

Business ID 0116300-4

4 May 2017

Ordinary meeting of the Representative Council of Metsäliitto Cooperative

Time Thursday 4 May 2017, at 3:00 p.m.

Venue Metsätapiola, Revontulenpuisto 2 C, Espoo, Finland

Present

Anttila, Juha	Nevavuori, Jari
Haikkonen, Aila	Niemelä, Henry
Hanhimäki, Jorma	Nybacka, Mika
Hiekka, Matti	Nylund, Mats
Hiltunen, Martti	Oinas-Panuma, Eero
Häppölä, Heikki	Orjala, Jari
Härkönen, Matti J	Pietilä, Juho
Isomuotia, Harri	Purhonen, Petri
Jänkälä, Aarne	Pylkkänen, Ari
Kallio, Maarit	Raininko, Tuomo
Kankaanpää, Antti	Rautiola, Antti
Karhunen, Asko	Ruusuvirta, Jukka
Ketola, Jyrki	Savolainen, Jyrki
Kivenmäki, Ari	Sipola, Atso
Kiviranta, Esko	Sirviö, Antti
Koistinen, Pertti	Soronen, Mauno
Kontinen, Kati	Säynätjoki, Ilkka
Koskinen, Jaakko	Tasanen, Terho
Kurtti, Aulis	Tikka, Antti-Lassi
Laitinen, Markku	Tolvanen, Matti
Lauttia, Petri	Tuominen, Pasi
Lillandt, Anders	Uotila, Kirsi
Lunttila, Tommi	Uusitalo, Ilkka
Långgård, Tomas	Vanhatalo, Tuula
Minkkinen, Timo	Virnala, Jukka
Moilanen, Heli	Wasberg, Johan
Morri, Tiina	Ylimartimo, Aatto
Mäntylä, Arto	Ylä-Outinen, Päivi

Absent

Könönen Katri
Pekonen, Kari
Savola, Mikko
Tyskas, Kim

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Also present Members of the Supervisory Board and the Board of Directors of Metsäliitto Cooperative, the President and Chief Executive Officer of Metsä Group, and officers of Metsä Group.

Matters under consideration

- 1 Opening the meeting
- 2 Electing chairperson and secretary
- 3 Electing examiners of the minutes and vote counters
- 4 Legitimacy and quorum
- 5 Status reports
- 6 Financial statements 2016
 - 6.1 Financial statements of Metsäliitto Cooperative (income statement, balance sheet and Board of Director's report)
 - 6.2 Consolidated financial statements of Metsä Group
 - 6.3 Report of the Supervisory Board
 - 6.4 Auditor's report
- 7 Confirming the income statement and balance sheet, as well as confirming the consolidated income statement and balance sheet
- 8 Using the surplus and confirming payment date
 - 8.1 Paying interest on members' capital
- 9 Granting indemnity to the members of the Board of Directors, the members of the Supervisory Board and the CEO
- 10 Fees of the representatives and compensation for travel expenses
- 11 Fees of the chairperson of the Supervisory Board, the vice chairperson of the Supervisory Board, members of the Supervisory Board and the auditor
- 12 Number of members in the Supervisory Board and their election
- 13 Electing the Auditor
- 14 Amending the rules of Metsäliitto Cooperative
- 15 Other issues
- 16 Closing the meeting

1 Opening the meeting

The chairperson of the Supervisory Board, Mr Hannu Järvinen, addressed the representatives and welcomed them and the other participants to the 2017 ordinary meeting of the Representative Council.

In its meeting of 4 May 2017, the Supervisory Board of Metsäliitto Cooperative appointed Mr Ilkka Hämälä, M.Sc. (Eng.), Metsä Fibre's current CEO, as the CEO of Metsäliitto Cooperative as of 1 January 2018 and, in addition to the task of CEO, as the President and Chief Executive Officer of Metsä Group as of 1 April 2018. Mr Kari Jordan,

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President and Chief Executive Officer, will continue in his position until 31 March 2018.

2 Electing chairperson and secretary

Mr Jyrki Ketola was *elected* as the chairperson of the meeting.

He *invited* Mr Miika Arola, LL.M., General Counsel of Metsä Group, to act as the secretary.

3 Electing examiners of the minutes and vote counters

Mr Martti Hiltunen and Mr Heikki Häppölä were *elected* as the examiners of the minutes. They were to also act as the vote counters, if necessary.

