

## DEMERGER PLAN

The Board of Directors of Metso Corporation (“**Metso**” or the “**Demerging Company**”) and the Board of Directors of Outotec Oyj (“**Outotec**” or the “**Receiving Company**”) propose that Metso shall demerge in a partial demerger to an existing company to the effect that all such assets, rights, debts and liabilities of Metso which relate to, or primarily serve, Metso’s Minerals business as specified in more detail herein (the “**Minerals Business**”) shall transfer, without liquidation of Metso, to Outotec in the manner set forth in this demerger plan (the “**Demerger Plan**”, including appendices) (the “**Demerger**”).

As demerger consideration, Metso’s shareholders shall receive 4.3 new shares in Outotec for each share in Metso owned by them. Metso shall not dissolve as a result of the Demerger and the assets, rights, debts and liabilities which relate to, or primarily serve, its Flow Control business (the “**Flow Control Business**”) shall remain in Metso’s ownership.

The Demerger shall be carried out in compliance with the provisions of Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the “**Finnish Companies Act**”) and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

### 1. Companies Participating in the Demerger

Demerging Company:

Trade name: Metso Corporation  
Business ID: 1538032-5  
Address: P.O. Box 1220, FI-00101 Helsinki, Finland  
Domicile: Helsinki

Metso is a public limited liability company, the shares of which are publicly traded on the official list of Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”).

Receiving Company:

Trade name: Outotec Oyj  
Business ID: 0828105-4  
Address: P.O. Box 1000, FI-02331 Espoo, Finland  
Domicile: Espoo

Outotec is a public limited liability company, the shares of which are publicly traded on the official list of Nasdaq Helsinki.

Metso and Outotec are hereinafter jointly referred to as the “**Parties**” or the “**Companies Participating in the Demerger**” and, each individually, a “**Party**” or a “**Company Participating in the Demerger**”.

### 2. Reasons for the Demerger

The Companies Participating in the Demerger have on July 4, 2019 entered into a business combination agreement concerning the combination of the business operations of the Companies Participating in the Demerger through a partial demerger of Metso to the effect that the Minerals Business shall transfer, without liquidation of Metso, to Outotec in accordance with this Demerger Plan (the “**Combination Agreement**”).

The purpose of the Demerger is to create a leading company in process technology, equipment and services serving the minerals, metals and aggregates industries. The combined company will leverage the strength of both companies, including technology and R&D, product and process excellence, scale and global service offering footprint. The combination will deliver significant benefits to all

stakeholders. The combined company will also benefit from a strong free cash flow and a solid capital structure. As a result of the combination of the Minerals Business and Outotec, Metso will be renamed as Neles and will become a globally recognized flow control company with highly attractive market positions.

### **3. Articles of Association and Administrative Bodies of the Companies Participating in the Demerger**

#### **3.1 Amendments to the Articles of Association of the Receiving Company**

Articles 1, 2, 5, 6, 8, 9 and 10 of the articles of association of Outotec are proposed to be amended in connection with the registration of the completion of the Demerger to read as follows:

##### **1 § Business name and domicile**

The business name of the Company is Metso Outotec Oyj in Finnish and Metso Outotec Corporation in English. The domicile of the Company is Helsinki.

##### **2 § Line of business**

The Company's line of business is to carry on, by itself or through its subsidiaries, the design, manufacture and construction of and trade in methods, machinery, devices, equipment, spare parts and production facilities for the mining, ore cleaning, metallurgical and other processing industry, metals forming technology, materials technology, energy technology and environmental protection, the production and sale of technical design, project services and research and product development services for the processing industry, energy technology and environmental protection, including any industrial and commercial operations and the sale of business management and consultancy services as well as sale and manufacture of spare parts and offer of maintenance services based on or relating to these activities or know-how acquired in this sphere of activities. The Company may own and control domestic and foreign securities, raise and grant loans, grant securities and give its property in pledge. Within the limits of its field of activity, the Company may establish domestic or international companies and consortiums.

##### **5 § President and CEO and Deputy President and CEOs**

The Board of Directors shall elect the President and CEO and may elect one or more Deputy President and CEOs.

##### **6 § Representation right**

The right to represent the Company shall be vested with the Chairman of the Board of Directors, a member of the Board of Directors and the President and CEO, two together, and with the persons given the right by the Board of Directors to represent the Company, two together, or with each one separately together with the Chairman of the Board of Directors, a member of the Board of Directors, or together with the President and CEO.

##### **8 § Auditor**

The Company has one (1) auditor. The auditor shall be an audit firm approved by the Patent and Registration Office with an authorized public accountant as the auditor in charge. The term of office of the auditor expires at the end of the Annual General Meeting following the election.

##### **9 § Notice to convene a meeting**

The Board of Directors shall issue a notice to convene the General Meetings of Shareholders by publishing the notice in one or more daily newspapers with a wide circulation, or on the Company's website no earlier than three (3) months before the last day for advance notice under Article 10 and at the latest three (3) weeks before the General Meeting, but in any case, at least

nine (9) days before the record date of the General Meeting, as referred to in the Finnish Companies Act.

#### 10 § Time and place of the meeting and advance notice

In order to attend the General Meeting a shareholder shall give an advance notice to the Company prior to the end of the advance notice period set out in the notice convening the meeting. The last day for advance notice may be assigned to be no earlier than ten days before the meeting and it may not be assigned to be on a Sunday, Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any other public holiday.

The General Meeting may be held in the domicile of the Company, Espoo or Vantaa.

The articles of association of Outotec, including the above amendments, are appended to this Demerger Plan as [Appendix 1](#).

### **3.2 Board of Directors and Auditor of the Receiving Company and Their Remuneration**

According to the articles of association of Outotec, Outotec shall have a Board of Directors consisting of at least five (5) and no more than ten (10) members. The number of the members of the Board of Directors of Outotec following the completion of the Demerger shall be conditionally confirmed and the members of the Board of Directors as well as the chairman and the vice chairman of the Board of Directors following the completion of the Demerger shall be conditionally elected by the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 to be held before the Effective Date. The term of such members of the Board of Directors shall commence on the date of registration of the completion of the Demerger (the “**Effective Date**”) and shall expire at the end of the next annual general meeting of shareholders of Outotec following the Effective Date.

The Board of Directors of Outotec shall propose to the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 that Matti Alahuhta, Ian W. Pearce, Klaus Cawén and Hanne de Mora, each a current member of the Board of Directors of Outotec, be conditionally elected to continue to serve on the Board of Directors of Outotec and that Mikael Lilius, Arja Talma, Nina Kopola, Kari Stadigh, Christer Gardell and Antti Mäkinen, each a current member of the Board of Directors of Metso, be conditionally elected as members of the Board of Directors of Outotec for the term commencing on the Effective Date and expiring on the end of the next annual general meeting of shareholders of Outotec following the Effective Date. The directorship in Outotec of such then current members of the Board of Directors of Outotec that are not elected to continue as members of the Board of Directors of Outotec shall end on the Effective Date. The directorship in Metso of such then current members of the Board of Directors of Metso that are elected as members of the Board of Directors of Outotec shall end on the Effective Date.

