



## **VALMET OYJ'S EXTRAORDINARY GENERAL MEETING 2021**

Wednesday, September 22, 2021 at 2:00 p.m. (Finnish time) at Hall 101 of Messukeskus Helsinki, Messuaukio 1, 00520 Helsinki, Finland.

### **AGENDA**

1. Opening of the meeting
2. Calling the meeting to order
3. Election of the persons to scrutinise the minutes and to verify the counting of the votes
4. Recording the legality of the meeting
5. Recording the attendance at the meeting and adoption of the list of votes
6. Resolution on the merger  
*(see proposals by the Board of Directors, Appendix 1)*
7. Closing of the meeting



**VALMET OYJ'S EXTRAORDINARY GENERAL MEETING 2021  
SEPTEMBER 22, 2021  
APPENDIX 1**

**AGENDA ITEM 6**

**Resolution on the merger**

***Introduction***

Valmet announced on July 2, 2021 the signing of a combination agreement (the "**Combination Agreement**") with Neles Corporation ("**Neles**") and proposed combination of Neles' and Valmet's business operations through a statutory absorption merger of Neles into Valmet pursuant to Chapter 16 of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") whereby all assets and liabilities of Neles are transferred without a liquidation procedure to Valmet (the "**Merger**"). As a consequence of the completion of the Merger, Neles will be dissolved and automatically cease to exist as a separate legal entity. The shareholders of Neles will receive new shares in Valmet as merger consideration in proportion to their shareholding in Neles at the end of the day preceding the execution of the Merger.

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.

Reference is made to the public announcement on the Merger dated July 2, 2021 for further information about its rationale and details.

In order to complete the Merger, the Board of Directors of Valmet proposes that the General Meeting resolves on the statutory absorption merger of Neles into Valmet in accordance with the merger plan approved by the Boards of Directors of Valmet and Neles dated July 2, 2021 and thereafter registered with the trade register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**") on July 9, 2021 (the "**Merger Plan**"), and as part of approval of the Merger, and as further set out below:

- (i) approve the amended Articles of Association of Valmet in the form appended to the Merger Plan;
- (ii) resolve on the issuance of new shares of Valmet as merger consideration to the shareholders of Neles;
- (iii) resolve on the increase of the share capital of Valmet;
- (iv) resolve on the number of the members of the Board of Directors of Valmet;
- (v) resolve on the election of the members of the Board of Directors of Valmet;
- (vi) resolve on the remuneration of the Board of Directors of Valmet; and
- (vii) resolve on the temporary deviation from Charter of Shareholders' Nomination Board.

The Merger as a whole and the resolutions of items (i)-(vii) above are conditional upon and will become effective upon the registration of the execution of the Merger with the Finnish Trade Register. The planned date of registration of the execution of the Merger is January 1, 2022. The planned date of registration of the execution may change as set out in the Merger Plan.

The proposed resolutions form an entirety that requires the adoption of all its individual items (including items (i)-(vii)) by a single resolution. The General Meeting can only approve or reject the proposed resolutions but not amend them.



Shareholders holding in aggregate approximately 16.9 percent of the outstanding shares and votes carried by the outstanding shares in Valmet, including Solidium Oy, Ilmarinen Mutual Pension Insurance Company, Elo Mutual Pension Insurance Company and Varma Mutual Pension Insurance Company, have subject to certain customary conditions irrevocably undertaken to attend the General Meeting and to vote in favor of the Board of Directors' proposals regarding the Merger.

### ***Resolution on the Merger***

Pursuant to the Merger Plan, Neles shall be merged into Valmet through a statutory absorption merger, so that all assets and liabilities of Neles shall be transferred without a liquidation procedure to Valmet in a manner described in more detail in the Merger Plan.

The Board of Directors of Valmet proposes that the General Meeting resolves on the Merger of Neles into Valmet in accordance with the Merger Plan and approves the Merger Plan. In addition to the other matters described in the Merger Plan, the resolution on the Merger includes the following key matters as specified in the Merger Plan:

#### **(i) Amendment of the Articles of Association**

The Board of Directors of Valmet proposes to the General Meeting that the Articles of Association of Valmet be amended in accordance with the Merger Plan, conditionally upon the completion of the Merger, as follows:

- (a) Article 2, which concerns the Company's line of business, shall be amended to better reflect the business of the combined company.
- (b) Article 6, which concerns the Company's accounting period, shall be amended so that the reference to the first accounting period is removed.
- (c) Article 7, which concerns auditing, shall be amended so that the terminology be changed to reflect currently valid legislation.
- (d) Article 8, which concerns the notice convening a general meeting, shall be amended to concern also the place of general meetings of shareholders so that general meetings of shareholders may be held in Helsinki, Espoo or Vantaa.
- (e) Article 9, which concerns the Annual General Meeting of shareholders, shall be amended so that the terminology be changed to reflect currently valid legislation and a clarification be made to the provision concerning the voting procedure.

The amended Articles of Association of Valmet have been appended in their entirety to the Merger Plan.

The amendments will enter into force in connection with the registration of the execution of the Merger.