4 Legitimacy and quorum

According to Clause 21 of the rules, an invitation to a meeting must be sent to each representative at the earliest two months and at the latest seven days prior to the meeting.

An invitation to the meeting was sent by regular mail to all the representatives on 30 March 2017 or 35 days prior to the meeting, and the invitation was also published in the newspapers *Helsingin Sanomat*, *Maaseudun Tulevaisuus* and *Landsbygdens Folk*.

After having completed a roll call, the secretary established that 56 members of the Representative Council were present at the meeting.

The chairperson stated that the meeting was lawfully summoned and had a quorum.

5 Status reports

Mr Kari Jordan, the President and Chief Executive Officer of Metsä Group, presented the Q1 result of the Group and the prospects of the business areas ([Appendix 1.1](#)).

Mr Juha Mäntylä, EVP, Wood Supply, presented a status report about wood supply ([Appendix 1.2](#)).

The meeting took note of the reports and discussions.

6 Financial statements 2016

6.1 – 6.2 Financial statements of Metsäliitto Cooperative and consolidated financial statements of Metsä Group

It was noted that the representatives had received the 2016 financial statements of Metsä Group, including the financial statements of Metsäliitto Cooperative and the consolidated financial statements of the entire Metsä Group, prior to the meeting.

Mr Vesa-Pekka Takala, CFO of Metsä Group, presented the 2016 financial statements of the Group and the parent company (Appendix 2). The meeting took note of the presentation.

Mr Mikael Silvennoinen, chairperson of the audit committee of the Board of Directors, presented the operations of the audit committee and the focus areas of the committee.

6.3 Report of the Supervisory Board

The secretary read a report by the Supervisory Board, dated 22 March 2017, on the financial statements (Appendix 3). According to the report, the Supervisory Board agrees with the proposal of the Board of Directors on the use of the result shown on the balance sheet.

6.4 Auditor's report

Ms Raija-Leena Hankonen, Auditor, read the auditor's report, dated 14 February 2017 (Appendix 4).

According to the auditor's report, the consolidated financial statements present a true and fair view of the Group's financial situation and the results of its operations and cash flow in accordance with the International Financial Reporting Standards (IFRS) adopted in the EU, and the financial statements present a true and fair view of the parent cooperative's operating results and financial situation in accordance with the regulations concerning the preparation of financial statements valid in Finland, and they meet the statutory requirements.

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The auditor is in favour of confirming the financial statements and the consolidated financial statements and granting indemnity to the members of the cooperative's Supervisory Board and Board of Directors and the CEO for the 2016 accounting period.

7 Confirming the income statement and balance sheet, as well as confirming the consolidated income statement and balance sheet

The Representative Council *confirmed* the financial statements of Metsäliitto Cooperative and the consolidated financial statements of Metsä Group for the 2016 accounting period ([Appendix 5](#)).

8 Using the surplus and confirming payment date

The Representative Council *accepted* the proposal of the Board of Directors on how to use the surplus on the balance sheet and *decided* that interest on members' capital will be paid, according to Clause 14 of the rules, for the 2016 accounting period as follows:

- 6.0% for regular participation shares (EUR 12,355,213.46)
- 5.5% for additional A participation shares (EUR 35,224,652.05)
- 2.5% for additional B participation shares (EUR 3,960,890.32)

or a total of EUR 51,540,755.83.

8.1 Paying interest on members' capital

The payment date for the interest on members' capital whose participation shares have been fully paid was *confirmed* as 11 May 2017. In the case of other members, the interest on members' capital will be primarily used to pay for their basic participation shares and only secondarily be paid to the member.

9 Granting indemnity to the members of the Board of Directors, the members of the Supervisory Board and the CEO

The Representative Council *granted* indemnity to the members of the Metsäliitto Cooperative Board of Directors, the Metsäliitto Cooperative Supervisory Board and the CEO for the 2016 accounting period.

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10 Fees of the representatives and compensation for travel expenses

It was noted that the attendance fee for representatives, ratified by the meeting of the Representative Council on 3 May 2016, is EUR 700 per meeting.

The Representative Council *decided* that the attendance fee will remain the same, i.e. EUR 700 per meeting, until the 2018 ordinary meeting of the Representative Council.

Furthermore, the Representative Council *decided* that travel expenses and daily allowances are to be paid in accordance with the currently valid travel policy of Metsäliitto Cooperative, and the fee for meetings of district committees is EUR 350 per meeting.

