

## **DECISION PROPOSALS TO THE ANNUAL GENERAL MEETING OF OUTOTEC OYJ (“OUTOTEC”) TO BE HELD ON MARCH 11, 2020**

### **Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

(agenda item 8)

The Board of Directors proposes to the Annual General Meeting that from the financial year ended on December 31, 2019, dividend be paid EUR 0.10 per share, i.e. EUR 18,184,986.4 in total based on the total number of outstanding shares of the company at the time of the proposal. The dividend will be paid to the shareholders who are registered as shareholders in the company's register of shareholders as maintained by Euroclear Finland Ltd on the dividend record date, March 13, 2020. The Board of Directors proposes that the dividend be paid on March 31, 2020.

### **Adoption of the Remuneration Policy for governing bodies**

(agenda item 10)

The Board of Directors proposes to the Annual General Meeting that the Remuneration Policy for the governing bodies (including the members of the Board of Directors and the President and CEO) be adopted.

### **Resolution on the remuneration of the members of the Board of Directors**

(agenda item 11)

Outotec's Nomination Board proposes to the Annual General Meeting that the members of the Board of Directors be paid the following annual remuneration: EUR 72,000 for Chairman of the Board of Directors and EUR 36,000 for the other members of the Board of Directors each, as well as an additional EUR 12,000 for Vice Chairman of the Board and Chairman of the Audit and Risk Committee each and an additional EUR 10,000 for Chairman of the Human Capital Committee; and that the members of the Board each be paid EUR 600 for attendance at each board and committee meeting as well as be reimbursed for direct costs arising from board work.

The above-mentioned annual fees shall be paid in cash within two weeks after the Completion (as defined under item 18 below), however no later than on December 31, 2020, and they shall be paid in proportion to the actual length of the term of office of each respective Board member and having regard to the conditional resolution proposals regarding the Board of Directors of Metso Outotec under item 18 below. The attendance fee shall also be paid in cash.

### **Resolution on the number of members of the Board of Directors**

(agenda item 12)

Outotec's Nomination Board proposes to the Annual General Meeting that the number of the members of the Board of Directors be eight (8) (last year: eight (8)).

### **Election of members and Chairman as well as Vice Chairman of the Board of Directors**

(agenda item 13)

Outotec's Nomination Board proposes to the Annual General Meeting that all of the current members of the Board of Directors, i.e. Matti Alahuhta, Klaus Cawén, Anja Korhonen, Hanne de Mora, Patrik Nolåker, Ian W. Pearce, Anu Hämäläinen and Teija Sarajärvi be re-elected as members of the Board for the term ending at the closure of the

Annual General Meeting 2021, unless the conditional resolution proposed under item 18 below takes effect at an earlier date with respect to the term of any such Board members.

The Nomination Board proposes that the Annual General Meeting resolves to elect Matti Alahuhta as Chairman of the Board of Directors and Ian W. Pearce as Vice Chairman of the Board of Directors for the term ending at the closure of the Annual General Meeting 2021, unless the conditional resolution proposed under item 18 below takes effect at an earlier date with respect to the term of the Chairman or the Vice Chairman of the Board.

All candidates have given their consent to the election. More information on the nominees is available on the company's website at [www.outotec.com/agm](http://www.outotec.com/agm).

### **Resolution on the remuneration of the Auditor**

(agenda item 14)

On the recommendation of the Audit and Risk Committee, the Board of Directors proposes to the Annual General Meeting that the Auditor's fees be paid according to the Auditor's reasonable invoice approved by the company.

### **Election of Auditor**

(agenda item 15)

On the recommendation of the Audit and Risk Committee, the Board of Directors proposes to the Annual General Meeting that Authorised Public Accountants PricewaterhouseCoopers Oy be re-elected as the company's Auditor for the term ending on the Effective Date, conditional upon the Completion (as defined under agenda item 18 below), or at the latest at the closing of the Annual General Meeting 2021. PricewaterhouseCoopers Oy has announced that it will appoint Pasi Karppinen, APA, as the principally responsible auditor.

### **Authorizing the Board of Directors to decide on the repurchase of the company's own shares**

(agenda item 16)

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to decide on the repurchase of an aggregate maximum of 18,312,149 of the company's own shares. The proposed amount of shares corresponds to approximately 10 percent of all the current shares of the company. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all the shares of the company. Own shares may be repurchased on the basis of this authorization only by using unrestricted equity. Own shares can be repurchased at a price formed in trading on regulated market on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors is entitled to decide how shares are repurchased. Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase). The authorization shall be in force until the closing of the next Annual General Meeting.

