the Board of Directors, the Presidents and CEOs or the auditors of either the Merging Company or the Receiving Company, or to the auditors issuing statements on this Merger Plan to the Merging Company.

The remuneration of the auditors issuing their statement on this Merger Plan and remuneration of the auditor of the Merging Company is proposed to be paid in accordance with an invoice approved by the Board of Directors of the Receiving Company in the case of the auditor of the Receiving
Company and by the Board of Directors of the Merging Company in the case of the auditor of the
Merging Company. The Merging Company’s auditor will issue a statement referred to in Chapter 16,
Section 4, Subsection 1 of the Companies Act to the Merging Company and the Receiving Company’s
auditor will issue the said statement to the Receiving Company. The remuneration of the auditor of
the Merging Company issuing a report on the final accounts of the Merging Company is proposed to
be paid in accordance with an invoice approved by the Board of Directors of the Receiving Company.

16 Planned registration of the execution of the Merger

The planned Effective Date, meaning the planned date of registration of the execution of the Merger,
is January 1, 2022 (effective registration time approximately at 00:01), however, subject to the
fulfilment of the preconditions in accordance with the Companies Act and the conditions for
executing the Merger set forth below in Section 19.

The Effective Date may change if, among other things, the execution of measures described in this
Merger Plan takes a shorter or longer time than what is currently estimated, or if circumstances
related to the Merger otherwise necessitate a change in the time schedule or if the Boards of Directors
of the Companies Participating in the Merger jointly resolve to file the Merger to be registered prior
to, or after, the planned registration date.

The Boards of Directors of the Companies Participating in the Merger shall file a notification for the
execution of the Merger with the Finnish Trade Register, at the latest, without undue delay after all
conditions for the Merger have been fulfilled or duly waived, with a request to the Finnish Trade
Register to register the Merger.

17 Listing of the new shares of the Receiving Company and delisting of the shares
of the Merging Company

The Receiving Company shall apply for the listing of the new shares to be issued by the Receiving
Company as Merger Consideration to public trading on the Helsinki Stock Exchange. For the
purposes of the Merger and the listing of the new shares to be issued by the Receiving Company as
Merger Consideration, a merger prospectus will be published by the Receiving Company before the
Valmet EGM and the Extraordinary General Meeting of the Merging Company resolving on the
Merger (the “Neles EGM”). The trading in the new shares shall begin on the Effective Date or as
soon as reasonably possible thereafter.

The trading in the shares of the Merging Company on the Helsinki Stock Exchange is expected to end
at the end of the last trading day preceding the Effective Date and the shares in the Merging Company
are expected to cease to be listed on the Helsinki Stock Exchange as of the Effective Date, at the latest.

18 Language versions

This Merger Plan (including any applicable appendices) has been prepared and executed in the
Finnish language and translated into the English language. Should any discrepancies exist between
the Finnish version and the unofficial English translation, the Finnish version shall prevail.

19 Conditions for executing the Merger

The execution of the Merger is conditional upon the satisfaction or, to the extent permitted by
applicable law, waiver of each of the conditions set forth below:

(i) the Merger having been duly approved by the Neles EGM;
(ii) shareholders of the Merging Company representing no more than twenty (20) per cent of all shares and votes in the Merging Company having demanded the redemption of his/her/its shares in the Merging Company pursuant to Chapter 16, Section 13 of the Companies Act;

(iii) the Merger, the proposed amendments to the Articles of Association, the number and election of the members of the Board of Directors (including the election of the Chairman and the Vice Chairman of the Board of Directors) and the remuneration of the members of the Board of Directors (including remuneration of the members of the Audit Committee and the Remuneration and HR Committee of the Receiving Company) as set forth in Sections 3 and 4 above, as well as the issuance of new shares of the Receiving Company as Merger Consideration to the shareholders of the Merging Company, having been duly approved by the Valmet EGM;

(iv) the Extra Distribution to Neles Shareholders referred to in Section 11 above having been authorized by the Neles EGM and having been executed;

(v) if the Completion has not taken place prior to February 28, 2022, the distributions of funds to the shareholders of the Merging Company and the Receiving Company, respectively, as defined in the Combination Agreement and referred to in Section 11 above, other than the Extra Distribution to Neles Shareholders, having been declared to the extent so resolved by the respective general meetings, and executed;

(vi) the competition approvals, as defined in the Combination Agreement, having been obtained in accordance with the Combination Agreement;

(vii) the regulatory approvals, as defined in the Combination Agreement, having been obtained in accordance with the Combination Agreement;

