



## **PROPOSAL OF THE BOARD OF DIRECTORS ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND**

The Board of Directors proposes that a dividend of EUR 0,42 per share be paid based on the balance sheet to be adopted for the financial year which ended December 31, 2016 and the remaining part of profit be retained and carried further in the Company's unrestricted equity.

The dividend shall be paid to shareholders who on the dividend record date 27 March 2017 are registered in the Company's shareholders' register held by Euroclear Finland Ltd. The dividend shall be paid on April 6, 2017.

In Espoo, 8 February 2017

VALMET OYJ

Board of Directors

## NOMINATION BOARD PROPOSAL

Proposal on the composition of Board of Directors

The Nomination Board of Valmet proposes to the next Annual General Meeting, which is planned to be held on March 23, 2017, that the number of members of the Board of Directors until closing of the Annual General Meeting 2018 will be seven and that

- Bo Risberg, Lone Fønss Schrøder, Rogerio Ziviani, Aaro Cantell, Jouko Karvinen and Tarja Tyni are re-elected as Board members,
- Eriikka Söderström is elected as a new Board member.

The Nomination Board proposes that Bo Risberg is re-elected as the Chairman of the Board and Jouko Karvinen is elected as the Vice-Chairman of the Board.

Mikael von Frenckell and Friederike Helfer, members of the Board of Directors of Valmet, have informed Valmet's Nomination Board that they will not be available in the election of the Board of Directors in the next Annual General Meeting.

The Nomination Board notes, that a personnel representative will participate as an invited expert in Board meetings within the limitations imposed by the Finnish law. The new Board of Directors will invite the personnel representative as its external expert in its organizing meeting after the Annual General Meeting.

Proposal on Board of Directors' remuneration

The Nomination Board proposes to the Annual General Meeting that the annual remuneration payable to the members of the Board of Directors to be elected at the Annual General Meeting for the term until the close of the Annual General Meeting in 2018 be as follows:

- EUR 100,000 for the Chairman of the Board,
- EUR 60,000 for the Vice Chairman of the Board,
- EUR 48,000 for each Board member.

Furthermore, the Nomination Board proposes that 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, the Nomination Board proposes that a meeting fee in the amount of EUR 700 shall be paid for those members whose place of residence is in Nordic countries, EUR 1,400 for those members whose place of residence is elsewhere in Europe and EUR 2,800 for those members whose place of residence is outside of Europe for the Board meeting attended, including the meetings of the committees of the Board of Directors.

The Nomination Board proposes to the Annual General Meeting that as a condition for the annual remuneration the members of the Board of Directors are obliged, directly based on the Annual General Meeting's decision, to use 40 percent of the fixed annual remuneration for purchasing Valmet shares from the market at a price formed in trading at Nasdaq Helsinki's stock exchange list and that the purchase will be carried out within two weeks from the publication of the Interim Review for the period January 1, 2017 to March 31, 2017.



## **PROPOSAL OF THE BOARD DIRECTORS ON EXTERNAL AUDITOR AND REMUNERATION**

Based on the proposal of the Audit Committee, the Board of Directors proposes that PricewaterhouseCoopers Oy, authorised public accountants, be elected Auditor of the Company. PricewaterhouseCoopers Oy has stated that Mr Jouko Malinen, APA, will act as responsible auditor.

Based on the proposal of the Audit Committee, the Board of Directors proposes that the remuneration to the Auditor be paid in accordance with the Auditor's invoice and the principles approved by the Audit Committee.

In Espoo, 8 February 2017

VALMET OYJ

Board of Directors



## **PROPOSAL OF THE BOARD OF DIRECTORS TO AUTHORISE THE BOARD OF DIRECTORS TO RESOLVE ON REPURCHASING VALMET OYJ'S SHARES**

The Board of Directors proposes that it be authorised to decide on the repurchase of company's shares in one or several tranches.

The maximum number of shares to be repurchased shall be 10,000,000 shares, which corresponds to approximately 6.7 percent of all the shares in the Company. Company's own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). Company's own shares may be repurchased using the unrestricted equity of the Company at a price formed on the regulated market on the main list of the Helsinki Stock Exchange on the date of the repurchase.

Company's own shares may be repurchased for reasons of developing the Company's capital structure, financing or carrying out acquisitions, investments or other business transactions, or for the shares to be used in an incentive scheme.

The Board of Directors resolves on all other terms related to the repurchasing of company's own shares.

The authorisation shall remain in force until the next Annual General Meeting, and it cancels the authorisation granted in the Annual General Meeting of 22 March 2016 related to the repurchasing of company's own shares.

In Espoo, 8 February 2017

VALMET OYJ

Board of Directors



## **PROPOSAL OF THE BOARD OF DIRECTORS ON AUTHORIZING THE BOARD OF DIRECTORS TO RESOLVE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

The Board of Directors proposes that it be authorised to decide on the issuance of shares as well as the issuance of special rights entitling to shares pursuant to Chapter 10(1) of the Finnish Limited Liability Companies Act in one or several tranches. The issuance of shares may be carried out by offering new shares or by transferring treasury shares held by Valmet Oyj. Based on this authorisation, the Board of Directors may decide on a directed share issue in deviation from the shareholders' pre-emptive rights and on the granting of special rights subject to the conditions mentioned in the Finnish Limited Liability Companies Act.

The maximum number of new shares which may be issued by the Board of Directors based on this authorization shall be 15,000,000 shares, which corresponds to approximately 10% of all the shares in Valmet Oyj. The maximum number of treasury shares which may be issued shall be 10,000,000 shares, which corresponds to approximately 6.7% of all the shares in the Company.

The Board of Directors is furthermore authorised to issue special rights pursuant to Chapter 10(1) of the Finnish Limited Liability Companies Act entitling their holder to receive new shares or treasury shares for consideration. The maximum number of shares which may be issued based on the special rights shall be 15,000,000 shares, which corresponds to approximately 10% of all the shares in Company. This number of shares shall be included in the aggregate numbers of shares mentioned in the previous paragraph.

The new shares and treasury shares may be issued for consideration or without consideration.

The Board of Directors of Valmet Oyj shall also be authorised to resolve on issuing treasury shares to the Company without consideration. The maximum number of shares which may be issued to Valmet Oyj shall be 10,000,000 shares when combined with the number of shares repurchased based on an authorisation. Such number corresponds to approximately 6.7% of all shares in the Company. The treasury shares issued to the Company shall not be taken into account in the limits pursuant to the preceding paragraphs.

The Board of Directors may resolve on all other terms of the issuance of shares and special rights entitling to shares pursuant to Chapter 10(1) of the Finnish Limited Liability Companies Act. The Company may use this authorisation, for example, for reasons of developing the Company's capital structure, in financing or carrying out acquisitions, investments or other business transactions, or for the shares to be used in incentive schemes.

The authorisation shall remain in force until the next Annual General Meeting, and it cancels the authorisation granted in the Annual General Meeting of 22 March 2016 to decide on the issuance of shares as well as the issuance of special rights entitling to shares.

In Espoo, 8 February 2017

VALMET OYJ

Board of Directors