### **Authorizing the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares**

(agenda item 17)

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to decide on the issuance of shares and 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 on the basis of this authorization shall not exceed an aggregate maximum of 18,312,149 shares, which corresponds to approximately 10 percent of all the current shares of the company. The Board of Directors is entitled to decide on all terms of the issuance of shares and of special rights entitling to shares and it is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue). This authorization applies to both the issuance of new shares and the conveyance of own shares held by the company. The authorization shall be in force until the closing of the next Annual General Meeting.

## **Conditional resolutions relating to the Board of Directors of Metso Outotec**

(agenda item 18)

The extraordinary general meetings of Outotec and Metso Corporation (“Metso”) have on October 29, 2019, approved a demerger plan (the “Demerger Plan”) concerning the combination of the business operations of Outotec and Metso through a partial demerger of Metso to the effect that all such assets, rights, debts and liabilities of Metso which relate to or primarily serve Metso’s Minerals business shall transfer to Outotec without liquidation of Metso, and approved the said partial demerger in accordance with the Demerger Plan. The completion of the partial demerger (the “Completion”) is expected to be registered with the Finnish Trade Register during the year 2020 (the “Effective Date”), subject to the receipt of all required regulatory and other approvals, including competition clearances. On the Effective Date, among other things, and conditional upon the Completion, the business name of Outotec will change to Metso Outotec Corporation in accordance with the Demerger Plan (post-Completion Outotec referred to as “Metso Outotec”). The Demerger Plan is available on the company’s website at [www.outotec.com/agm](http://www.outotec.com/agm).

In order to implement the Completion, the Board of Directors proposes in accordance with the Demerger Plan that the Annual General Meeting resolves conditionally on the matters set forth in items 18(a) – 18(c) below relating to the Board of Directors of Metso Outotec, as agreed in the Demerger Plan. The proposals of the Board of Directors set forth in items 18(a) – 18(c) below form an entirety that requires the adoption of all its individual items by a single decision. The proposals of the Board of Directors have been included in the Demerger Plan, and the planning of the composition and remuneration of the Board of Directors of Metso Outotec has thus deviated from the current Charter of the Outotec Nomination Board.

### 18(a) Conditional resolution on the remuneration of the members of the Board of Directors of Metso Outotec

In accordance with the Demerger Plan and after consultation with the Nomination Boards of Outotec and Metso, the Board of Directors of Outotec proposes to the Annual General Meeting that, conditional upon the Completion and effective as of the Effective Date, the following annual remunerations be paid to the members of the Board of Metso Outotec proposed to be conditionally elected under item 18(c) below, as well as to the members of the committees of such Board: EUR 150,000 for Chairman of the Board, EUR 80,000 for Vice Chairman of the Board, EUR 65,000 for members of the Board each, EUR 23,000 for Chairman of the Audit and Risk Committee, EUR 10,000 for members of the Audit and Risk Committee each, EUR 12,000 for Chairman of the Human Capital Committee and EUR 5,000 for members of the Human Capital Committee each. In addition, the Board of Directors proposes that meeting fees for attendance at each board and committee meeting be paid to members of the Board of Metso Outotec as follows: EUR 900 for members of the Board residing in the Nordic countries each, EUR 1,800 for members of the Board residing in other European countries each and EUR 2,700 for members of the Board residing outside Europe each. In addition, Board members shall be reimbursed direct costs arising from board work.

Of the annual remuneration, the Board members of Metso Outotec proposed to be conditionally elected under item 18(c) below could choose to receive either 40% or 20% in the form of Metso Outotec shares, which would be acquired for each Board member against a value corresponding to the part of his/her annual remuneration payable in shares from the stock exchange within a period of one week commencing on second trading day following the publication of the interim report for the period following the Completion. The remaining part of the annual fee would be paid in cash. The annual fees shall be paid to the Board members of Metso Outotec in proportion to the actual length of their term of office, which is proposed to commence on the Effective Date and end at the closure of the next annual general meeting following the Effective Date. The attendance fees shall be paid in cash.

For the sake of clarity, conditional upon the Completion, the resolution under this agenda item 18(a) shall replace the resolution proposed to be made under item 11 of the agenda of the Annual General Meeting with respect to the

amounts and basis of remuneration to be paid to the Board of Directors for the period from the Effective Date until the closure of the next annual general meeting. Any annual remuneration paid by Outotec or Metso based on resolutions of their respective annual general meetings to any of the Board members to be elected under item 18(c) below due to such persons' membership in the Board of Outotec or Metso already before Completion, but which relates to the time period following the Effective Date, shall reduce the amount of annual remuneration to be paid to the respective Board member of Metso Outotec based on the resolution under this item 18(a).

#### 18(b) Conditional resolution on the number of members of the Board of Directors of Metso Outotec

In accordance with the Demerger Plan, the Board of Directors proposes to the Annual General Meeting that, conditional upon the Completion and effective as of the Effective Date, the number of the members of the Board of Directors be increased by two (2), i.e. to a total of ten (10) Board members.

