

*English translation from the Finnish original*

## **NOTICE TO THE ANNUAL GENERAL MEETING**

Notice is given to the shareholders of Metso Corporation (the "Company") to the Annual General Meeting to be held on Wednesday, March 30, 2011, at 15.00 at the Helsinki Exhibition and Convention Centre, Messuaukio 1, 00520 Helsinki, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 14.00.

### **A. *Matters on the agenda of the general meeting***

- 1. Opening of the meeting**
- 2. Calling the meeting to order**
- 3. Election of persons to scrutinize the minutes and to supervise the counting of votes**
- 4. Recording the legality of the meeting**
- 5. Recording the attendance at the meeting and the list of votes**
- 6. Presentation of the Financial Statements including Consolidated Financial Statements, the Report of the Board of Directors and the Auditor's report for the year 2010**
  - Review by the CEO
- 7. Adoption of the Financial Statements including Consolidated Financial Statements**
- 8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

The Board of Directors proposes based on the balance sheet to be adopted for the financial period ended on December 31, 2010, that a dividend of EUR 1.55 per share be distributed. The proposed dividend takes into consideration Metso's strong financial position and dividend policy.

Furthermore, it should be noted that the dividend paid in 2009 was 25 % of earnings per share because of the financial market turmoil at that point of time.

The dividend is paid to a shareholder who on the record date April 4, 2011 is registered as a shareholder in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend is paid on April 12, 2011.

**9. Resolution on the discharge of the members of the Board of Directors and the CEO from liability**

**10. Resolution on the remuneration of the members of the Board of Directors**

The Nomination Board of the Annual General Meeting proposes to the Annual General Meeting that the annual remuneration payable to the members of the Board of Directors be equal to the remuneration payable to the current members of the Board of Directors based on the decision of the Annual General Meeting 2010, however, with the change that the remuneration payable to the Chairman of the Audit Committee be equal to the remuneration payable to the Vice Chairman of the Board of Directors. The annual remunerations proposed by the Nomination Board be the following: EUR 92,000 for the Chairman of the Board of Directors, EUR 56,000 for the Vice Chairman of the Board of Directors and for the Chairman of the Audit Committee, and EUR 45,000 for each member of the Board of Directors. In addition, the Nomination Board proposes that a meeting fee in the amount of EUR 600 shall be paid for those members whose place of residence is in Nordic countries, EUR 1,200 for those members whose place of residence is elsewhere in Europe and EUR 2,400 for those members whose place of residence is outside of Europe for the meetings attended, including the meetings of the committees of the Board of Directors. The Nomination Board proposes that 40 % of the annual remunerations are paid in Metso Corporation shares acquired from the market. The shares shall be acquired directly on behalf of the Board members within two weeks from the release of interim report for January 1– March 31, 2011.

**11. Resolution on the number of members of the Board of Directors**

The Nomination Board of the Annual General Meeting proposes that the number of members of the Board of Directors shall be confirmed to eight.

## **12. Election of members of the Board of Directors**

The Nomination Board of the Annual General Meeting proposes that the present members of the Board of Directors Mikael von Frenckell, Maija-Liisa Friman, Christer Gardell, Yrjö Neuvo, Erkki Pehu-Lehtonen, Pia Rudengren and Jukka Viinanen would be re-elected. In addition, it is proposed to elect Ozey K. Horton, Jr. as a new member of the Board of Directors. It is proposed to elect Jukka Viinanen as Chairman and Maija-Liisa Friman as Vice Chairman to the Board of Directors. According to Article 4 of the Articles of Association, the term of office of a member of the Board of Directors shall continue until the closing of the first Annual General Meeting following the election.

Ozey K. Horton, Jr., born in 1951, is a Director in the Atlanta office of McKinsey & Company, a management consulting firm – having joined the firm in 1981 in its Chicago office and is planning to retire from the firm at the end of this February. He has a BSE in civil and environmental engineering from Duke University and an MBA from the Harvard Business School. Over the years, he has led numerous corporate growth, strategy, M&A and performance improvement initiatives at global clients across a range of industries – especially in the basic industrials space (such as pulp, paper and packaging; metals and mining; chemicals; energy). He has also led several practices within McKinsey & Company: as founder of the global pulp, paper and packaging practice; co-leader of the global basic materials practice; and most recently as leader of the global operations practice within the energy and materials sector. He has extensive experience working in Europe and also in South America, India and Asia. Prior to McKinsey, Mr. Horton had early career stints at Cummins Engine in production, Sonoco Products in packaging, and the JE Serrine Company in project engineering. He is a US citizen and resides in the USA.

Personal information and positions of trust of the nominees for the Board of Directors are presented on Metso's website ([www.metso.com](http://www.metso.com)). All nominees have given their consent for the position.

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

Based on the Audit Committee's proposition, the Board of Directors proposes that the Auditor's remuneration is paid against an invoice in accordance with the principles accepted by the Audit Committee.

