

5 March 2020

## ANNUAL GENERAL MEETING OF WÄRTSILÄ CORPORATION

**Date and time:** 5 March 2020 3:15 pm to 5:15 pm

**Place:** Messukeskus Siipi, Helsinki

**Attendance:** Shareholders included in the list of votes confirmed at the meeting were recorded as being present, in person or by proxy.  
Also present at the meeting were all members of the Board of Directors, the President and CEO, the auditor, and members of the company's senior management.

### 1 §

#### OPENING OF THE MEETING

Mikael Lilius, the chair of Wärtsilä Corporation's Board of Directors declared the meeting opened.

### 2 §

#### CALL TO ORDER

Juha Väyrynen, attorney, Master of Laws, was elected as chairperson of the Annual General Meeting. The chairperson invited Kari Hietanen, Executive Vice President, to act as the secretary of the meeting.

The chairperson described the meeting procedures for handling the matters included on the agenda.

It was noted that the Annual General Meeting would be held in Finnish and Swedish, and that when speaking at the meeting the participants could use Finnish, Swedish or English.

It was noted that the proposals of the Board of Directors and its committees were published as a stock exchange release and on the company's website on 30 January 2020.

The chairperson noted that certain nominee-registered shareholders had submitted voting instructions to the company prior to the Annual General Meeting, and then proceeded to describe said voting instructions. A summary list of the voting instructions was appended to the minutes.

Saara Rantanen, the representative of the Helsinki Branch of the Skandinaviska

Enskilda Banken AB (Pub) or SEB, stated that she represented several nominee-registered shareholders, on whose number of shares and voting instructions she had provided information to the chairperson. The representative announced that her clients did not require those items of the agenda where she had been instructed to vote against the proposal or to not participate in the discussion of the matter to be voted on, but that appending the voting instructions to the minutes would suffice.

Kilian Cato, the representative of Nordea Bank Oyj or Nordea, Tatu Issakainen, the representative of Svenska Handelsbanken, and Kati Lappalainen, the representative of Euroclear Bank SA/NV, stated correspondingly regarding the voting instructions and procedures of their clients.

The chairperson noted that the proposed procedures would be followed at the Annual General Meeting. He also noted that the opposing votes included in the summary list would be recorded in the minutes under the relevant item on the agenda only to the extent that they were given in favour of a counter-proposal eligible to vote.

It was noted that summary lists on the voting instructions provided by the shareholders represented by Nordea, SEB, Svenska Handelsbanken and Euroclear Bank SA/NV would be appended to the minutes ([Appendix 1](#)).

### **3 §**

#### **ELECTION OF SCRUTINEERS AND SUPERVISORS OF THE COUNTING OF VOTES**

Anna Hyske and Patrick Castrén were elected as the scrutineers.

Sara Laahanen and Tony Ingman were elected as supervisors of the counting of votes.

### **4 §**

#### **VERIFYING LEGITIMACY OF THE MEETING**

It was noted that an invitation to the meeting had been published on 30 January 2020 on the company's website.

It was noted that the Annual General Meeting had been convened in compliance with the company's articles of association and the provisions of the Limited Liability Companies Act. Based on this, a quorum was ascertained. The invitation to the meeting was appended to the minutes ([Appendix 2](#)).

### **5 §**

#### **RECORDING THE ATTENDANCE AT THE MEETING AND CONFIRMING THE LIST OF VOTES**

The list of the participants and the list of votes as of the opening of the meeting were presented, according to which 1,970 shareholders were present, either

personally or represented by a statutory or authorised representative. It was recorded that 335,269,142 shares and votes were represented at the opening of the meeting.

The list of participants and the list of votes as of the opening of the meeting were appended to the minutes (Appendix 3). It was noted that at the beginning of any vote the list of votes would be confirmed to correspond with the attendance of the meeting.

## **6 §**

### **PRESENTATION OF THE FINANCIAL STATEMENTS, ANNUAL REPORT AND AUDITOR'S REPORT FOR 2019**

Jaakko Eskola, President and CEO, presented a review of the company's operational and financial performance in 2019. He also described the company's current position and objectives, recent business development and future outlook. The President and CEO's presentation materials were appended to the minutes (Appendix 4).

Financial statements for the financial period 1 January – 31 December 2019 were presented, including the profit and loss account, balance sheet and cash flow statement, with notes, as well as the consolidated financial statements and the annual report of the Board of Directors. It was recorded that the financial statements of the parent company were prepared in accordance with the Finnish Accounting Standards (FAS), while the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS).

It was noted that the financial statement documentation had been available on the company's website since 11 February 2020, in addition to which the documentation was available at the meeting venue.

All the financial statement documents were appended to the minutes (Appendix 5).