11 Fees of the chairperson of the Supervisory Board, the vice chairperson of the Supervisory Board, members of the Supervisory Board and the auditor

Mr Arola presented the issue ([Appendix 6](#)).

The Representative Council *approved* the fees for the members of the Supervisory Board until the 2018 ordinary meeting of the Representative Council as follows:

- Chairperson of the Supervisory Board EUR 3,900 per month
- Vice chairperson of the Supervisory Board EUR 1,700 per month
- Attendance fee for members of the Supervisory Board EUR 700 per meeting (the attendance fee is also paid for meetings of the nomination committee and meetings of any other committees)

Travel expenses and daily allowances *are to be paid* in accordance with the currently valid travel policy of Metsäliitto Cooperative, and the fee for meetings of district committees is EUR 350 per meeting.

It was *approved* that the auditor is to be paid for work done against an invoice.

12 Number of members in the Supervisory Board and their election

Mr Juha Jumppanen, SVP, Member Services, presented the number of the cooperative's members by region in relation to the seats in the

Supervisory Board (Appendix 7). The meeting took note of the presentation.

The number of members in the Supervisory Board was *ratified* as 30. In addition, the Supervisory Board includes four (4) representatives of employees.

The Representative Council *re-elected* the following outgoing members of the Supervisory Board:

Johan Björkenheim
Teuvo Hatva
Ville Hirvonen
Antti Isotalo
Risto Junttila
Airi Kulmala
Juha Paajanen
Anders Wasström

The term of the above-mentioned elected members of the Supervisory Board is until the end of the 2020 ordinary meeting of the Representative Council, unless otherwise determined by the age clause in the rules.

To replace Mr Hans-Erik Lindqvist, who retired from the Supervisory Board, the Representative Council elected Mr Anders Lillandt as a new member of the Supervisory Board. Mr Lillandt's term lasts until the end of the 2020 ordinary meeting of the Representative Council.

To replace Mr Eero Ekman, who retired from the Supervisory Board pursuant to the age clause, the Representative Council *elected* Mr Ilkka Uusitalo as a new member of the Supervisory Board. Mr Uusitalo's term lasts until the end of the 2020 ordinary meeting of the Representative Council.

To replace Mr Jussi Linnaranta, elected as a member of the Board of Directors as of 1 January 2017, the Representative Council *elect-ed* – for the remainder of the term – Mr Jyrki Savolainen as a new member of the Supervisory Board. Mr Savolainen's term lasts until the end of the 2019 ordinary meeting of the Representative Council.

To replace Mr Hannu Järvinen, who retired from the Supervisory Board, the Representative Council *elected* – for the remainder of the term – Mr Petri Lauttia as a new member of the Supervisory Board. Mr Lauttia's term lasts until the end of the 2018 ordinary meeting of the Representative Council.

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13 Electing the Auditor

KPMG Oy Ab, authorised public accountants, was *chosen* as the principal auditor for the 2017 accounting period. Ms Raija-Leena Hankonen, Authorised Public Accountant, was named as the auditor in charge.

14 Amending the rules of Metsäliitto Cooperative

Mr Arola presented the issue. It was proposed that Clause 26 of the rules be amended in accordance with Appendix 8.

The meeting took note of the discussion on the proposed amendment to the rules.

In the vote conducted at the meeting, 35 members of the Representative Council were in favour of the approval of the amendment to the rules and 19 members were against it. It was noted that the proposed amendment to the rules failed to get the two thirds majority of votes required by the rules, and the proposed amendment was therefore rejected.

The meeting took note of the proposal made by Mr Pasi Tuominen and Mr Aatto Ylimartimo, members of the Representative Council, that the age limit of 65 pursuant to Clause 23 and Clause 26 be increased to 68. The proposed amendment to the rules will be discussed at the next meeting of the Representative Council.

15 Other issues

Mr Juha Paajanen, vice chairperson of the Supervisory Board, thanked, on behalf of the Board, chairperson Hannu Järvinen, who is to retire from the Supervisory Board, for his long-term work for the cooperative.

16 Next meeting and closing the meeting

The next meeting of the Representative Council will be held on a date to be announced later.

When all business was concluded, the chairperson closed the meeting at 6:15 p.m.

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In witness thereof

Jyrki Ketola
Chairperson

Secretary Miika Arola

Martti Hiltunen
Examiner

Examiner Heikki Häppölä