The Board of Directors of Outotec shall make, after consultation with the Nomination Boards of each of Outotec and Metso, a proposal to the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 on the remuneration for the above-mentioned term to be paid by Outotec in respect of the directorship in Outotec to those current members of the Board of Directors of Outotec and Metso, who are proposed to continue in, or be elected to, the Board of Directors of Outotec. If no remuneration for such term shall be paid by Outotec to former members of the Board of Directors of Metso elected to the Board of Directors of Outotec on the basis that remuneration has already been paid by Metso, Outotec will reimburse Metso for such portion of the remuneration already paid to such current members of the Board of Directors of Metso by Metso that relates to the time period following the Effective Date.

The auditor of Outotec will continue in its position and the Demerger will not impact the resolution previously adopted in respect of the auditor's remuneration.

The Board of Directors of Outotec, after consultation with the Nomination Boards of each of Outotec and Metso, may amend the above-mentioned proposals in case one or more of the above-mentioned

persons would not be available for election, resigns or otherwise must be replaced by other persons at the annual general meeting of shareholders of Outotec for the year ending December 31, 2019.

The Board of Directors of Outotec, after consultation with the Nomination Boards of each of Outotec and Metso, may as deemed necessary convene a general meeting of shareholders of Outotec after the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 to resolve to supplement or amend the composition or remuneration of the Board of Directors of Outotec or replace the auditor of Outotec prior to the Effective Date.

### **3.3 President and CEO of the Receiving Company**

The Board of Directors of Outotec shall appoint Pekka Vauramo as the President and CEO of Outotec with his consent. The President and CEO's agreement, which shall be consistent with customary practice, shall become effective on the Effective Date. In the event that Pekka Vauramo resigns or otherwise must be replaced by another person prior to the Effective Date, the Boards of Directors of Outotec and Metso shall mutually agree on the appointment of a new President and CEO of Outotec.

### **3.4 Articles of Association of the Demerging Company**

Articles 1 and 2 of the articles of association of Metso are proposed to be amended in connection with the registration of the completion of the Demerger to read as follows:

#### **1 § Business name and domicile**

The business name of the company is Neles Oyj in Finnish, Neles Abp in Swedish and Neles Corporation in English. The domicile of the company is Vantaa.

#### **2 § Branch of industry**

The company's branch of industry is to globally design, develop, sell and manufacture industry products and systems as well as spare parts, maintenance and diagnostics services relating to, among others, flow control, either directly or through its subsidiary or affiliate companies.

As the parent company, the company may also attend to the organisation, financing and purchases of the group of companies and to other joint tasks of the same kind, and it may own real estate, stocks and shares and carry on securities trading and other investment business.

The articles of association of Metso, including the above amendments, are appended to this Demerger Plan as Appendix 2.

### **3.5 Board of Directors of the Demerging Company and Their Remuneration**

A detailed proposal regarding the members of the Board of Directors of Metso and their remuneration will be included in the notice to the annual general meeting of shareholders of Metso for the year ending December 31, 2019 to be held prior to the Effective Date. The Board of Directors of Metso shall make its proposal following consultation with the representatives of the shareholders appointed to the shareholders' Nomination Board on the basis of share ownership on September 1, 2019.

### **3.6 President and CEO of the Demerging Company**

The Board of Directors of Metso shall appoint Olli Isotalo as the President and CEO of Metso with his consent. The President and CEO's agreement, which shall be consistent with customary practice, shall become effective on the Effective Date. In the event that Olli Isotalo resigns or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of Metso shall appoint a new President and CEO of Metso.

### **3.7 Auditor of the Demerging Company and Its Remuneration**

The auditor of Metso will continue in its position and the Demerger will not impact the resolution previously adopted in respect of the auditor's remuneration.

## **4. Demerger Consideration and Timing of Its Issue**

### **4.1 Demerger Consideration**

The shareholders of Metso shall receive as demerger consideration 4.3 new shares in Outotec for each share owned in Metso (the "**Demerger Consideration**"), that is, the Demerger Consideration shall be issued to the shareholders of Metso in proportion to their existing shareholding with a ratio of 4.3:1. There is only one (1) share class in Outotec, and the shares in Outotec do not have a nominal value. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued with regard to any treasury shares held by Metso.

The allocation of the Demerger Consideration will be based on the shareholding in Metso at the end of the last trading day preceding the Effective Date. The final total number of shares in Outotec issued as the Demerger Consideration shall be determined on the basis of the number of shares in Metso held by shareholders of Metso, other than Metso itself, on the Effective Date. Such total number of shares issued shall be rounded down to the nearest full share, if necessary. On the date of this Demerger Plan, Metso holds 272,088 treasury shares. Based on the situation prevailing on the date of this Demerger Plan, the total number of shares in Outotec to be issued as Demerger Consideration would, therefore, be 645,327,522 shares. The final total number of shares in Outotec to be issued as the Demerger Consideration may be affected by, among others, any change concerning the number of shares issued by Metso and/or Outotec, for example, Metso and/or Outotec issuing new and/or existing shares in accordance with the share-based incentive plans referred to in Section 6 of this Demerger Plan or acquiring their own shares prior to the Effective Date.

In the United States, Metso's shares are quoted in the form of American Depositary Receipts ("**ADRs**") and are traded in the over-the-counter market. Four (4) ADRs represents one (1) share in Metso. The Bank of New York Mellon acts as the depositary bank for the American Depositary Shares ("**ADSs**") created on the basis of the deposit of ordinary shares, and evidenced by ADRs, and is responsible for the distribution of the Demerger Consideration or its cash equivalent to the holders of the ADSs in accordance with the terms and conditions of the deposit agreement entered into with Metso.

No fractional entitlements to new shares in Outotec shall be delivered to shareholders of Metso as Demerger Consideration. If the Demerger Consideration to be received by an individual shareholder is not a whole number, fractional entitlements to new shares of Outotec on a shareholder basis shall be aggregated and sold in the market after the Effective Date by a broker on behalf of Metso shareholders entitled to such fractional entitlements. Such proceeds shall be distributed *pro rata* to Metso's shareholders entitled to receive such fractional entitlements. Any costs related to the sale and distribution of fractional entitlements shall be borne by Outotec.

No other consideration shall be given or paid to the shareholders of Metso in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of Outotec.

If a shareholder of Metso demands the redemption of his/her/its Demerger Consideration pursuant to Chapter 17, Section 13 of the Finnish Companies Act at the general meeting of shareholders of Metso resolving on the Demerger, the redemption price shall be paid by Outotec.

The Demerger Consideration has been determined based on the relative valuations of the Minerals Business and Outotec. The value determination has been made by applying generally used valuation methods. The value determination has been based on the respective companies' current and historical trading multiples, their relative earnings contribution and expected evolution thereof as well as their expected free cash flow generation. In addition, the market value of Metso and Outotec on Nasdaq Helsinki was taken into consideration as well as such financial metrics or indicators that were deemed

relevant. Based on their respective relative value determination, which is supported by a fairness opinion received by each of the Board of Directors of Metso and the Board of Directors of Outotec from their respective financial advisors, the Board of Directors of Metso and the Board of Directors of Outotec have each concluded that the Demerger and the Demerger Consideration are in the best interest of Metso and Outotec, respectively, and in the best interest of their respective shareholders.

