

Business ID 0116300-4

29 April 2020

Ordinary meeting of the Representative Council of Metsäliitto Cooperative

Time 29 April 2020 at 3 pm

Venue Metsätapiola, Revontulenpuisto 2, Espoo, and remote participation through Teams

Present

Aikio, Kaarlo	Niemelä, Henry
Airaksinen, Seppo	Nyman, Jan-Ove
Anttila, Juha	Orjala, Jari
Björknäs, Roger	Palohuhta, Reijo
Finne, Christer	Pekonen, Kari
Haikkonen, Aila	Perttu, Antti-Jussi
Halkilahti, Jaakko	Pietilä, Timo
Hall, Hans	Purhonen, Petri
Havanka, Pentti	Ryymin, Jaakko
Isomuotia, Harri	Saatsi, Esko
Kallio, Maarit	Saviniemi, Timo
Kiviranta, Esko	Savola, Mikko
Korpela, Liisa	Soronen, Mauno
Koskinen, Jaakko	Stenman-Kässi, Liisa
Könönen, Katri	Säynätjoki, Ilkka
Körhämö, Jani	Tapaninen, Teuvo
Laitinen, Markku	Tiusanen, Matti
Lalli, Jarmo	Torppa, Pekka
Laukkanen, Mika	Tyskas, Kim
Leikola, Mikko	Törmikoski, Jari
Lyömiö, Matti	Uotila, Kirsi
Miettinen, Petri	Vuorela, Jorma
Mikkonen, Eeva	Yli-Antola, Kimmo
Moilanen, Heli	Yli-Korhonen, Jarmo
Moilanen, Jussi	Ylimartimo, Aatto
Morri, Tiina	Ylä-Outinen, Päivi

Also present

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

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Matters on the agenda

- 1 Opening the meeting
- 2 Electing Chair and Secretary
- 3 Electing examiners of the minutes and vote counters
- 4 Legitimacy and quorum
- 5 Status reports
- 6 Financial statements 2019
 - 6.1 Financial statements of Metsäliitto Cooperative (income statement, balance sheet and Board of Directors' report)
 - 6.2 Consolidated financial statements of Metsä Group
 - 6.3 Report of the Supervisory Board
 - 6.4 Auditor's report
- 7 Confirming the income statement and balance sheet, as well as confirming the consolidated income statement and balance sheet
- 8 Using the surplus and confirming the payment date
 - 8.1 Paying interest on members' capital
- 9 Granting indemnity to the members of the Board of Directors, the members of the Supervisory Board and the CEO
- 10 Fees of the representatives and compensation for travel expenses
- 11 Fees of the Chair of the Supervisory Board, the Vice Chair of the Supervisory Board, members of the Supervisory Board and the auditor
- 12 Number of members on the Supervisory Board and their election
- 13 Electing the auditor
- 14 Other matters
- 15 Closing the meeting

1 Opening the meeting

The Chair of the Supervisory Board, Mr Juha Paajanen, addressed the representatives and welcomed them and the other participants to the 2020 ordinary meeting of the Representative Council.

2 Electing Chair and Secretary

Lawyer Manne Airaksinen was *elected* as Chair of the meeting.

He *invited* Miika Arola, LL.M., General Counsel of Metsä Group, to serve as Secretary.

3 Electing examiners of the minutes and vote counters

Mr Esko Kiviranta and Ms Kirsi Uotila were *elected* as examiners of the minutes and as vote counters.

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4 Legitimacy and quorum

According to Clause 21 of the cooperative rules, an invitation to a meeting must be sent to each member of the Representative Council no earlier than two months and no later than seven days prior to the day of the meeting.

The notice of meeting was sent by post to each member of the Representative Council on 7 April 2020, which falls within the time frame specified in the cooperative rules.

In accordance with Clause 19 of the rules, the Supervisory Board has decided to allow members of the Representative Council to participate in decision-making through a remote connection. The members of the Representative Council have been provided with instructions for remote participation in connection with the notice of meeting. The Secretary of the meeting reviewed questions related to participation in the meeting.

The documents and information specified in the Co-operatives Act have been accessible to the members for the required period of time prior to the meeting.

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

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

5 Status reports

Mr Ilkka Hämmälä, President and CEO of Metsä Group, presented a status report on the Group and a review of the Group's result for the first quarter of 2020 ([Appendix 1.1](#)).

Juha Mäntylä, Executive Vice President of Metsäliitto Cooperative, presented a status report on wood supply and forest management services ([Appendix 1.2](#)).

The meeting took note of the reports and discussions.

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6 Financial statements for 2019

6.1 – 6.2 Consolidated financial statements of Metsäliitto Cooperative and Metsä Group

The Group's Chief Financial Officer, Mr Vesa-Pekka Takala, presented the consolidated financial statements of Metsä Group and the financial statements of Metsäliitto Cooperative for 2019 (Appendix 2).