(viii) the Receiving Company having obtained from the Helsinki Stock Exchange written confirmations that the listing of the Merger Consideration on the official list of the Helsinki Stock Exchange will take place on the Effective Date or as soon as possible thereafter;

(ix) the financing required in connection with the Merger being available materially in accordance with the post-Merger financing arrangement of the Receiving Company;

(x) no event of default under any arrangement in respect of financial indebtedness of either Party having, as of the Signing Date, an outstanding principal amount of no less than EUR 180 million in respect of Neles and an outstanding principal amount of no less than EUR 440 million in respect of Valmet, having occurred and being continuing or being reasonably likely to occur as a result of the execution of the Merger, if such event of default would, in the opinion of the other Party acting in good faith and after consultation with the Board of Directors of the defaulting Party, be reasonably expected to have a material adverse effect, as defined in the Combination Agreement, on the group of the Receiving Company after the Merger;

(xi) no event, circumstance or change having occurred on or after the date of the Combination Agreement that would have a material adverse effect, as defined in the Combination Agreement, in respect of the group of the Merging Company or of the Receiving Company or, the group of the Receiving Company after the Merger;

(xii) neither Party not, on or after the date of the Combination Agreement, having received information on an event, circumstance or change having occurred prior to the date of the
Combination Agreement and previously undisclosed to it that would have a material adverse effect, as defined in the Combination Agreement, in respect of the group of the Merging Company or of the Receiving Company or, the group of the Receiving Company after the Merger; and

(xiii) the Combination Agreement remaining in force and not having been terminated in accordance with its provisions.

Each of the Boards of Directors of the Companies Participating in the Merger has the right to, in each of their sole discretion and without approval from the General Meeting of the relevant company, to waive any of the conditions for executing the Merger set out above on behalf of the Merging Company and the Receiving Company respectively.

20 Transfer of employees

All the employees of the Merging Company shall be transferred to the Receiving Company in connection with the execution of the Merger by operation of law as so-called old employees. The Receiving Company shall assume the obligations arising out of the employment and service relationships of the transferring personnel in force as at the Effective Date as well as the obligations resulting from the related benefits.

21 Dispute resolution

Any dispute, controversy or claim between the Parties arising out of or relating to this Merger Plan, or the transactions contemplated hereby, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The number of arbitrators shall be three (3). Valmet shall appoint one (1) arbitrator and Neles shall appoint one (1) arbitrator. In the event of a failure by any Party to appoint such party-appointed arbitrator, the Arbitration Institute of the Finland Chamber of Commerce will make the appointment upon the request of the other Party. The third arbitrator, who will act as chairman of the arbitral tribunal, will be appointed by the Arbitration Institute of the Finland Chamber of Commerce unless the two party-appointed arbitrators reach an agreement on the arbitrator to be appointed as chairman within fourteen (14) days of the appointment of the latter party-appointed arbitrator. The seat of arbitration shall be Helsinki, Finland. The language of the arbitration shall be English, unless otherwise agreed by the Parties.

The Parties agree that the arbitral tribunal may, at the request of either Party, decide by an interim arbitral award a separate issue in dispute if the rendering of an award on other matters in dispute is dependent on the rendering of such an interim arbitral award.

22 Other issues

The Boards of Directors of the Companies Participating in the Merger are jointly authorised to decide on technical amendments to this Merger Plan or its appendices as may be required by authorities or otherwise considered appropriate by the Boards of Directors.

(Signature page follows)
This Merger Plan has been made in two (2) identical counterparts, one (1) for the Merging Company and one (1) for the Receiving Company.

In Helsinki, on July 2, 2021

VALMET OYJ

By: MIKAEL MÄKINEN
Name: Mikael Mäkinen
Title: Chairman of the Board of Directors

By: PASI LAINE
Name: Pasi Laine
Title: President and CEO

NELES CORPORATION

By: JAAKKO ESKOLA
Name: Jaakko Eskola
Title: Chairman of the Board of Directors
Appendices to Merger Plan

Appendix 1  Amended Articles of Association of the Receiving Company
Appendix 2  Description of assets, liabilities and shareholders’ equity and valuation of the Merging Company and the preliminary presentation of the balance sheet of the Receiving Company
Appendix 1
Amended Articles of Association of the Receiving Company

Articles of Association of Valmet Oyj

1 § Trade name and domicile
The company’s trade name is Valmet Oyj in Finnish, Valmet Abp in Swedish, and Valmet Corporation in English. The company’s domicile is Helsinki.