#### **4.2 Timing of Issue of the Demerger Consideration**

The Demerger Consideration shall be issued to Metso's shareholders on the Effective Date or as soon as possible thereafter. The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy in such a manner that the shares issued by Outotec shall be issued using the ratio specified in this Demerger Plan based on the number of shares issued by Metso and registered in the book-entry accounts of Metso's shareholders, other than Metso itself, at the end of the last trading day preceding the Effective Date. The Demerger Consideration shall be issued automatically and no action is required from Metso's shareholders in order to receive it. The new shares in Outotec issued as Demerger Consideration shall carry all shareholder rights as from the date of their registration.

#### **5. Option Rights and Other Special Rights Entitling to Shares**

Metso has not issued any option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which would entitle to the subscription of Metso's shares.

#### **6. Share-Based Incentive Plans**

Metso has eight (8) share-based incentive plans under which share rewards have not been paid in their entirety by the date of this Demerger Plan: Performance Share Plans 2017–2019, 2018–2020 and 2019–2021, Restricted Share Plans 2017–2019, 2018–2020 and 2019–2021 and Deferred Share Unit Plans 2018–2020 and 2019–2021. The Board of Directors of Metso shall resolve on the impact of the Demerger on such incentive plans in accordance with their terms and conditions prior to the Effective Date.

Outotec has five (5) share-based incentive plans under which share rewards have not been paid in their entirety by the date of this Demerger Plan: Share Based Incentive Program 2016–2018 and 2019–2021 and O'Share Employee Share Savings Plans 2017, 2018 and 2019. The Board of Directors of Outotec shall resolve on the impact of the Demerger on such incentive plans in accordance with their terms and conditions prior to the Effective Date.

#### **7. Share Capital and Other Equity of the Receiving Company**

The share capital of Outotec shall be increased by EUR 90,000,000.00 on the Effective Date. The equity increase of Outotec, insofar as it exceeds the amount to be recorded into the share capital, shall primarily be recorded as an increase of retained earnings insofar there are retained earnings and secondarily as an increase of the fund for invested unrestricted equity as defined in Chapter 8, Section 2 of the Finnish Companies Act.

#### **8. Assets, Debts and Equity of the Demerging Company and Circumstances Impacting Their Valuation**

The assets, debts and equity of Metso as at March 31, 2019 set out in the unaudited financial information of Metso as at and for the three months ended March 31, 2019 are appended to this Demerger Plan as [Appendix 3](#). In the unaudited financial information, the assets and debts of Metso have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (the "**Finnish Accounting Act**"). Between the date of the unaudited financial information and the date of this Demerger Plan, there have been no substantial changes in the financial status or the liabilities of Metso, other than the payment on May 7, 2019 of the first installment of the dividend in accordance with the resolution of the annual general meeting of shareholders of Metso held on April 25, 2019, the

purchase of the service business of Chilean Industrial Support Company SpA through an acquisition and the signing of an acquisition by Metso of the Canadian company McCloskey International announced on June 10, 2019.

## **9. Allocation of the Demerging Company's Assets and Debts between the Companies Participating in the Demerger, Intended Effect of the Demerger on the Balance Sheet of the Receiving Company and Accounting Methods Applied to the Demerger**

### **9.1 Assets and Debts Transferring to the Receiving Company**

In the Demerger, the Minerals Business, that is, all such (including known, unknown and conditional) assets, rights, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) of Metso existing as at the Effective Date that relate to, or primarily serve, the Minerals Business, as well as certain general assets and liabilities of Metso, shall transfer to Outotec. The said general assets and liabilities shall primarily be allocated in accordance with the principle of primacy or on the basis of the employee utilizing the asset in question.

A proposal on the allocation of Metso's assets, rights, debts and liabilities to Outotec in accordance with this Demerger Plan has been described in the preliminary presentation of the balance sheets of Metso and Outotec appended to this Demerger Plan as Appendix 4. The figures presented in Appendix 4 are based on the unaudited financial information of Metso and Outotec as at and for the three months ended March 31, 2019. The proposal on the impacts of the proposed allocation of Metso's assets, rights, debts and liabilities to Outotec in accordance with this Demerger Plan on the balance sheets of Metso and Outotec, and the accounting principles applied to the Demerger, has been described in the preliminary presentation of the balance sheets of Metso and Outotec appended to this Demerger Plan as Appendix 4. The effects of the Demerger on the balance sheets of the Companies Participating in the Demerger will, however, be determined according to the situation as per the Effective Date.

The assets, rights, debts and liabilities transferring to Outotec include, among others, the following most significant items:

- (a) All issued and outstanding shares of Metso's directly owned subsidiaries related to the Minerals Business, that is, among others the following companies including their subsidiaries:
  - Metso Minerals Oy, business identity code 1094259-5;
  - Metso (France) SAS;
  - Metso USA Inc.;
  - Metso Minerals Canada Inc.;
  - Metso Shared Services Ltd.;
  - Metso Captive Insurance Limited; and
  - Rauma Oy;
- (b) Metso's real estate with the following register numbers: 304-407-0005-0082 and 304-407-0007-0024 (1/2 of the real estate);
- (c) Trademarks and other intellectual property rights (including domain names) owned by Metso to the extent they include the name "Metso" or "Metso Minerals" and all other intellectual property rights relating to the Minerals Business, whether registered or capable of being registered;
- (d) Metso's guarantee obligations and liabilities arising out of counterindemnities given to the guarantors related to the Minerals Business or the directly or indirectly owned subsidiaries of

Metso transferring to Outotec. For the sake of clarity, it is noted that out of Metso's guarantee obligations and liabilities arising out of counterindemnities given to the guarantors, which cover also Metso's businesses other than the Minerals Business, only such portions which are directly related to the Minerals Business shall transfer to Outotec. The total amount of such guarantee obligations and liabilities arising out of counterindemnities given to the guarantors related to the Minerals Business amounted to approximately EUR 322 million as at March 31, 2019;

