

## Annual General Meeting of Neles Corporation

**Time:** March 26, 2021 at 2.00 p.m. (EET)

**Place:** Neles Corporation's headquarters at Vanha Porvoontie 229, 01380 Vantaa

**Present:** The Board of Directors of Neles has, by virtue of Section 2, Subsection 2 of the temporary legislative act to limit the spread of the Covid-19 pandemic (677/2020, "Temporary Act"), resolved that the company's shareholders and their proxy representatives may participate in the meeting and exercise shareholder rights only through voting in advance as well as by making counterproposals and asking questions in advance.

The shareholders set out in the list of votes ([Appendix 1](#)) adopted at the meeting were represented at the meeting.

Present at the meeting were Chair of the Annual General Meeting, Seppo Kymäläinen, and the person to confirm the minutes and to verify the counting of votes Elisa Erkkilä.

In addition, the responsible auditor appointed by the company's audit firm Toni Halonen and the representative of the company's annual general meeting registration and voting service provider Euroclear Finland Oy, Paula Määttä, were present via remote connection.

### 1 §

#### OPENING OF THE MEETING

The meeting was opened by Seppo Kymäläinen, the Chair of the Annual General Meeting nominated by the Board of Directors in the notice to the meeting. It was noted that the greeting of the Chair of the Board of Directors of the company to the shareholders has been available on the company's website.

### 2 §

#### CALLING THE MEETING TO ORDER

Seppo Kymäläinen, attorney-at-law, acted as the Chair of the Annual General Meeting in accordance with the notice to the Annual General Meeting, and also kept the minutes for the meeting.

It was recorded that the Shareholder's Nomination Board's proposals for resolutions on the matters on the agenda of the Annual General Meeting were published by a stock exchange release on December 22, 2020, as well as on the company's website, and proposals of the Board of Directors on the resolutions on the matters on the agenda of the Annual General Meeting were published by a stock exchange release on February 3, 2021, as well as on the company's website.

The Chair noted that in order to safeguard the health and safety of the company's shareholders, personnel and other stakeholders, the company has resolved to arrange the General Meeting in accordance with Section 2, Subsection 2 of the Temporary Act so that the company's shareholders and their proxy representatives may participate in the meeting and exercise shareholder rights only through voting in advance as well as by making counterproposals and asking questions in advance.

It was recorded that by the deadline on March 8, 2021 at 12.00 noon (EET) no counterproposals by shareholders were made. Shareholders have had the right to ask questions referred to in Chapter 5, Section 25 of the Companies Act by March 12, 2021 at 4.00 p.m. (EET) and such questions have been answered on the company's website by March 17, 2021 at 4.00 p.m. (EET).

As participation in the Annual General Meeting has been possible only in advance, all agenda items have been subject to voting. The Chair noted in addition that it has been possible to oppose the proposals in all agenda items without making a counterproposal in accordance with the Temporary Act. Further, the Chair noted that shareholders have had the right to demand minority dividend in agenda item 8. A summary of the votes cast in the advance voting conducted by Euroclear Finland Ltd and voting results were attached to the minutes ([Appendix 2](#)).

The Chair further noted that a shareholder may have refrained from providing a proper voting instruction in each particular agenda item, in which case such shareholder has not been recorded to have been represented at the Annual General Meeting in that specific agenda item. Therefore, the number of shareholders and shares being represented in each agenda item is not the same.

It was recorded that in addition to the Companies Act and the Temporary Act, as well as the government bill thereto, company practice and recommendations of the Advisory Board of Finnish Listed Companies were adhered to in terms of the meeting arrangements. It was recorded that to the company's or Euroclear Finland Ltd's knowledge no technical or other issues or uncertainties had arisen regarding the advance voting or meeting arrangements in general, and that the shareholders' right to participate and the validity of counting of the votes had been able to be clarified in a manner equivalent to the processes adhered to in a normal general meeting.

### **3 §**

#### **ELECTION OF PERSON TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES**

Elisa Erkkilä, the General Counsel of the company, acted as the person to scrutinize the minutes and to verify the counting of votes in accordance with the notice to the Annual General Meeting.