2 § Field of business
The company’s field of business is, either directly or through its subsidiaries or affiliated companies, to engage globally in designing, developing, manufacturing, building and trading machines, instruments, equipment, production plants, industrial products and systems, and spare parts in the field of technology industry, mainly pulp, paper and power industries and flow control, producing and selling services related to this field of business, such as maintenance and diagnostic services, and other industrial or commercial activities related to this field of business.

As the parent company, the company may also attend to the group’s organization, financing, purchases and other similar joint tasks as well as own real estate, shares and interests, carry out securities trading and other investment operations.

3 § Book-entry system
The company’s shares belong to the book-entry securities system.

4 § Board of Directors and President
The company has a Board of Directors, a President and, if necessary, one or more Executive Vice Presidents.

The Board of Directors comprises no less than five (5) and no more than eight (8) members. The term of office of each member of the Board of Directors expires at the closing of the first Annual General Meeting of shareholders following the election. The General Meeting of shareholders elects the chairman, the vice chairman and other members of the Board of Directors.

The Board of Directors elects the company’s President and, if necessary, one or more Executive Vice Presidents.

The Board of Directors meets when a meeting is convened by the chairman or, if he/she is unavailable, the vice chairman. The Board of Directors constitutes a quorum when more than one-half of its members are present and one of them is the chairman or the vice chairman.

The resolution of the Board of Directors shall be the opinion which is supported by more than one-half of the members present or, in case of a tie vote, the opinion with which the chairman of the meeting concurs.

5 § Representation right
The right to represent the company shall be vested with the chairman of the Board of Directors, a member of the Board of Directors and the President, two of them acting jointly, as well as
the persons authorized by the Board of Directors to represent the company, two of them acting jointly, or each such person acting together with the chairman of the Board of Directors, a member of the Board of Directors or the President.

6 §  Accounting period

The company’s accounting period is a calendar year.

7 §  Auditor

The company has one (1) auditor, which must be an audit firm approved by the Patent and Registration Office with an authorized public accountant as the auditor in charge.

The term of office of the auditor expires at the closing of the Annual General Meeting of shareholders following the election.

8 §  Notice convening a General Meeting of shareholders and the place of General Meetings of shareholders

The notice convening a General Meeting of shareholders must be delivered to the shareholders by publishing the notice on the company’s website or in one or more widely circulated daily newspapers designated by the Board of Directors or otherwise in a verifiable manner no more than three (3) months and no less than three (3) weeks prior to the General Meeting of shareholders, however, in any case, at least nine (9) days prior to the record date of the General Meeting of shareholders referred to in the Companies Act.

In order to participate in the General Meeting of shareholders, a shareholder must register with the company at the latest on the date referred to in the notice convening the meeting, which may be at the earliest ten (10) days prior to the General Meeting of shareholders.

General Meetings of shareholders may be held in Helsinki, Espoo or Vantaa.

9 §  Annual General Meeting of shareholders

At the Annual General Meeting, the following are presented:

1. the financial statements of the company, which also include the consolidated financial statements of the group, and the report of the Board of Directors;

2. the auditor’s reports concerning the company and the group;

resolved:

3. adoption of the financial statements of the company, which also include the approval of the consolidated financial statements of the group;

4. the use of the profit shown on the balance sheet;

5. releasing the members of the Board of Directors and the President from liability;

6. the number of members of the Board of Directors;

7. the remuneration of the chairman, vice chairman and other members of the Board of Directors as well as the auditor;

8. the adoption of the remuneration policy, when necessary;
9. the adoption of the remuneration report;
10. any other matters submitted to the General Meeting by the Board of Directors, auditor or shareholders sufficiently in advance so that the matter can be included in the notice convening the meeting;
11. any other matters specified in the notice convening the meeting;
elected:
12. the chairman, vice chairman and other necessary members of the Board of Directors; and
13. the auditor.

If a vote is held at the company’s Annual or Extraordinary General Meeting of shareholders, the chairman of the General Meeting of shareholders shall determine the voting procedure.
Appendix 2

Description of assets, liabilities and shareholders’ equity and valuation of the Merging Company and the preliminary presentation of the balance sheet of the Receiving Company

The following Receiving Company’s illustrative Merger Balance sheet is based on Valmet’s and Neles’ balance sheets as at December 31, 2020 and illustrates the application of the acquisition method using book values for the recording of the Merger to the Receiving Company’s balance sheet as described in Section 10 of this Merger Plan. Neles’ balance sheet information has been aligned with Valmet’s Accounting principles and presentation format. The final effects of the Merger on the balance sheet of the Receiving Company will be determined according to the balance sheet position and the Finnish Accounting Standards in force as per the Effective Date thus the illustrative balance sheet information presented herein is therefore only indicative and subject to change.