- (e) Metso's receivables from, and liabilities to, its directly or indirectly owned subsidiaries transferring to Outotec that relate to the Metso group's cash pool arrangements and Metso's cash and cash equivalents that serve the Minerals Business taking into account the financing needs of the Flow Control Business;
- (f) Metso's other receivables from, and liabilities to, its directly or indirectly owned subsidiaries transferring to Outotec, including any dividend receivables and other liabilities. As at March 31, 2019, the amount of such other receivables was approximately EUR 559 million and the amount of such other liabilities was approximately EUR 42 million;
- (g) Such debts of Metso that relate to the Minerals Business, or the directly or indirectly owned subsidiaries of Metso transferring to Outotec or where it has been agreed with the creditors that the debts or parts thereof shall benefit Outotec. Such debts include, in particular:
  - (i) all bonds issued by Metso with a maturity date that falls after the Effective Date and having an aggregate principal amount of EUR 400 million (including all rights and obligations under all consent solicitation documents related to such bonds) (or, if requisite consents of the relevant bondholders are not obtained, a back-to-back liability in an amount equal to such amount);
  - (ii) the backup and term loan facilities in the aggregate principal amount of EUR 1,550 million, which may be used for the repayment, partial repayment or replacement of Metso's existing credit facilities, bonds and other liabilities that benefit the Minerals Business, repayment, partial repayment or replacement of Outotec's existing indebtedness after the Effective Date and financing Outotec's financing needs after the Effective Date and the amount of which will decrease in proportion to (i) new revolving credit facilities in the aggregate principal amount of EUR 600 million intended to be entered into prior to the Effective Date and that will transfer to Outotec and (ii) the amount of bond liabilities referred to in subparagraph (i) above in relation to which requisite consents have been obtained prior to the Effective Date;
  - (iii) the acquisition facility in the principal amount of EUR 300 million in respect of the acquisition of McCloskey International; and
  - (iv) such portion of Metso's EUR 40 million financing agreement with the European Investment Bank that relates to the Minerals Business (subject to the consent of the European Investment Bank),

corresponding to an aggregate principal amount of EUR 2,290 million;

- (h) Obligations under such other potential loan agreements of Metso, if any, wherein it is stated that the purpose of the use of the loan is related to, or primarily serves, the Minerals Business or the business of the direct or indirect subsidiaries of Metso transferring to Outotec. On the date of this Demerger Plan, Metso is not aware of any such obligations;
- (i) Forward exchange agreements and other derivatives agreements or arrangements entered into between Metso and directly or indirectly owned subsidiaries of Metso transferring to Outotec, external derivative agreements related to these transferring intra-group agreements or



arrangements as well as other external derivatives agreements and arrangements related to the Minerals Business;

- (j) Share-based incentive plans concerning the management and key personnel of Metso and its group, which include Performance Share Plan 2017–2019, Performance Share Plan 2018–2020, Performance Share Plan 2019–2021, Restricted Share Plan 2017–2019, Restricted Share Plan 2018–2020, Restricted Share Plan 2019–2021, Deferred Share Unit Plan 2018–2020, Deferred Share Unit Plan 2019–2021 and Matching Share Plan, and the rights and obligations related to and resulting from their terms and conditions as well as agreements to the extent they relate to personnel, who transfer to the service of Outotec in accordance with Section 18.2 of this Demerger Plan or who have a valid employment or service relationship as at the Effective Date with a subsidiary of Metso transferring to Outotec or with a direct or indirect subsidiary of such transferring subsidiary. This Demerger Plan in no way limits the right of the Board of Directors of Metso to amend the terms and conditions of the incentive plans in accordance with the same prior to the Effective Date;
- (k) Potential tax receivables, tax debts and tax liabilities of Metso related to the Minerals Business and its assets, debts and liabilities. To the extent such tax receivables, tax debts or tax liabilities cannot be legally transferred, a corresponding debt or receivable will be created between Outotec and Metso on the Effective Date;
- (l) Items that have replaced the above-mentioned assets, debts and liabilities (insofar as such replacement items relate to, or primarily serve, the Minerals Business) as well as assets, debts and liabilities created for the Minerals Business after the date of this Demerger Plan (including all issued and outstanding shares of McCloskey International subject to closing of the acquisition and any potential new agreements, offers, offer requests and undertakings); and
- (m) All potential other known and unknown assets, debts and liabilities of Metso related to the Minerals Business but which are not specifically referred to in this Demerger Plan (including but not limited to agreements, offers, offer requests and undertakings). The same applies to any of the types of items mentioned above belonging to the Minerals Business that are unknown and appear after the Effective Date.

Metso shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for known, unknown and conditional debts of creditors, whose receivable has arisen before the Effective Date, transferring to Outotec, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including elimination of such liability), in which case such agreed limitation of liability (or elimination of such liability) shall be applied to Metso's liability towards the creditor in question. Metso shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to Outotec other than such guarantee obligation which is considered debt pursuant to the above-mentioned provision as at the Effective Date.

## **9.2 Assets and Debts Remaining with the Demerging Company in the Demerger**

In the Demerger, the Flow Control Business, that is, all such (including known, unknown and conditional) assets, rights, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) of Metso existing as at the Effective Date that relate to, or primarily serve, the Flow Control Business, as well as certain general assets and liabilities of Metso, shall remain with

Metso. The said general assets and liabilities shall primarily be allocated in accordance with the principle of primacy or on the basis of the employee utilizing the asset in question.

The assets, rights, debts and liabilities that shall remain in Metso's ownership include, among others, the following most significant items:

- (a) All issued and outstanding shares of Metso's directly owned subsidiaries, including their subsidiaries, not belonging to the Minerals Business;
- (b) Guarantee obligations and liabilities arising out of counterindemnities given to the guarantors insofar as they do not relate to the Minerals Business or the directly or indirectly owned subsidiaries of Metso transferring to Outotec as set out in Section 9.1 of this Demerger Plan as well as such new guarantee obligations and liabilities arising out of counterindemnities given to the guarantors that Metso will undertake or has undertaken and that do not relate to the Minerals Business;
- (c) All loan agreements entered into by Metso or its directly or indirectly owned subsidiaries with financial institutions and pension insurance companies, which agreements are not related to the Minerals Business or the directly or indirectly owned subsidiaries of Metso transferring to Outotec and are, therefore, not specifically allocated to Outotec under Section 9.1 of this Demerger Plan, including but not limited to the term loan facility agreement of EUR 150 million which may be used for the repayment, partial repayment or replacement of Metso's credit facilities, bonds and other liabilities that benefit the Flow Control Business and the new revolving credit facility of EUR 200 million intended to be entered into prior to the Effective Date which may be used for the general corporate purposes of Metso after the Effective Date;
- (d) All derivative agreements or arrangements entered into by Metso and the rights and obligations pertaining thereto, insofar as they have not been specified to be transferring to Outotec in Section 9.1 of this Demerger Plan;
- (e) Metso's receivables from, and liabilities to, its directly or indirectly owned subsidiaries that remain in its ownership, including any dividend receivables, insofar as they have not been specified to be transferring to Outotec in Section 9.1 of this Demerger Plan;
- (f) Share-based incentive plans concerning the management and key personnel of Metso and its group, which include Performance Share Plan 2017–2019, Performance Share Plan 2018–2020, Performance Share Plan 2019–2021, Restricted Share Plan 2017–2019, Restricted Share Plan 2018–2020, Restricted Share Plan 2019–2021, Deferred Share Unit Plan 2018–2020, Deferred Share Unit Plan 2019–2021 and Matching Share Plan, and the rights and obligations related to and resulting from their terms and conditions as well as agreements to the extent they relate to personnel at the service of Metso as at the Effective Date other than those, who transfer to the service of Outotec in accordance with Section 18.2 of this Demerger Plan or who have a valid employment or service relationship as at the Effective Date with a subsidiary of Metso transferring to Outotec or with a direct or indirect subsidiary of such transferring subsidiary. This Demerger Plan in no way limits the right of the Board of Directors of Metso to amend the terms and conditions of the incentive plans in accordance with the same prior to the Effective Date;
- (g) All known and unknown assets, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) not related to the Minerals Business but which are not specifically referred to in this Demerger Plan, such as joint venture agreements with third parties regarding ownership of subsidiaries belonging to the Metso group. The same applies to any of the types of items mentioned above not related to the Minerals Business that are unknown and appear after the Effective Date;

- (h) Potential tax receivables, tax debts and tax liabilities of Metso that are not related to the Minerals Business and its assets, debts and liabilities; and
- (i) Items that have replaced the above-mentioned assets, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) (insofar as these replacement items are not related to the Minerals Business and have not been specifically allocated to Outotec under Section 9.1 of this Demerger Plan) as well as assets, debts and liabilities created for, or otherwise allocated to, Metso after the date of this Demerger Plan (including any new agreements, offers, offer requests and undertakings), which are not related to the Minerals Business.