### **4 §**

#### **RECORDING THE LEGALITY OF THE MEETING**

It was recorded that the notice to the meeting had been published on the company's website and as a stock exchange release on March 3, 2021.

It was noted that no considerations had been presented to the company regarding the legality of the meeting in the procedure concerning the Annual General Meeting.

It was recorded that the Annual General Meeting had been convened in accordance with the articles of association, the Companies Act and the Temporary Act and that the meeting therefore constituted a quorum.

The notice to the meeting, including the proposals by the Board of Directors and the Shareholders' Nomination Board, was attached to the minutes ([Appendix 3](#)).

**5 §**

**RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES**

A list recording the shareholders who had voted in advance either in person or by proxy, and who had the right to participate in the General Meeting pursuant to Chapter 5, Sections 6 and 6 a of the Finnish Companies Act, was presented. It was recorded that 472 shareholders, representing 94,595,900 shares and votes in total, had participated in the advance voting.

The attendance status and list of votes was attached to the minutes ([Appendix 1](#)).

**6 §**

**PRESENTATION OF THE FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2020**

It was noted that as participation in the Annual General Meeting has been possible only in advance, the company's annual report, which the company had published on March 3, 2021, including the financial statements, the consolidated financial statements, the report of the Board of Directors and the auditor's report, and which is available on the company's website, is deemed to have been presented to the Annual General Meeting.

The annual accounts were attached to the minutes ([Appendix 4](#)).

Toni Halonen, the company's auditor with principal responsibility for the financial year 2020, confirmed the content of the auditor's report.

The auditor's report was attached to the minutes ([Appendix 5](#)).

It was further noted that a video recording of the review of President and CEO Olli Isotalo has been available on the company's website.

**7 §**

**ADOPTION OF THE FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS**

It was recorded that 94,520,633 shares and votes, representing approximately 62.87 percent of all shares and votes in the company, participated in the voting. For the adoption of the financial statements 94,520,633 votes were cast, representing 100.00 percent of the

total votes cast. No votes were cast against the adoption of the financial statements. 70,877 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting results, the Annual General Meeting adopted the financial statements and the consolidated financial statements for the financial year 1 January 2020 – 31 December 2020.

**8 §**

**RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND**

It was recorded that the company's distributable funds on December 31, 2020 totaled approximately EUR 362.9 million.

It was recorded that the Board of Directors had proposed to the Annual General Meeting that a dividend of EUR 0.18 per share be paid based on the balance sheet to be adopted for the financial year, which ended December 31, 2020.

It was recorded that in accordance with the proposal of the Board of Directors, the dividend shall be paid to shareholders who on the dividend record date March 30, 2021 are registered in the company's shareholders' register held by Euroclear Finland Oy. The dividend shall be paid on April 8, 2021. All the shares in the company are entitled to a dividend with the exception of the shares held by the company on the dividend record date.

The proposal of the Board of Directors was attached to the minutes ([Appendix 6](#)).

It was recorded that in accordance with the requirements of the Temporary Act the shareholders have as an alternative to the Board of Directors' proposal had the right to demand a minority dividend pursuant to Chapter 13, Section 7 of the Companies Act. The aggregate amount of the minority dividend is eight percent of the company's equity, which corresponds to approximately EUR 33.1 million or EUR 0.2205 per share.

It was recorded that shareholders who represent a total of 49,961,357 shares, representing approximately 33.23 percent of all shares in the company had demanded a minority dividend in the advance vote conducted in accordance with the Temporary Act. The minority dividend must be distributed to all shareholders, if a demand to this effect is supported by shareholders who have at least one tenth of all shares. It was recorded that a sufficient qualified minority had demanded distribution of a minority dividend and thereby the above-mentioned minority dividend must be distributed.

It was recorded that according to the evaluation of the company's Board of Directors, payment of the minority dividend will not compromise the company's liquidity and the payment can be carried out in accordance with the originally planned dividend payment schedule.