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Receiving Company, Valmet before the Merger (FAS)</th>
<th>Merging Company, Neles before the Merger (FAS)</th>
<th>Transaction(s) after December 31, 2020</th>
<th>Preliminary Merger adjustments</th>
<th>Ref</th>
<th>Receiving Company Merger Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Equity investments</td>
<td>1,863</td>
<td>474</td>
<td>-</td>
<td>-42</td>
<td>2)</td>
<td>2,296</td>
</tr>
<tr>
<td>Non-current receivables</td>
<td>110</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>1,980</td>
<td>475</td>
<td>-</td>
<td>-42</td>
<td>2,414</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Current receivables</td>
<td>373</td>
<td>89</td>
<td>-208</td>
<td>-</td>
<td>255</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>96</td>
<td>102</td>
<td>139</td>
<td>-</td>
<td>337</td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>470</td>
<td>191</td>
<td>-69</td>
<td>-</td>
<td>592</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>2,450</td>
<td>666</td>
<td>-69</td>
<td>-42</td>
<td>3,006</td>
<td></td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>100</td>
<td>51</td>
<td>-</td>
<td>-11</td>
<td>2)</td>
<td>140</td>
</tr>
<tr>
<td>Reserve for invested unrestricted equity</td>
<td>428</td>
<td>39</td>
<td>-</td>
<td>-20</td>
<td>2)</td>
<td>487</td>
</tr>
<tr>
<td>Hedge and other reserves</td>
<td>-3</td>
<td>-</td>
<td>-</td>
<td>-3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>800</td>
<td>324</td>
<td>-168</td>
<td>-290</td>
<td>3)</td>
<td>666</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
<td>-</td>
<td>117</td>
<td>29</td>
<td>3)</td>
<td>146</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,326</td>
<td>414</td>
<td>-51</td>
<td>-253</td>
<td>1,436</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>450</td>
<td>150</td>
<td>-</td>
<td>212</td>
<td>3)</td>
<td>811</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>675</td>
<td>102</td>
<td>-18</td>
<td>-</td>
<td>759</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,125</td>
<td>252</td>
<td>-18</td>
<td>212</td>
<td>1,570</td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>2,450</td>
<td>666</td>
<td>-69</td>
<td>-42</td>
<td>3,006</td>
<td></td>
</tr>
</tbody>
</table>

1) The following transactions, that have taken place since December 31, 2020 and before the date of this Merger Plan, have been adjusted in this preliminary presentation of the balance sheet: 1) the dividend distribution of the Receiving Company and Merging Company of EUR 135 million and EUR 33 million.
respectively for the year ended December 31, 2020 have been deducted from the cash and cash equivalents and retained earnings, 2) the Receiving Company’s share of the Merging Company’s dividend of EUR 10 million for the year ended December 31, 2020 has been included in the profit for the period and cash and cash equivalents, 3) the group contributions received by The Receiving Company and the Merging Company of EUR 187 million and EUR 21 million respectively have been adjusted from the current receivables to cash and cash equivalents, 4) the dividends of EUR 47 million and EUR 60 million received by the Receiving Company and the Merging Company respectively from their subsidiaries have been presented as an increase in profit for the period and cash and cash equivalents and 5) the net loan amortization of EUR 18 million by the Receiving Company in accordance with its loan amortization plan decreases current liabilities and cash and cash equivalents.

2) The equity of the Receiving Company shall be formed in the Merger applying the acquisition method so that the amount corresponding to the 70.43% share of the Merging Company’s net assets shall be recorded to reserve for invested unrestricted equity of the Receiving Company with the exception of the increase of EUR 40 million in share capital as described in Section 9. The merger loss of EUR 415 million has been allocated to the equity investments and the previously held interest of EUR 456 million has been eliminated from the equity investments.

3) The extra distribution of funds of the Merging Company of EUR 2.00 per share altogether EUR 300 million proposed to be distributed prior to the completion of the Merger have been presented as a deduction of the retained earnings and the reserve for invested unrestricted equity and the related contemplated loan draw down of EUR 212 million has been presented as an increase in the non-current liabilities of the Merging Company. The Receiving Company’s portion of the dividend of EUR 89 million has been presented as an increase in the profit for the period. The Receiving Company’s dividend receivable has been netted against the corresponding dividend liability in the Merging Company’s balance sheet as described in Section 10 of this Merger Plan.

The preliminary presentation of the balance sheet does not take into account among others the group contributions and dividend payments other than mentioned above to the Effective Date as well as transaction costs related to the Merger which may have a significant impact on the Receiving Company’s merger balance sheet and the Merging Company’s assets and liabilities prior to the execution of the Merger.