Outotec shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for known, unknown and conditional debts of creditors, whose receivable has arisen before the Effective Date, remaining with Metso, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including elimination of such liability), in which case such agreed limitation of liability (or elimination of such liability) shall be applied to Outotec's liability towards the creditor in question. Outotec shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with Metso other than such guarantee obligation which is considered debt pursuant to the above-mentioned provision as at the Effective Date.

### **9.3 Valuation of Assets and Debts in the Demerger**

The assets and debts of Metso have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, Outotec shall record the transferring assets and debts in its balance sheet at the book values used by Metso on the Effective Date in compliance with the provisions of the Finnish Accounting Act. Section 7 and 10 of this Demerger Plan set forth the effect of the Demerger on the share capital and other equity of the Receiving Company and the Demerging Company, respectively.

### **10. Share Capital and Other Equity of the Demerging Company**

On the date of this Demerger Plan, the share capital of Metso is EUR 140,982,843.80. A decrease in the share capital of Metso is proposed in connection with the Demerger by EUR 90,000,000.00, to EUR 50,982,843.80. The amount by which the share capital of Metso is decreased will be used to distribute funds to Outotec. Insofar as the amount of the net book value of the assets of the Mineral Business exceed the above-mentioned share capital reduction, Metso's reserve for invested unrestricted equity and other reserves as well as Metso's retained earnings will be decreased by the said amount.

### **11. Arrangements Outside Ordinary Business Operations**

From the date of this Demerger Plan, each of the Parties shall continue to conduct their respective business operations in the ordinary course of business consistent with the past practice, policies and principles of such Party.

Except as set forth in this Demerger Plan and the Combination Agreement, Metso and Outotec shall during the Demerger process not resolve on any matters (regardless of whether such matters are ordinary or extraordinary), which would affect the shareholders' equity or number of outstanding shares in the relevant company, including but not limited to corporate acquisitions and divestments, share issues, issue of special rights entitling to shares, acquisition or disposal of treasury shares, changes in share capital, dividend distributions, distribution of assets, or any comparable actions, or take or commit to take any such actions, except for, (A) in the case of Metso, (i) the second installment of the dividend payments resolved by the annual general meeting of Metso held on April 25, 2019 payable in November 2019 and (ii) a dividend payment for the financial year ending December 31, 2019 prior to the Effective Date in an aggregate amount not exceeding EUR 221,000,000 and (B) in the case of Outotec, a dividend

payment for the financial year ending December 31, 2019 prior to the Effective Date in an aggregate amount not exceeding EUR 20,000,000.

## **12. Capital Loans**

Metso has not issued any capital loans, as referred to in Chapter 17, Section 3, Subsection 2, Item 12 of the Finnish Companies Act.

## **13. Cross Ownership and Treasury Shares**

On the date of this Demerger Plan, Metso or its subsidiaries do not hold, and Metso agrees not to acquire (and to cause its subsidiaries not to acquire), any shares in Outotec and Outotec and its subsidiaries do not hold, and agree not to acquire, any shares in Metso.

On the date of this Demerger Plan, Metso holds 272,088 treasury shares.

## **14. Business Mortgages**

On the date of this Demerger Plan, there are no business mortgages, as defined in the Finnish Act on Business Mortgages (634/1984, as amended), pertaining to the assets of either Metso or Outotec.

## **15. Special Benefits and Rights in Connection with the Demerger**

No special benefits or rights shall be granted in connection with the Demerger to the members of the Board of Directors, the President and CEOs or the auditors of either Metso or Outotec, or to the auditors issuing statements on this Demerger Plan.

The remuneration of the auditors issuing statements on this Demerger Plan is proposed to be paid in accordance with a reasonable invoice approved by the Board of Directors of Metso in the case of auditors of Metso and by the Board of Directors of Outotec in the case of auditors of Outotec. Metso's auditor will issue a statement referred to in Chapter 17, Section 4, Subsection 1 of the Finnish Companies Act to Metso and Outotec's auditor will issue said statement to Outotec.

## **16. Planned Registration Time for the Completion of the Demerger**

The planned date of registration of the completion of the Demerger shall be April 1, 2020 (effective registration time approximately at 00:01), however, subject to the fulfilment of the preconditions in accordance with the Finnish Companies Act and the conditions for executing the Demerger set forth below in Section 17.

The Effective Date may change if, among other things, the execution of measures described in this Demerger Plan takes longer than what is currently estimated, or if circumstances related to the Demerger otherwise necessitate a change in the time schedule or if the Boards of Directors of the Companies Participating in the Demerger jointly resolve to file the Demerger to be registered prior to, or after, the planned registration date.

## **17. Conditions for the Completion of the Demerger**

The completion of the Demerger is conditional upon the satisfaction or, to the extent permitted by applicable law, waiver of each of the conditions set forth below:

- (a) the Demerger, this Demerger Plan, the proposed amendments to the articles of association and the election of the members of the Board of Directors as set forth in Section 3 above having been duly approved by the general meeting of shareholders of Metso provided, however, that shareholders of Metso representing no more than ten (10) percent of all shares and votes in Metso having demanded the redemption of his/her/its Demerger Consideration pursuant to Chapter 17, Section 13 of the Finnish Companies Act;

- (b) the Demerger, this Demerger Plan, the proposed amendments to the articles of association and the election of the members of the Board of Directors as set forth in Section 3 above having been duly approved by the general meeting of shareholders of Outotec;
- (c) the necessary competition clearances having been obtained for the Demerger;
- (d) Outotec having obtained from Nasdaq Helsinki a written confirmation that the listing of the Demerger Consideration on the official list of Nasdaq Helsinki will take place promptly upon the Effective Date;
- (e) the financing entered into for the purposes of the Demerger being available materially in accordance with the new facilities agreements of Metso;
- (f) no default under any of the material finance arrangements of Metso, as defined in the Combination Agreement, having occurred and being continuing if, in the opinion of either Company Participating in the Demerger (in each case, acting reasonably and based on advice of legal counsel), such default would have a material adverse effect on the Demerger or the combined business;
- (g) no default under the material finance arrangements of Outotec, as defined in the Combination Agreement, having occurred and being continuing if, in the opinion of either Company Participating in the Demerger (in each case, acting reasonably and based on advice of legal counsel), such default would have a material adverse effect on the Demerger or the combined business;
- (h) the repayment or securing by collateral of the total aggregate amount of the receivables required by creditors objecting to the Demerger in accordance with the Finnish Companies Act, if any, not resulting in a default by Metso under any of the material finance arrangements of Metso, as defined in the Combination Agreement, or, in the event of any such default, the necessary waivers and consents having been granted;
- (i) the Combination Agreement not having been terminated in accordance with its provisions; and
- (j) no event, circumstance or change having occurred on or after the date of the Combination Agreement that would have a material adverse effect as defined in the Combination Agreement in respect of the Minerals Business or Outotec.