#### **(ii) Merger consideration**

Pursuant to the Merger Plan, the shareholders of Neles shall receive as merger consideration 0.3277 new shares of Valmet for each share they hold in Neles (the "**Merger Consideration**").

In case the number of shares received by a shareholder of Neles as Merger Consideration (per each individual book-entry account) is a fractional number, the fractions shall be rounded down to the nearest whole number. Fractional entitlements to new shares of Valmet shall be aggregated and sold in public trading on Nasdaq Helsinki Ltd and the proceeds shall be distributed to shareholders of Neles 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 Valmet.

The final total number of shares in Valmet to be issued as Merger Consideration shall be determined on the basis of the number of shares in Neles held by shareholders of Neles, other than Neles itself and Valmet, at the end of the day preceding the execution

of the Merger. Such total number of shares to be issued as Merger Consideration shall be rounded down to the nearest full share.

Based on the number of issued and outstanding shares in Neles on the date of this notice, a total of 34,664,986 new shares in Valmet would be issued to shareholders of Neles as Merger Consideration. This would correspond to approximately 18.8 percent ownership in Valmet for Neles' shareholders and approximately 81.2 percent ownership in Valmet for Valmet's shareholders.

The final total amount of Merger Consideration may be affected by, among others, any change concerning the number of shares issued by and outstanding in Neles or held by Neles as treasury shares, e.g., Neles transferring existing treasury shares in accordance with existing share-based incentive plans, prior to the date of registration of the execution of the Merger with the Finnish Trade Register (the "**Effective Date**").

**(iii) Increase of share capital**

Pursuant to the Merger Plan, it is proposed that the share capital of Valmet shall be increased by EUR 40,000,000, in connection with the registration of the execution of the Merger.

**(iv) Number of members of the Board of Directors**

Pursuant to the Merger Plan, it is proposed that the number of members of the Board of Directors of Valmet, including the Chairman and Vice Chairman of the Board of Directors, shall be eight (8).

**(v) Composition of the Board of Directors**

Pursuant to the Merger Plan, it is proposed that Aaro Cantell, Pekka Kemppainen, Monika Maurer, Eriikka Söderström and Per Lindberg, each a current member of the Board of Directors of Valmet, be conditionally elected to continue to serve on the Board of Directors of Valmet, and that Anu Hämäläinen, a current member of the Board of Directors of Neles, be conditionally elected as a new member of the Board of Directors of Valmet, that Mikael Mäkinen, current Chairman of the Board of Directors of Valmet, be conditionally elected as Chairman of the Board of Directors of Valmet and that Jaakko Eskola, current Chairman of the Board of Directors of Neles, be conditionally elected as Vice Chairman of the Board of Directors of Valmet, each for the term commencing on the Effective Date and expiring at the end of the first Annual General Meeting of Valmet following the Effective Date.

The Board member nominees have given their consent to the election. Information concerning the new Board nominees will be available on Valmet's website at [www.valmet.com/egm](http://www.valmet.com/egm).

The term of the currently serving members of the Board of Directors not conditionally elected to continue in the Board of Directors of Valmet for the term commencing on the Effective Date shall end on the Effective Date.

**(vi) Remuneration of members of the Board of Directors**

Pursuant to the Merger Plan, it is proposed that in line with the resolutions on Board remuneration made by the Annual General Meeting of Valmet held on March 23, 2021, the members of the Board of Directors of Valmet to be conditionally elected for the term commencing on the Effective Date and expiring at the end of the first Annual General Meeting of Valmet following the Effective Date be paid annual fees as follows:

- EUR 118,000 for the Chairman of the Board;
- EUR 70,000 for the Vice Chairman of the Board; and
- EUR 56,000 for a Board member.

Pursuant to the Merger Plan, it is further proposed that in line with the resolutions of the Annual General Meeting of Valmet held on March 23, 2021, a base fee of EUR 7,000



shall be paid for each member of the Audit Committee, EUR 14,000 for the Chairman of the Audit Committee, EUR 4,000 for each member of the Remuneration and HR Committee, and EUR 6,000 for the Chairman of the Remuneration and HR Committee.

In addition, it is proposed that in line with the resolutions of the Annual General Meeting of Valmet held on March 23, 2021, the new members of the Board of Directors be paid a meeting fee of EUR 750 per meeting in addition to the fixed annual fee for those members whose place of residence is in Nordic countries, EUR 1,500 for those members whose place of residence is elsewhere in Europe and EUR 3,000 for those members whose place of residence is outside of Europe for the Board meetings attended, including the meetings of the committees of the Board of Directors.

For meetings in which a Board member participates via remote connection, including the meetings of the committees of the Board of Directors, it is proposed that a meeting fee of EUR 750 shall be paid to Board members. It is further proposed that a meeting fee of EUR 1,500 shall be paid to Board members for a Board travel meeting.

The annual remuneration of the new Board members elected hereunder shall be paid in proportion to the length of their term in office.

Otherwise, the resolutions on Board remuneration made by the Annual General Meeting of Valmet held on March 23, 2021 shall remain in force unaffected.

**(vii) Temporary deviation from Charter of Shareholders' Nomination Board**

Pursuant to the Merger Plan, it is proposed that a temporary deviation is made from the Charter of 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 Valmet 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 Valmet.