The auditor's report was presented and appended to the minutes (Appendix 6).

## **7 §**

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

The Annual General Meeting adopted the financial statements and consolidated financial statements for the financial period 1 January to 31 December 2019.

**RESOLUTION ON USING PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDENDS**

It was noted that the total distributable assets of the parent company on the balance sheet date 31 December 2019 were EUR 993,534,893.15, of which the profit for the financial period amounted to EUR 239,590,080.77.

It was noted that the Board of Directors had proposed to the Annual General Meeting that dividend of EUR 0.48 per share, a total of EUR 284,027,227.20, be paid from the parent company's distributable assets. According to the proposal, the dividends will be paid in two parts.

The first dividend payment, EUR 0.24 per share, will be paid to shareholders who are registered in the company's shareholders' register, maintained by Euroclear Finland Oy, on the dividend record date of 9 March 2020. The Board proposes that the dividends included in this part be paid on 16 March 2020.

The second dividend payment, EUR 0.24 per share, will be paid in September 2020.

The second dividend payment will be to shareholders who were registered in the company's shareholders' register, maintained by Euroclear Finland Oy, on the dividend record date. The Board will decide at its meeting scheduled for 8 September 2020 on the record and payment dates of the second dividend payment. According to the present rules of the Finnish book-entry securities system, the dividend record date will then be 10 September 2020 and the dividend payment date 17 September 2020.

It was noted that the Board of Directors had further proposed that the remaining part of the profit be transferred to the retained earnings account.

The proposal of the Board of Directors was appended to the minutes (Appendix 7).

The Annual General Meeting resolved, according to the proposal of the Board of Directors, that dividend of EUR 0.48 per share, totalling EUR 284,027,227.20, be paid from the parent company's distributable assets.

It was noted that Lauri Halonen proposed paying of the entire dividend in March 2020, but did not demand a vote on this matter.

## **9 §**

### **RESOLUTION ON THE DISCHARGE FROM LIABILITY FOR THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO**

It was noted that the resolution on the discharge from liability for the financial period 1 January to 31 December 2019 concerned the following persons:

Mikael Lilius, chairperson of the Board  
Tom Johnstone, vice chairperson of the Board  
Maarit Aarni-Sirviö, Board member  
Kaj-Gustaf Bergh, Board member  
Karin Falk, Board member

Johan Forssell, Board member  
Risto Murto, Board member  
Markus Rauramo, Board member  
Jaakko Eskola, President and CEO

The Annual General Meeting resolved to grant discharge from liability to the above members of the Board of Directors and the President and CEO.

## **10 §**

### **PRESENTATION OF COMMITTEE REWARDING POLICY**

Mikael Lilius, chairperson of the Board, presented the company's committee rewarding policy to the Annual General Meeting in accordance with Appendix 8.

It was noted that the Annual General Meeting was in favour of the presented rewarding policy.

## **11 §**

### **ESTABLISHMENT OF A SHAREHOLDERS' NOMINATION COMMITTEE AND CONFIRMING ITS RULES**

It was resolved to accept a proposal of the Board on the establishment of a Shareholders' Nomination Committee. The said committee will prepare the Board's nomination and rewarding matters. The proposed rules of the Shareholders' Nomination Committee, Appendix 9, were approved.

## **12 §**

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

It was resolved, in accordance with a proposal of the Nomination Committee of the Board of Directors, that the Board members elected for the term of office ending at the closing of the 2021 Annual General Meeting be paid the following

annual remuneration:

- EUR 140,000 to the chairperson of the Board,
- EUR 105,000 to the deputy chairperson of the Board and
- EUR 70,000 per person to all other Board members.

Each member of the Board will also be paid a fee of EUR 750 for each Board meeting that they attend. The chairperson of the meeting will be paid the fee increased by 100%.

In addition, the chairperson of the Audit Committee will receive a fixed fee of EUR 20,000 and each member of the committee a fixed fee of EUR 10,000 for the term of office, and the chairperson of the Remuneration Committee will receive a fixed fee of EUR 10,000 and each member of the committee a fixed fee of EUR 5,000 for the term of office.

Approximately 40% of the annual remuneration of the Board will be paid in Wärtsilä Corporation shares, and the remaining portion in cash, from which tax will be deducted on the basis of the total annual remuneration. The company will pay the transaction expenses and transfer tax. The attendance fees of the Board and the fixed fees for committee work will be paid in cash.

Any travel expenses will be reimbursed in accordance with the company travel policy.

### **13 §**

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

It was noted that, pursuant to the articles of association, the Board of Directors shall comprise no fewer than five and no more than ten members, and that the Board of Directors currently has eight members.