## **18. Other Matters**

### **18.1 Listing of the Shares Forming the Demerger Consideration**

Outotec shall apply for the listing of the new shares to be issued by Outotec as Demerger Consideration to public trading on Nasdaq Helsinki. The trading in the new shares shall begin on or about the first trading day following the Effective Date or as soon as reasonably possible thereafter.

The Demerger will not affect the listing of, or public trading in, the shares of Metso.

### **18.2 Transfer of Employees**

Metso's personnel and the personnel of Metso's directly or indirectly owned subsidiaries remaining in Metso's ownership working for the Minerals Business shall transfer to the service of Outotec as at the Effective Date. Outotec shall assume the obligations arising out of the employment and service relationships of the transferring personnel in force as at the Effective Date as well as the obligations resulting from the related benefits. The personnel shall transfer to the service of Outotec as existing employees.

The obligations of group agreements binding Metso shall transfer to Outotec insofar as they concern employees within the Minerals Business or employees of Metso or its directly or indirectly owned subsidiaries, whose work primarily benefits the Minerals Business, transferring to Outotec in the Demerger.

Outotec shall be responsible for all obligations relating to the personnel transferring to it, such as any wages and fees, tax withholding, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent the grounds for such obligations have wholly or partially arisen during the time period preceding the Effective Date, but which remain unfulfilled as at the Effective Date.

### **18.3 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements**

All agreements and undertakings, given and received offers and offer requests and the rights and obligations pertaining thereto related to the Minerals Business shall transfer to Outotec in accordance with this Demerger Plan on the Effective Date. If the transfer of a certain agreement and/or undertaking is subject to the consent of the contracting party or a third party, the Companies Participating in the Demerger shall use their reasonable best efforts to obtain such consent on or prior to the Effective Date. If any consent has not been obtained by the Effective Date, Metso shall remain as the party to the relevant agreement and/or undertaking, but Outotec shall fulfill the obligations related to such agreement and/or undertaking on its own behalf, at its own responsibility and at its own risk in Metso's name and, correspondingly, Outotec shall receive the benefits related to such agreement and/or undertaking in a manner separately agreed by the Companies Participating in the Demerger.

Metso and Outotec are both obligated to provide to each other all the reports and confirmations, as requested by the other company, which are necessary for the confirmation and recording of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, debts and liabilities potentially required by authorities or financial institutions.

Metso will undertake certain intra-group arrangements related to the Demerger before the Effective Date. As a part of these intra-group arrangements, shares and/or assets and liabilities of indirect subsidiaries of Metso which are owned by direct or indirect subsidiaries of Metso will be transferred within the group. If such intra-group arrangements cannot be completed in all respects before the Effective Date due to requirements or actions of foreign authorities or other similar reasons, the Companies Participating in the Demerger undertake to cause the completion of the said arrangements as soon as practically possible after the Effective Date.

Metso and Outotec may, before the Effective Date, also enter into certain transitional services agreements that may be necessary in order to secure the continuation of the operations of the Minerals Business and/or Flow Control Business and the related support functions without interruption or undue costs and expenses.

### **18.4 Intellectual Property Rights of the Demerging Company**

Metso shall procure that none of its directly or indirectly owned subsidiaries shall, from the Effective Date, use any trade name, trademark, other intellectual property right or domain names, which includes the word "Metso" or which may otherwise be confused with Metso's trade name, trademark or other intellectual property right or domain name and that the said subsidiaries shall cause the removal of such elements immediately and in any event no later than within six (6) months from the Effective Date.

### **18.5 Accounting Material**

The accounting material of Metso shall remain in the ownership of Metso. However, Outotec shall have the right to obtain access to the said accounting material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, within the ordinary office hours insofar as the request concerns the Minerals Business.

## **18.6 Language of this Demerger Plan**

This Demerger Plan has been prepared in the Finnish language. Any possible translations of this Demerger Plan have been made for information purposes only and the Finnish language version shall prevail in all situations.

## **18.7 Dispute Resolution**

Any dispute, controversy or claim between the Companies Participating in the Demerger arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The seat of arbitration is Helsinki.

## **18.8 Other Issues**

The Boards of Directors of Metso and Outotec are authorized to decide on technical amendments to this Demerger Plan as may be required by the authorities or otherwise considered appropriate by the Boards of Directors of Metso and Outotec. The Boards of Directors of Metso and/or Outotec may decide not to complete the Demerger, if material grounds for such non-completion exist, as agreed in the Combination Agreement, prior the general meetings of shareholders of Metso and Outotec resolving upon the Demerger or thereafter.

This Demerger Plan has been executed in two (2) identical counterparts, one for Metso and one for Outotec.

*[Signature pages to follow]*

In Helsinki, on July 4, 2019

**Metso Corporation**

Authorized by the Board of Directors of Metso Corporation

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Name: Mikael Lilius  
Title: Chairman of the Board

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Name: Pekka Vauramo  
Title: President and CEO



In Helsinki, on July 4, 2019

**Outotec Oyj**

Authorized by the Board of Directors of Outotec Oyj

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Name: Matti Alahuhta  
Title: Chairman of the Board

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Name: Markku Teräsvasara  
Title: President and Chief Executive Officer

## Appendix 1

### Outotec Oyj's Amended Articles of Association

#### 1 § Business name and domicile

The business name of the Company is Metso Outotec Oyj in Finnish and Metso Outotec Corporation in English. The domicile of the Company is Helsinki.

#### 2 § Line of business

The Company's line of business is to carry on, by itself or through its subsidiaries, the design, manufacture and construction of and trade in methods, machinery, devices, equipment, spare parts and production facilities for the mining, ore cleaning, metallurgical and other processing industry, metals forming technology, materials technology, energy technology and environmental protection, the production and sale of technical design, project services and research and product development services for the processing industry, energy technology and environmental protection, including any industrial and commercial operations and the sale of business management and consultancy services as well as sale and manufacture of spare parts and offer of maintenance services based on or relating to these activities or know-how acquired in this sphere of activities. The Company may own and control domestic and foreign securities, raise and grant loans, grant securities and give its property in pledge. Within the limits of its field of activity, the Company may establish domestic or international companies and consortiums.

#### 3 § Book-entry system

The shares of the Company are registered in the book-entry system.