Based on the voting result concerning minority dividend, the Annual General Meeting decided that a minority dividend corresponding to eight (8) percent of the company's equity shall be paid in accordance with Chapter 13, Section 7 of the Companies Act. The dividend record date shall be March 30, 2021 and the dividend shall be paid on April 8, 2021.

It was further noted that 94,591,024 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting on the original dividend proposal of the Board of Directors, and that for the proposal of the Board of Directors 94 588 267 votes were cast, representing more than 99.9 percent of the total votes cast, and against the proposal of the Board of Directors 2,757 votes were cast, representing less than 0.01 percent of the total votes cast. 876 shares were represented in the agenda item but abstained from casting a vote. However, as mentioned above, the Annual General Meeting decided on the distribution of a minority dividend instead of the dividend proposed by the Board of Directors.

**9 §**

**RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO FROM LIABILITY FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2020**

It was recorded that 94,494,744 shares and votes, representing approximately 62.85 percent of all shares and votes in the company, participated in the voting. For the discharge from liability 93,933,773 votes were cast, representing approximately 99.41 percent of the total votes cast, and against the discharge from liability 560,971 votes were cast, representing approximately 0.59 percent of the total votes cast. 96,766 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting results, the Annual General Meeting decided to discharge the members of the Board of Directors and the President and CEO from liability for the financial period 1 January 2020 – 31 December 2020.

**10 §**

**PRESENTATION AND ADOPTION OF THE REMUNERATION REPORT**

It was recorded that as participation in the Annual General Meeting has been possible only by voting in advance, the company's remuneration report published by a stock exchange release on March 3, 2021, which describes the implementation of the company's remuneration policy and provides information on the remuneration of the company's governing bodies during the financial year 2020, and which has been available on the company's website, is deemed to have been presented to the Annual General Meeting.

It was recorded that the Annual General Meeting's resolution on the remuneration report is advisory.

The remuneration report was attached to the minutes ([Appendix 7](#)).

It was recorded that 94,591,405 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting. Against the remuneration report 58,948,173 votes were cast, representing approximately 62.32 percent of the total votes cast, and for the remuneration report 35,643,232 votes were cast, representing approximately 37.68 percent of the total votes cast. 195 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting results, it was recorded, that the Annual General Meeting decided not to adopt the remuneration report in the advisory vote.

11 §

**RESOLUTION ON THE REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that the Shareholders' Nomination Board had proposed to the Annual General Meeting that the same fixed annual remuneration be paid to the members of the Board of Directors as in the previous term, i.e. as follows:

- 1) Chair of the Board: EUR 115,000
- 2) Vice-Chair of the Board: EUR 65,000
- 3) Other members of the Board of Directors: EUR 50,000 each

An additional annual remuneration is proposed for the members of the Board of Directors that are elected as members of the Audit Committee and the Remuneration and HR Committee, as follows:

- 1) Chair of the Audit Committee: EUR 15,000
- 2) Members of the Audit Committee: EUR 7,500 each
- 3) Chair of the Remuneration Committee: EUR 7,500
- 4) Members of the Remuneration Committee: EUR 3,750 each

The Shareholder's Nomination Board had proposed to the Annual General Meeting that as a condition for the fixed annual remuneration, the members of the Board of Directors be obliged, directly based on the Annual General Meeting's decision, to use approximately 40% of the total annual remuneration for purchasing Neles' shares from the market at a price formed in public trading and that the purchase will be carried out within two weeks from the publication of Neles' Half Year Review. Neles Corporation is proposed to compensate the transaction costs and costs related to the applicable asset transfer tax arising from the share purchases. The tax deduction for the entire annual fee will be made from the cash amount.

Furthermore, the Shareholder's Nomination Board had proposed to the Annual General Meeting that a meeting fee of EUR 800 be paid for each virtual Board and Committee meeting (e.g., by a conference call or meeting application). If physical presence of the Board member is required, the meeting fees be paid as follows:

- 1) a fee of EUR 800 be paid to the members of the Board that reside in the Nordic countries
- 2) a fee of EUR 1,600 be paid to the members of the Board that reside in other European countries
- 3) a fee of EUR 3,200 be paid to the members of the Board that reside outside Europe

The meeting fees will be paid in cash. Possible travel expenses will be reimbursed according to the travel policy of the company.