#### 18(c) Conditional election of members and Chairman as well as Vice Chairman of the Board of Directors of Metso Outotec

In accordance with the Demerger Plan, the Board of Directors proposes to the Annual General Meeting that, conditional upon the Completion, (i) Matti Alahuhta, Ian W. Pearce, Klaus Cawén and Hanne de Mora, each a current member of the Board of Directors of Outotec, be elected to continue to serve on the Board of Metso Outotec, (ii) Mikael Lilius, Arja Talma, Kari Stadigh, Christer Gardell and Antti Mäkinen, each a current member of the Board of Directors of Metso, be elected as new members of the Board of Metso Outotec, and (iii) Emanuela Speranza, currently a nominee for the Board of Directors of Metso, be elected as a member of the Board of Metso Outotec conditional upon her election to Metso's Board of Directors at the 2020 annual general meeting of Metso, all nominees listed under items (i)-(iii) for the term commencing on the Effective Date and ending at the closure of the next annual general meeting of Metso Outotec following the Effective Date.

In accordance with the Demerger Plan, the Board of Directors proposes to the Annual General Meeting that, conditional upon the Completion, Mikael Lilius, the current Chairman of the Board of Directors of Metso, be elected as the Chairman of the Board of Metso Outotec and Matti Alahuhta, the current Chairman of the Board of Directors of Outotec, be elected as the Vice Chairman of the Board of Metso Outotec, for the term commencing on the Effective Date and ending at the closure of the next annual general meeting of Metso Outotec following the Effective Date.

All the nominees are considered independent of Metso Outotec and its major shareholders, except for Christer Gardell and Antti Mäkinen, who would be dependent of the major shareholders of Metso Outotec, assuming that no material changes in ownership occur between the date of this proposal and the Effective Date. All nominees have given their consent to the election for the above-mentioned term. More information on the nominees is available on the company's website at [www.outotec.com/agm](http://www.outotec.com/agm).

In accordance with the Demerger Plan, the term of such members of the Board of Directors of Outotec that are elected to the Board under item 13 of the agenda of the Annual General Meeting but that are not elected to continue as members of the Board of Directors of Metso Outotec under this agenda item 18(c) shall, conditional upon the Completion, end on the Effective Date as set out in the Demerger Plan.

For the sake of clarity, in case the Completion would not occur, the members of the Board of Directors elected under item 13 of the agenda of the Annual General Meeting shall continue to serve on the Board of Directors of Outotec as resolved by the Annual General Meeting under the said item.

## **Conditional election of Auditor of Metso Outotec**

(agenda item 19)

On the recommendation of the Audit and Risk Committee, the Board of Directors proposes to the Annual General Meeting that, conditional upon the Completion, the Auditor of the company elected under agenda item 15 above be replaced by electing Authorised Public Accountants Ernst & Young Oy as the company's Auditor for a term commencing on the Effective Date and ending at the closure of the next annual general meeting of Metso Outotec following the Effective Date. Ernst & Young Oy has announced that it will appoint Mikko Järventausta, APA, as the principally responsible auditor. Replacing the Auditor would not have an effect on the remuneration of the company's Auditor as proposed to be resolved under agenda item 14 above, i.e. the Auditor's fees would be paid according to a reasonable invoice approved by the company.

It is noted that the Auditor would be changed due to the Completion of the partial demerger to correspond with the needs of the combined Metso Outotec, and that several offers were considered when electing the recommended candidate.

## **Conditional amendment of the Charter of the Shareholders' Nomination Board**

(agenda item 20)

Outotec's Nomination Board proposes that, conditional upon the Completion, the Annual General Meeting resolves to amend the Charter of the Shareholders' Nomination Board to the form attached to this notice as Appendix 1 to ensure the functionality and adequacy of the Charter with respect to the combined Metso Outotec. The most significant amendments pertain to changing the number of members of the Nomination Board from four to five and the relevant date for the shareholding in respect to the appointment of members to the Nomination Board from October 1 to August 15, revising the qualification requirements pertaining to the members of the Nomination Board to correspond with the needs of Metso Outotec and amending the deadline for providing the Nomination Board's proposals to the Board of Directors from February 15 to January 31.

In deviation from the new dates proposed above and subject to the Completion, the Nomination Board proposes that in 2020, the largest shareholders of the company would be determined as at the Effective Date or, if not a business day, on the first business day following the Effective Date, and, for the purposes of paragraph 2 of Section 2 of the proposed new Charter, the written request for aggregation of holdings should be presented on the same date at the latest.

The amended Charter of the Shareholders' Nomination Board and information on the relevant dates for 2020, as proposed by the Nomination Board, are also available on the company's website at [www.outotec.com/agm](http://www.outotec.com/agm).

February 6, 2020

OUTOTEC OYJ

BOARD OF DIRECTORS