It was noted that the Nomination Committee of the Board of Directors had proposed to the Annual General Meeting that the number of members of the company's Board of Directors be confirmed as eight (8).

In accordance with the proposal of the Nomination Committee of the Board of Directors, the Annual General Meeting resolved that the number of members of the company's Board of Directors be confirmed as eight (8).

### **14 §**

#### **ELECTING BOARD MEMBERS**

It was noted that, in accordance with the articles of association, Board members shall be elected for a one-year term, starting on the day of the Annual General Meeting at which the election was held and ending at the closing of the first

Annual General Meeting following the election.

It was noted that the Nomination Committee of the Board of Directors had proposed to the Annual General Meeting that, for the term of office ending at the closing of the 2021 Annual General Meeting, the following persons be re-elected as Board members:

- Maarit Aarni-Sirviö
- Karin Falk
- Johan Forssell
- Tom Johnstone
- Risto Murto
- Markus Rauramo

The Nominations Committee had proposed Karen Bomba and Mats Rahmström as new Board members.

It was noted that the persons listed above had agreed to accept the nomination.

It was resolved, in accordance with the proposal of the Nomination Committee, to elect the following persons as Board members for the term of office ending at the closing of the 2021 Annual General Meeting:

- Maarit Aarni-Sirviö
- Karen Bomba
- Karin Falk
- Johan Forssell
- Tom Johnstone
- Risto Murto
- Mats Rahmström
- Markus Rauramo

#### **15 §**

#### **RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

It was resolved that the remuneration to the auditor be paid in accordance with the auditor's invoice, approved by the company.

#### **16 §**

#### **ELECTING THE AUDITOR**

It was noted that, in accordance with the articles of association, the company shall have one auditor, and that the auditor shall be an audit firm approved by the Finnish Chambers of Commerce. For the current financial period, the company's auditor was PricewaterhouseCoopers Oy, Authorised Public Accountants, with Merja Lindh acting as the principal responsible auditor.

It was resolved that the elected auditor will be requested to provide a statement

on the discharge of liability and the distribution of profit for 2020.

The Annual General Meeting decided, in accordance with the Audit Committee's proposal, that PricewaterhouseCoopers Oy, Authorised Public Accountants, be elected as the company's auditor for 2020.

## **17 §**

### **AUTHORISATION REGARDING THE PURCHASE OF COMPANY SHARES**

It was resolved to approve the Board's proposal on granting authorisation regarding the purchase and transfer of company shares (Appendix 10).

The Board was authorised to resolve on the purchase of no more than 57,000,000 company shares, in accordance with the Board's proposal. The purchase authorisation shall remain in force until the end of the first Annual General Meeting following the resolution, or a maximum of 18 months from the resolution made by the Annual General Meeting.

It was noted that, based on the authorisation, the Board is entitled to resolve on the purchase of company shares also otherwise than in proportion to the existing number of company shares held by shareholders.

## **18 §**

### **SHARE ISSUE AUTHORISATION**

It was resolved to approve a proposal of the Board on a share issue authorisation (Appendix 11).

The Board was authorised to make a decision on the issue of no more than 57,000,000 shares, in accordance with the Board's proposal. It was recorded that, based on the authorisation, the Board is entitled to make a decision on a share issue against payment or without payment. Shares may also be issued through a direct share issue also otherwise than in proportion to the existing number of company shares held by shareholders, provided that the company has a financially weighty reason to do so. The Board's share issue authorisation shall remain in force for three years from the date of the resolution made at the Annual General Meeting. It repeals the authorisation granted by the Annual General Meeting on 7 March 2019 on the transfer of company shares.

**19 §**

**CLOSING THE MEETING**

The chairperson of the Annual General Meeting noted that all the items on the agenda had been discussed, and that the minutes of the meeting would be available to the shareholders at the company's head office and on the company's website no later than two weeks from the date on which the Annual General Meeting was held.

The chairperson concluded the meeting.

Chairperson of the Annual General Meeting:

Juha Väyrynen

In witness whereof:

Kari Hietanen

Minutes scrutinised and approved:

Anna Hyske

Patrick Castrén

## **APPENDICES**

- Appendix 1 Voting instructions by nominee-registered shareholders
- Appendix 2 Invitation to the Annual General Meeting
- Appendix 3 Adopted list of votes
- Appendix 4 Presentation materials of the President and CEO's review
- Appendix 5 Financial statement documents
- Appendix 6 Auditor's report
- Appendix 7 Board's proposal on the distribution of profit
- Appendix 8 Company's committee rewarding policy
- Appendix 9 Rules of the Shareholders' Nomination Committee
- Appendix 10 Board's proposal on authorisation regarding the purchase and transfer of company shares
- Appendix 11 Board's proposal on share issue authorisation