#### 4 § Board of Directors

The Board of Directors consists of at least five and no more than ten members of the Board of Directors. The Chairman and the Vice Chairman of the Board of Directors shall be elected by the General Meeting.

The term of office for a member of the Board of Directors begins as of the General Meeting in which the member of the Board of Directors has been elected and expires at the conclusion of the first Annual General Meeting following the election.

#### 5 § President and CEO and Deputy President and CEOs

The Board of Directors shall elect the President and CEO and may elect one or more Deputy President and CEOs.

#### 6 § Representation right

The right to represent the Company shall be vested with the Chairman of the Board of Directors, a member of the Board of Directors and the President and CEO, two together, and with the persons given the right by the Board of Directors to represent the Company, two together, or with each one separately together with the Chairman of the Board of Directors, a member of the Board of Directors, or together with the President and CEO.

#### 7 § Financial year

The Company's financial year is a calendar year.

8 § Auditor

The Company has one (1) auditor. The auditor shall be an audit firm approved by the Patent and Registration Office with an authorized public accountant as the auditor in charge. The term of office of the auditor expires at the end of the Annual General Meeting following the election.

9 § Notice to convene a meeting

The Board of Directors shall issue a notice to convene the General Meetings of Shareholders by publishing the notice in one or more daily newspapers with a wide circulation, or on the Company's website no earlier than three (3) months before the last day for advance notice under Article 10 and at the latest three (3) weeks before the General Meeting, but in any case, at least nine (9) days before the record date of the General Meeting, as referred to in the Finnish Companies Act.

10 § Time and place of the meeting and advance notice

In order to attend the General Meeting a shareholder shall give an advance notice to the Company prior to the end of the advance notice period set out in the notice convening the meeting. The last day for advance notice may be assigned to be no earlier than ten days before the meeting and it may not be assigned to be on a Sunday, Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any other public holiday.

The General Meeting may be held in the domicile of the Company, Espoo or Vantaa.

11 § Annual General Meeting

At the Annual General Meeting, the following shall be:

presented:

1. the Financial Statements of the Company, which also include the Financial Statements of the Group, and the report of the Board of Directors; and
2. the Auditor's reports concerning the Company and the Group;

resolved:

3. approval of the Financial Statements of the Company, which also include the approval of the Financial Statements of the Group;
4. any measures justified by the profit indicated by the confirmed balance sheet, as well as the date at which any possible dividend is payable to the shareholders;
5. releasing the members of the Board of Directors and the President and CEO from liability;
6. the number of members of the Board of Directors;
7. the remuneration of the Chairman, Vice Chairman and other members of the Board of Directors as well as the Auditor;
8. any other matters submitted to the General Meeting by the Board of Directors, Auditor or shareholders sufficiently in advance so that the matter can be included in the notice convening the meeting; and
9. any other matters specified in the notice convening the meeting; and

elected:

10. the Chairman, Vice Chairman and other necessary members of the Board of Directors; and

11. Auditor.

## Appendix 2

### Metso Corporation's Amended Articles of Association

#### 1 § Business name and domicile

The company's business name is Neles Oyj in Finnish, Neles Abp in Swedish and Neles Corporation in English. The company's domicile is Vantaa.

#### 2 § Branch of industry

The company's branch of industry is to globally design, develop, sell and manufacture industry products and systems as well as spare parts, maintenance and diagnostics services relating to, among others, flow control, either directly or through its subsidiary or affiliate companies.

As the parent company, the company may also attend to the organisation, financing and purchases of the group of companies and to other joint tasks of the same kind, and it may own real estate, stocks and shares and carry on securities trading and other investment business.

#### 3 § Book-entry system

The company's shares belong to the book-entry system.

#### 4 § Board of Directors and President

The company has a Board of Directors, a President and one or more Executive Vice Presidents, if required.

The Board of Directors has no less than five (5) and no more than eight (8) members. The term of office of a member of the Board of Directors expires at the end of the first Annual General Meeting of shareholders following the election.

The General Meeting of shareholders elects the chairman, vice chairman and other members of the Board of Directors.

The Board of Directors elects the company's President and one or more Executive Vice Presidents, if required.

The Board of Directors meets when a meeting is convened by the chairman or, if he/she is prevented, the vice chairman. The Board of Directors constitutes a quorum when more than half its members are present and one of them is the chairman or the vice chairman.

The Board's decision shall be that opinion which is supported by more than one-half of the members present or, if the votes are equal, the opinion with which the chairman of the meeting agrees.

#### 5 § Representation right

The right to represent the company shall be vested with the chairman of the Board of Directors, a member of the Board of Directors and the President, two together, and with the persons given the right by the Board of Directors to represent the company, two together, or with each one separately together with the chairman of the Board of Directors, a member of the Board of Directors, or together with the President.

6 § Accounting period

The company's accounting period is the calendar year.

7 § Auditor

The company has one (1) auditor, which must be an auditing corporation approved by Finland Chamber of Commerce.

The term of office of the auditor expires at the end of the Annual General Meeting of shareholders following the election.

8 § Notice to convene a meeting

The notice to convene a General Meeting of shareholders must be delivered to the shareholders by publishing the notice on the company's website or by a newspaper.

announcement, which is published in one or more widely circulated daily newspapers chosen by the Board of Directors, or otherwise in a verifiable way no more than three (3) months and no less than three (3) weeks before the meeting, and in any case at least nine (9) days before the General Meeting record date referred to in Chapter 4, Section 2.2 of the Companies Act.

In order to take part in a General Meeting a shareholder must register with the company no later than on the date mentioned in the notice, which may not be earlier than ten (10) days before the General Meeting.

9 § Annual General Meeting of shareholders

The Annual General Meeting of shareholders shall be held each year before the end of June.

At the meeting:

the following are submitted

1. the financial statements, including the consolidated financial statements, and the Annual Report;
2. the auditor's report;

the following decisions are taken

3. adoption of the financial statements;
4. the use of profits shown in the balance sheet;
5. the release of members of the Board of Directors and the President from liability;
6. remuneration for the members of the Board of Directors and the auditors;
7. the number of members on the Board of Directors;

the meeting elects

8. the chairman, vice chairman and members of the Board of Directors; and
9. the auditor.

If a vote is held at General Meetings of shareholders of the company, the chairman of the General Meeting shall determine the manner of voting.

