

Business ID 0116300-4

26 April 2019

Ordinary meeting of the Representative Council of Metsäliitto Cooperative

Time Friday 26 April 2019 at 3 pm

Venue Metsätapiola, Revontulenpuisto 2 C, Espoo, Finland

Present

Anttila, Juha	Mäntylä, Arto
Haikkonen, Aila	Nevavuori, Jari
Halkilahti, Jaakko	Niemelä, Henry
Hanhimäki, Jorma	Nybacka, Mika
Hiekka, Matti	Nylund, Mats
Hiltunen, Martti	Oinas-Panuma, Eero
Häppölä, Heikki	Orjala, Jari
Härkönen, Matti J,	Panttila, Teppo
Isomuotia, Harri	Pekonen, Kari
Jänkälä, Aarne	Purhonen, Petri
Kallio, Maarit	Pylkkänen, Ari
Kankaanpää, Antti	Raininko, Tuomo
Karhunen, Asko	Ruusuvirta, Jukka
Karjalainen, Esa	Saviniemi, Timo
Ketola, Jyrki	Sipola, Atso
Kivenmäki, Ari	Sirviö, Antti
Kiviranta, Esko	Soronen, Mauno
Koistinen, Pertti	Säynätjoki, Ilkka
Koskinen, Jaakko	Tolvanen, Matti
Könönen, Katri	Tuominen, Pasi
Laitinen, Markku	Tyskas, Kim
Lunttila, Tommi	Törmikoski, Jari
Långgård, Tomas	Uotila, Kirsi
Minkkinen, Timo	Wasberg, Johan
Moilanen, Heli	Ylä-Outinen, Päivi
Morri, Tiina	Ylönen, Reino

Absent

Kurtti, Aulis
Pietilä, Juho
Savola, Mikko
Tasanen, Terho
Tikka, Antti-Lassi
Vanhatalo, Tuula
Vidlund, Mikael
Ylimartimo, Aatto

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Also present Members of the Supervisory Board and the Board of Directors of Metsäliitto Cooperative, the President and CEO of Metsä Group, officers of Metsä Group and the Group's auditors.

Matters on the agenda

- 1 Opening the meeting
- 2 Electing Chair and Secretary
- 3 Electing examiners of the minutes and vote counters
- 4 Legitimacy and quorum
- 5 Status reports
- 6 Financial statements 2018
 - 6.1 Financial statements of Metsäliitto Cooperative (income statement, balance sheet and Board of Directors' report)
 - 6.2 Consolidated financial statements of Metsä Group
 - 6.3 Report of the Supervisory Board
 - 6.4 Auditor's report
- 7 Adoption of the income statement and balance sheet. as well as the consolidated income statement and consolidated 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 Chair of the Supervisory Board, the Vice Chair of the Supervisory Board, members of the Supervisory Board and the auditor
- 12 Number of members on the Supervisory Board and their election
- 13 Electing the auditor
- 14 Amending the rules of Metsäliitto Cooperative
- 15 Other matters
- 16 Closing the meeting

1 Opening the meeting

The Chair of the Supervisory Board, Mr Juha Paajanen, addressed the representatives ([Appendix 1](#)) and welcomed them and the other participants to the 2019 ordinary meeting of the Representative Council.

2 Electing Chair and Secretary

Ms Päivi Ylä-Outinen was *elected* as Chair of the meeting.

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

3 Electing examiners of the minutes and vote counters

Mr Aarne Jänkälä and Ms Maarit Kallio were *elected* as examiners of the minutes and as vote counters.

4 Legitimacy and quorum

According to Clause 21 of the rules, an invitation to a meeting must be sent to each representative at no earlier than two months and no later than seven days prior to the meeting.

An invitation to the meeting was sent by regular mail to all the representatives on 21 March 2019, or 36 days prior to the meeting, and the invitation was also published in the following newspapers: *Helsingin Sanomat*, *Maaseudun Tulevaisuus* and *Landsbygdens Folk*.

After having completed a roll call, the secretary established that 52 members of the Representative Council were present at the meeting.

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

5 Status reports

Mr Ilkka Härmälä, President and CEO of Metsä Group, presented the Group's investment project plans and a review of the Group's result for the first quarter of 2019 (Appendix 2.1).

Mr Juha Mäntylä, COO of Metsäliitto Cooperative, presented a status report on wood supply and forest management services (Appendix 2.2).

The meeting took note of the presentations.

6 Financial statements for 2018

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

Mr Vesa-Pekka Takala, the Group's CFO, presented Metsä Group's

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and Metsäliitto Cooperative's financial statements for 2018 (Appendix 3).

6.3 Report of the Supervisory Board

Secretary Arola read a report by the Supervisory Board, dated 20 March 2019, on the financial statements (Appendix 4). 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 13 February 2019 (Appendix 5).