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 6).

It was recorded that 94,589,422 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting. For the proposal

of the Shareholders' Nomination Board 94,030,989 votes were cast, representing approximately 99.41 percent of the total votes cast, and against the proposal of the Shareholders' Nomination Board 558,433 votes were cast, representing approximately 0.59 percent of the total votes cast. 988 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the Annual General Meeting decided that remuneration and travel expenses will be paid to the members of the Board of Directors to be elected in accordance with the proposal of the Shareholders' Nomination Board.

## 12 §

### RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

It was recorded that the Shareholders' Nomination Board had proposed to the Annual General Meeting that the number of members of the Board of Directors shall be seven (7).

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 6).

It was recorded that 94,590,374 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting. For the proposal of the Shareholders' Nomination Board 94,590,305 votes were cast, representing more than 99.99 percent of the total votes cast, and against the proposal of the Shareholders' Nomination Board 69 votes were cast, representing less than 0.01 percent of the total votes cast. 1,136 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the Annual General Meeting decided, in accordance with the proposal of the Shareholders' Nomination Board, that the number of members of the Board of Directors shall be seven (7).

## 13 §

### ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

It was recorded that the Shareholders' Nomination Board had proposed to the Annual General Meeting that:

- 1) Jaakko Eskola be elected as the Chair of the Board
- 2) Perttu Louhiluoto be elected as Vice-Chair of the Board
- 3) Anu Hämäläinen, Niko Pakalén, Teija Sarajärvi, Jukka Tiitinen and Mark Vernon be re-elected as Board members.

It was recorded that the proposed Board members have all given their consent to be elected. It was further recorded that Jukka Moisio, Britta Giesen and Petter Söderström have informed the Shareholders' Nomination Board that they were not available for re-election to Neles' Board of Directors.

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 6).

It was recorded that 94,593,486 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting. For the proposal of the Shareholders' Nomination Board 77,325,305 votes were cast, representing approximately 81.74 percent of the total votes cast, and against the proposal of the Shareholders' Nomination Board 17,268,181 votes were cast, representing approximately 18.26 percent of the total votes cast. 614 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result, the Annual General Meeting decided to elect Chair, Vice-Chair, and members of the Board of Directors in accordance with the proposal of the Shareholders' Nomination Board.

**14 §**

**RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

It was recorded that based on the recommendation of the Board of Directors' Audit Committee, the Board of Directors had proposed to the Annual General Meeting that the remuneration to the auditor be paid against the invoice approved by the Audit Committee.

The proposal of the Board of Directors was attached to the minutes ([Appendix 6](#)).

It was recorded that 94,594,043 shares and votes, representing approximately 62.92 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 94,552,292 votes were cast, representing approximately 99.96 percent of the total votes cast, and against the proposal of the Board of Directors 41,751 votes were cast, representing approximately 0.04 percent of the total votes cast. 57 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result, the Annual General Meeting decided in accordance with the proposal of the Board of Directors that the remuneration to the auditor be paid against the invoice approved by the Audit Committee.

**15 §**

**ELECTION OF THE AUDITOR**

It was recorded that based on the recommendation of the Board of Directors' Audit Committee, the Board of Directors had proposed to the Annual General Meeting that Ernst & Young Oy, authorized public accountants, be re-elected auditor of the company. Ernst & Young Oy has notified that Toni Halonen, APA, will act as principal auditor of the company.

The proposal of the Board of Directors was attached to the minutes ([Appendix 6](#)).

It was recorded that 94,591,000 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 94,549,127 votes were cast, representing approximately 99.96 percent of the total votes cast, and against the proposal of the Board of Directors 41,873 votes were cast, representing approximately 0.04 percent of the total votes cast. 3,100 shares were represented in the agenda item but abstained from casting a vote.



Based on the voting result, the Annual General Meeting decided in accordance with the proposal of the Board of Directors, that Ernst & Young Oy, authorized public accountants, be re-elected auditor of the company.