## Appendix 3

### Unaudited financial information as at 31 March 2019 of Metso Corporation

As at March 31, 2019				
Metso Corporation (Demerging company)	Transactions prior to Demerger	Metso Corporation (Demerging company) Adjusted	Metso Minerals Demerger balance sheet	Neles Corporation after Demerger
(EUR in millions)				
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets.....	1		1	0
Tangible assets.....	1		1	0
Non-current financial assets.....	<u>1,123</u>	<u>510</u>	<u>1,634</u>	<u>593</u>
<b>Total non-current assets.....</b>	<b>1,125</b>	<b>510</b>	<b>1,635</b>	<b>593</b>
<b>Current assets</b>				
Non-current receivables.....	4	0	4	0
Current receivables.....	366	0	366	53
Cash and cash equivalents.....	<u>394</u>	<u>(270)</u>	<u>124</u>	<u>33</u>
<b>Total current assets.....</b>	<b>763</b>	<b>(270)</b>	<b>493</b>	<b>86</b>
<b>TOTAL ASSETS.....</b>	<b><u>1,888</u></b>	<b><u>240</u></b>	<b><u>2,128</u></b>	<b><u>680</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Restricted equity.....	141	0	141	51 <sup>(1)</sup>
Non-restricted equity.....	<u>961</u>	<u>264</u>	<u>1,226</u>	<u>444</u>
<b>Shareholders' equity.....</b>	<b>1,102</b>	<b>264</b>	<b>1,367</b>	<b>495</b>
<b>Liabilities</b>				
Non-current liabilities.....	403	150	553	150
Current liabilities.....	<u>383</u>	<u>(174)</u>	<u>208</u>	<u>35</u>
<b>Total liabilities.....</b>	<b>786</b>	<b>(24)</b>	<b>761</b>	<b>185</b>
<b>TOTAL EQUITY AND LIABILITIES.....</b>	<b><u>1,888</u></b>	<b><u>240</u></b>	<b><u>2,128</u></b>	<b><u>680</u></b>

Financial information presented in this illustrative balance sheet is derived from the unaudited balance sheet of Metso Corporation as at March 2019 prepared in accordance with the Finnish Accounting Act and good accounting practice.

The column Transactions prior to Demerger of the illustrative balance sheet presented above takes into account the following transactions which have a significant impact on the assets and liabilities of Metso Corporation prior to the execution of the Demerger: dividend distribution to shareholders for the year 2018 decided by the annual general meeting, financing of acquisition closed in May 2019 in Chile, dividends to be paid to parent in 2019, preliminary estimated impact of the intra-group transactions required for the Demerger and related financing and planned repayments of the existing interest-bearing liabilities. In addition to the transactions mentioned earlier, the proposed distribution of interest-bearing liabilities and cash and cash equivalents is based on the current negotiations with the creditors and assumed need for net working capital.

This illustrative balance sheet does not include the following transactions, which may have material impact on Metso Corporation's assets and liabilities prior to the execution of the Demerger, such as: group contributions which are recorded to the income statement in year 2019, transaction costs of the Demerger, the acquisition and funding impacts of June 10, 2019 announced signing of an acquisition by Metso of the Canadian company McCloskey International and dividend payments of Metso Corporation for the year 2019 prior to the Effective Date.

The final demerger will take place based on the balance sheet values as at the Effective Date. The illustrative balance sheet information presented above is therefore only indicative and subject to change from what is presented above.

(1) A decrease in the share capital of Metso is proposed in connection with the Demerger by EUR 90,000,000.00, to EUR 50,982,843.80. The amount by which the share capital of Metso is decreased will be used to distribute funds to Outotec. Insofar as the amount of the net book value of the assets of the Mineral Business exceed the above-



mentioned share capital reduction, Metso's reserve for invested unrestricted equity and other reserves as well as Metso's retained earnings will be decreased by the said amount.

## Appendix 4

### Preliminary presentation of the balance sheets of the Outotec and Metso Minerals

	As at March 31, 2019			
	Outotec Oyj (Receiving company)	Metso Minerals demerger BS	Transactions prior to Demerger	Outotec Oyj after demerger
	(EUR in millions)			
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets.....	45	1	0	45
Property, plant and equipment.....	1	1	0	2
Non-current financial assets.....	<u>518</u>	<u>1,041</u>	<u>0</u>	<u>1,559</u>
<b>Total non-current assets.....</b>	<b>564</b>	<b>1,042</b>	<b>0</b>	<b>1,606</b>
<b>Current assets</b>				
Inventories.....	0	0	0	0
Non-current receivables.....	3	4	0	6
Current receivables.....	225	312	35	572
Cash and cash equivalents.....	<u>18</u>	<u>91</u>	<u>1</u>	<u>109</u>
<b>Total current assets.....</b>	<b><u>246</u></b>	<b><u>407</u></b>	<b><u>36</u></b>	<b><u>688</u></b>
<b>TOTAL ASSETS.....</b>	<b><u>809</u></b>	<b><u>1,449</u></b>	<b><u>36</u></b>	<b><u>2,294</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Restricted equity.....	37	90	0	127 <sup>(1)</sup>
Non-restricted equity.....	<u>214</u>	<u>782</u>	<u>40</u>	<u>1,036</u> <sup>(2)</sup>
<b>Shareholders' equity.....</b>	<b>251</b>	<b>872</b>	<b>40</b>	<b>1,163</b>
<b>Liabilities</b>				
Non-current liabilities.....	327	403	0	730
Current liabilities.....	<u>231</u>	<u>173</u>	<u>(4)</u>	<u>400</u>
<b>Total liabilities.....</b>	<b><u>558</u></b>	<b><u>576</u></b>	<b><u>(4)</u></b>	<b><u>1,130</u></b>
<b>TOTAL EQUITY AND LIABILITIES.....</b>	<b><u>809</u></b>	<b><u>1,449</u></b>	<b><u>36</u></b>	<b><u>2,294</u></b>

Financial information presented in this illustrative balance sheet is derived from the Outotec Oyj's unaudited balance sheet as at March 31, 2019 prepared in accordance with the Finnish Accounting Act and good accounting practice. Metso Minerals demerger balance sheet is derived from the unaudited balance sheet as at and for the three months ended March 31, 2019 and presented in accordance with the principles described in [Appendix 3](#).

In the column Transactions prior to Demerger of the illustrative balance sheet presented above takes into account Outotec Oyj's internal dividend distribution to the parent company from subsidiaries for the year 2018, the planned repayments of existing loans, which have a significant impact on the assets and liabilities of Outotec Oyj prior to the execution of the Demerger.

The illustrative balance sheet presented above does not take into account among others the following events which may have a significant impact on the Metso Minerals demerger balance sheet and Outotec Oyj's assets and liabilities prior to the execution of the Demerger: Outotec Oyj's and Metso Corporation's group contributions, which are recorded to the income statement in year 2019, transaction costs related to the Demerger, the acquisition and funding impacts of June 10, 2019 announced signing of an acquisition by Metso of the Canadian company McCloskey International and dividend payments of Metso Corporation and/or Outotec Oyj for the year 2019 prior to the Effective Date.

The final demerger balance sheet of Metso Minerals and balance sheet of Outotec Oyj after demerger are based on the balance sheet values as at the Effective Date. The unaudited illustrative balance sheet information presented above is therefore only indicative and subject to change.

- (1) The share capital of Outotec shall be increased by EUR 90,000,000.00 on the Effective Date as stated in the Section 7 of the Demerger Plan.
- (2) The equity increase of Outotec, insofar as it exceeds the amount to be recorded into the share capital, shall primarily be recorded as an increase of retained earnings insofar there are retained earnings and secondarily as an increase of the fund for invested unrestricted equity as defined in Chapter 8, Section 2 of the Finnish Companies Act.