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. The information in the Board of Directors' report and the financial statements is consistent, and the Board of Directors' report has been prepared in accordance with the applicable rules.

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 2018 financial year. In addition, according to the auditor's statement, the Board of Directors' proposal on the use of the surplus shown on the balance sheet complies with the Cooperatives Act.

Ms Hankonen, who will resign as the principal auditor, thanked the Representative Council, administration and the Group's management for good cooperation.

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7 Adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet

The Representative Council *confirmed* the financial statements of Metsäliitto Cooperative and the consolidated financial statements of Metsä Group for the 2018 financial year ([Appendix 6](#)).

8 Using the surplus and confirming payment date

The Representative Council *accepted* the proposal of the Board of Directors on the use of the surplus on the balance sheet in such a way that interest on members' capital will be paid, according to Clause 14 of the rules, for the 2018 accounting period as follows:

- 7.5 per cent for regular participation shares (EUR 15,977,949.89)
- 7 per cent for additional A participation shares (EUR 54,088,150.71)
- 2.5 per cent for additional B participation shares (EUR 4,049,483.49),

i.e. a total of EUR 74,115,584.09, and that EUR 250,000,000 will be transferred to the invested unrestricted equity reserve.

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 24 May 2019. 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 2018 financial year.

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 2018, is EUR 700 per meeting.

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Mr Mats Nylund, who will retire from the Representative Council after the current term of office, proposed that the attendance fee be raised to EUR 800 per meeting. His proposal was supported.

The Representative Council *decided* that its members' attendance fee will be EUR 800 per meeting until the 2020 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 current travel policy of Metsäliitto Cooperative, and the fee for meetings of district committees is EUR 400 per meeting.

11 Fees of the Chair of the Supervisory Board, the Vice Chair of the Supervisory Board, members of the Supervisory Board and the auditor

Mr Arola presented the matter ([Appendix 7](#)).

Mr Nylund, member of the Representative Council, proposed that the attendance fee for the members of the Supervisory Board be raised to EUR 800 per meeting, in line with the new attendance fee for the members of the Representative Council. His proposal was supported.

The Representative Council *approved* the fees for the members of the Supervisory Board until the 2020 ordinary meeting of the Representative Council as follows:

- Chair of the Supervisory Board EUR 4,100 per month
- Vice Chair of the Supervisory Board EUR 1,800 per month
- Attendance fee for members of the Supervisory Board EUR 800 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 current travel policy of Metsäliitto Cooperative, and the fee for meetings of district committees is EUR 400 per meeting.

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

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12 Number of members on the Supervisory Board and their election

Mr Tomi Salo, SVP, Member Services, presented the number of the cooperative's members by region in relation to the seats in the Supervisory Board (Appendix 8). 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:

Antti Jääärni
Petri Kuutti
Jari Laineenoja
Jukka Lappalainen
Antti-Jussi Mikkola
Jyrki Savolainen
Jukka Vanhatalo

The term of office for the above members of the Supervisory Board elected lasts until the end of the 2022 ordinary meeting of the Representative Council.

To replace Mr Timo Kässi, who retired from the Supervisory Board, the Representative Council *elected* Mr Timo Minkkinen as a new member of the Supervisory Board.

To replace Mr Mårten Malmström, who retired from the Supervisory Board, the Representative Council elected Mr Jyrki Ketola as a new member of the Supervisory Board.

To replace Mr Mikko Tolonen, who retired from the Supervisory Board, the Representative Council elected Mr Keijo Mulari as a new member of the Supervisory Board.

The term in office of Ketola, Minkkinen and Mulari lasts until the end of the 2022 ordinary meeting of the Representative Council.

13 Electing the Auditor

KPMG Oy Ab, authorised public accountants, was *elected* as the principal auditor for the 2019 financial year. Ms Kirsi Jantunen, Authorised Public Accountant, was named as the principal auditor.

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Jantunen introduced herself to the Representative Council.

14 Amending the rules of Metsäliitto Cooperative

Mr Arola presented the proposal of the Board of Directors and Supervisory Board of Metsäliitto on amending section 6 of the cooperative's rules as follows: the cooperative may hold no more than 1,500,000,000 additional A participation shares (Appendix 9.1).

The Representative Council unanimously approved that the cooperative's rules be amended in accordance with Appendix 9.1.

The amended section 6 of the cooperative's rules, which was approved by the Representative Council, was included in the minutes as Appendix 9.2.

15 Other matters

At the end of his term of office as a member of the Representative Council, Mr Pasi Tuominen expressed his thanks to the Representative Council, the Supervisory Board and the Group's management.

Closing the meeting

The Chair closed the meeting at 5.35 pm.

In witness thereof

Päivi Ylä-Outinen
Chairperson

Miika Arola
Secretary

Aarne Jänkälä
Examiner

Maarit Kallio
Examiner