**16 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES**

It was recorded that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorized to decide on the repurchase of the company's own shares as follows:

The number of own shares to be repurchased shall not exceed 5,000,000 shares, which corresponds to approximately 3.3 percent of all the shares in the company. Own shares can be repurchased also otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). Own shares can be repurchased using the unrestricted equity of the company at a price formed in public trading on the date of the repurchase or otherwise at a market-based price.

Shares may be repurchased in order to develop the company's capital structure, in order to finance or carry out acquisitions, investments or other business transactions, or in order to use the shares as part of the company's incentive schemes.

The repurchased own shares may be held by the company, cancelled or transferred further.

The Board of Directors decides on all other matters related to the repurchase of own shares. The authorization is effective until June 30, 2022, and it cancels the authorization given by the Annual General Meeting on June 16, 2020 to decide on the repurchase of the company's own shares.

The proposal of the Board of Directors was attached to the minutes ([Appendix 6](#)).

It was recorded that 94,577,761 shares and votes, representing approximately 62.91 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 94,572,804 votes were cast, representing approximately 99.99 percent of the total votes cast and approximately 99.98 percent of the shares represented in the agenda item, and against the proposal of the Board of Directors 4,957 votes were cast, representing approximately 0.01 percent of the total votes cast and shares represented in the agenda item. 16,339 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result, the Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the repurchase of the company's own shares.

17 §

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AND THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

It was recorded that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorized to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows:

The number of shares to be issued either directly or on the basis of special rights entitling to shares shall not exceed 15,000,000 shares in aggregate, which corresponds to approximately 10 per cent of all of the shares in the company.

The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorization is effective until June 30, 2022, and it cancels the authorization given by the Annual General Meeting on June 16, 2020.

The proposal of the Board of Directors was attached to the minutes ([Appendix 6](#)).

It was recorded that 94,593,707 shares and votes, representing approximately 62.92 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 94,197,089 votes were cast, representing approximately 99.58 percent of the total votes cast and shares represented in the agenda item, and against the proposal of the Board of Directors 396,618 votes were cast, representing approximately 0.42 percent of the total votes cast and shares represented in the agenda item. 393 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result, the Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act.

18 §

**RESOLUTION ON ARTICLES OF ASSOCIATION**

It was recorded that the Board of Directors had proposed to the Annual General Meeting that the company's Articles of Association be amended in accordance with the proposal attached to the minutes ([Appendix 6](#)).

It was recorded that 92,952,230 shares and votes, representing approximately 61.82 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 92,952,180 votes were cast, representing more than 99.99 percent of the total votes cast and shares represented in the agenda item, and against the proposal of the Board of Directors 50 votes were cast, representing less than

0.01 percent of the total votes cast and shares represented in the agenda item. 1,816 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result, the Annual General Meeting decided in accordance with the proposal of the Board of Directors, to amend the Articles of Association as follows.

The new wording of the Article 8 of the Articles of Association is:

“8 § Place of the shareholders' meeting and advance notice

The Company's shareholders' meetings may be held in Helsinki, Espoo or Vantaa.

Notice of a shareholders' meeting shall be given to the shareholders by publishing a notice on the Company's Internet site or in one or several widely circulated newspaper/s named by the Board of Directors or otherwise verifiably no earlier than three (3) months and no later than three (3) weeks before the shareholders' meeting, but, in any case, at least nine (9) days before the record date of the shareholders' meeting, referred to in Chapter 5, Section 6a of the Companies Act.

To attend a shareholders' meeting, a shareholder shall register with the Company no later than on the day stated in the notice to the meeting which may not be earlier than ten (10) days before the shareholders' meeting.”

## **19 §**

### **CLOSING OF THE MEETING**

The Chair stated that all items on the Notice to the Annual General Meeting had been considered and that the minutes of the meeting would be available on the company's website from April 9, 2021 at the latest.

The Chair closed the meeting at 2.25 p.m. (EET).

Chair of the General Meeting:

/S/ SEPPO KYMÄLÄINEN  
Seppo Kymäläinen

Minutes reviewed and approved:

/S/ ELISA ERKKILÄ  
Elisa Erkkilä

**Appendices**

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