6.3 Report of the Supervisory Board

Secretary Arola presented a report by the Supervisory Board, dated 25 March 2020, on the financial statements (Appendix 3). According to the report, the Supervisory Board agrees with the proposal of the Board of Directors on the use of the result shown on the balance sheet.

6.4 Auditor's report

Ms Kirsi Jantunen, Auditor, presented the auditor's report, dated 17 February 2020, to the Representative Council (Appendix 4).

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

The auditor is in favour of confirming the financial statements and the consolidated financial statements and granting indemnity to the members of the cooperative's Supervisory Board and Board of Directors and the CEO for the 2019 financial year. In addition, according to the auditor's statement, the Board of Directors' proposal on the use of the surplus shown on the balance sheet complies with the Cooperatives Act.

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

The Representative Council *adopted* the financial statements of Metsäliitto Cooperative and the consolidated financial statements of Metsä Group for the 2019 financial year.

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8 Using the surplus and confirming the payment date

The Representative Council *accepted* the proposal of the Board of Directors on the use of the surplus on the balance sheet in such a way that interest on members' capital will be paid, according to Clause 14 of the rules, for the 2019 accounting period as follows:

- 6.5% for regular participation shares (EUR 14,425,533.12)
- 6.0% for additional A participation shares (EUR 54,215,334.81)
- 2.0% for additional B participation shares (EUR 3,298,362.05)

or a total of EUR 71,939,229.98

8.1 Paying interest on members' capital

The payment date for the interest on members' capital whose participation shares have been fully paid was *confirmed* as 8 May 2020, in accordance with the proposal. In the case of other members, the interest on members' capital will be primarily used to pay for their basic participation shares and only secondarily be paid to the member.

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

The Representative Council *granted* indemnity to the members of the Metsäliitto Cooperative Board of Directors, the Metsäliitto Cooperative Supervisory Board and the CEO for the 2019 financial year. The indemnity concerns all persons who have served in these positions during the financial year.

10 Fees of the representatives and compensation for travel expenses

In accordance with the proposal, the Representative Council *decided* that its members' attendance fee will be EUR 800 per meeting until the 2021 ordinary meeting of the Representative Council.

Furthermore, the Representative Council *decided* in accordance with the proposal, that travel expenses and daily allowances are to be paid in accordance with the current travel policy of Metsäliitto Cooperative, and the fee for meetings of district committees is EUR 400 per meeting.

11 Fees payable to the Chair, Deputy Chair and members of the Supervisory Board as well as the Auditors

Secretary Arola presented the matter ([Appendix 5](#)).

In accordance with the proposal, the Representative Council *approved* the fees for the members of the Supervisory Board until the 2021 ordinary meeting of the Representative Council as follows:

- Chair of the Supervisory Board EUR 4,100 per month
- Vice Chair of the Supervisory Board EUR 1,800 per month
- Members of the Supervisory Board EUR 800 per meeting
(attendance fees will also be paid for the meetings of the
Nomination Committee and any other committees)
- Meetings of district committees EUR 400 per meeting

Compensation for travel expenses and daily allowances will be *paid* according to Metsäliitto's current travel rules.

In accordance with the proposal, it was *approved* that the auditor is to be paid for work done against an invoice.

12 Number of members on the Supervisory Board and their election

Mr Tomi Salo, SVP, Member Services, presented the number of the cooperative's members by region in relation to the seats on the Supervisory Board (Appendix 6).

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

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

Teuvo Hatva
Ville Hirvonen
Antti Isotalo
Airi Kulmala
Anders Lillandt
Juha Paajanen
Ilkka Uusitalo
Anders Wasström

Markus Laatikainen and Päivi Ylä-Outinen were proposed to be elected to replace Risto Junttila, a retiring member.

In the vote, Laatikainen was supported by 30 members of the Representative Council, and Ylä-Outinen was supported by 22 members of the Representative Council, meaning that the Representative Council *elected* Markus Laatikainen as a new member of the Supervisory Board.

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The term of office for the above members of the Supervisory Board elected lasts until the end of the 2023 ordinary meeting of the Representative Council.

13 Electing the auditor

In accordance with the proposal, KPMG Oy Ab, Authorised Public Accountants, was *chosen* as the auditor for the 2020 financial year. Ms Kirsi Jantunen, Authorised Public Accountant, was named as the principal auditor.

14 Other matters

Petri Miettinen, member of the Representative Council, gave an address concerning equal regional representation on the Representative Council. Miettinen had submitted a statement supporting his address ([Appendix Z](#)). The regional distribution of the members of the Representative Council was discussed.

15 Closing the meeting

The meeting took note of the fact that the decisions made at the meeting were supported by all members of the Representative Council, unless otherwise stated in the minutes.

The Chair closed the meeting at 6.05 pm.

In witness thereof

Manne Airaksinen
Chair

Miika Arola
Secretary

Esko Kiviranta
Examiner

Kirsi Uotila
Examiner