**14. Election of the Auditor**

Based on the Audit Committee's proposition, the Board of Directors proposes that Authorized Public Accountant firm PricewaterhouseCoopers Oy shall be re-elected as Auditor of the Company. PricewaterhouseCoopers Oy has announced Johan Kronberg, APA, to be the Auditor with principal responsibility.

**15. Authorizing the Board of Directors to decide on the repurchase of the Company's own shares**

The Board of Directors proposes that the Annual General Meeting would authorize the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the Company's own shares ("Repurchase authorization").

The Company's own shares shall be repurchased in deviation from the proportion to the holdings of the shareholders using the non-restricted equity and acquired through public trading on the NASDAQ OMX Helsinki Ltd ("Helsinki Stock Exchange") at the share price prevailing at the time of acquisition.

The shares shall be repurchased in order to develop the capital structure of the Company or to finance or carry out future acquisitions, investments or other arrangements related to the Company's business or as part of the Company's incentive program.

Own shares acquired to the Company may be held, cancelled or conveyed. The authorization shall include also the right to take the Company's own shares as pledge to secure the potential receivables of the Company. The Board of Directors shall decide on other matters related to the repurchase of the Company's own shares.

The repurchase authorization is valid until June 30, 2012, and it revokes the repurchase authorization given by the Annual General Meeting on March 30, 2010.

**16. Authorizing the Board of Directors to decide on the issuance of shares as well as the issuance of special rights**

The Board of Directors proposes that the Annual General Meeting would authorize the Board of Directors to decide on the issuing of new shares and the conveying of own shares held by the

Company (“Share issue authorization”) and to grant special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, on the following conditions:

By virtue of the authorization, the Board is entitled to decide on the issuing of a maximum of 15,000,000 new shares and on the conveying of a maximum 10,000,000 own shares held by the Company.

Additionally, the Board is authorized to grant special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive, against payment, new shares of the Company or the Company’s own shares held by the Company in such a manner that the subscription price is paid by using the subscriber’s receivables to offset the subscription price (“Convertible bonds”). The maximum number of shares to be issued is 15,000,000. The maximum number is included in the maximum number of shares noted in the previous paragraph.

The new shares may be issued and the own shares held by the Company conveyed either against payment (“Share issue against payment”) or without payment (“Share issue without payment”).

The Board of Directors may decide on a share issue without payment also to the Company itself. The number of shares to be issued to the Company shall not exceed 10,000,000 including the number of own shares acquired by the Company by virtue of the authorization to repurchase the Company’s own shares.

The new shares and the own shares held by the Company may be issued to the Company’s shareholders in proportion to their current holding; or by means of a directed issue, waiving the pre-emptive subscription rights of the shareholders, if there is a weighty financial reason for the Company to do so, such as to develop the capital structure of the Company or to finance or carry out future acquisitions, investments or other arrangements related to the Company’s business or as part of the Company’s incentive program. A directed issue can only be executed without payment if there is an especially weighty financial reason for the Company to do so, taking the interests of all shareholders into account.

The subscription price of new shares issued shall be recorded in the invested unrestricted equity fund and the consideration paid for the conveyance of the Company’s own shares shall be recorded in the invested unrestricted equity fund.

The Board of Directors shall decide on other matters related to the share issues.

The share issue authorization is valid until April 30, 2014, and it revokes the share issue authorization given by the Annual General Meeting on March 30, 2010.

#### **17. The shareholder Solidium Oy's proposal to establish a Nomination Board**

The shareholder Solidium Oy proposes the establishment of a Nomination Board comprising of shareholders or representatives of shareholders. With respect to the matter, Solidium Oy proposes that:

1. The Annual General Meeting resolves to establish a Nomination Board comprising of shareholders or representatives of shareholders to prepare proposals for the following Annual General Meeting concerning the election and remuneration of the members of the Board of Directors.
2. The task of the Nomination Board is
  - a. to prepare the proposal for the Annual General Meeting concerning the members of the Board of Directors;
  - b. to prepare the proposal for the Annual General Meeting concerning the remuneration issues of the members of the Board of Directors;
  - c. to seek the successor candidates to the Board of Directors;
  - d. to introduce the proposals for the Annual General Meeting concerning the members of the Board of Directors and their remuneration issues.
3. Four largest shareholders or representatives of shareholders are elected to the Nomination Board and the Board additionally comprises as an expert member the Chairman of the Board of Directors.

The right to appoint members representing shareholders is held by the four shareholders who have been registered on October 1, 2011 in the shareholders' register of the Company held by Euroclear Finland Ltd and who according to the register hold the largest share of all votes in the Company. Should a shareholder, who according to the Finnish Securities Markets Act is obliged to report certain changes in holdings (shareholder with a disclosure

obligation), notify the Company's Board of Directors in writing of such demand by September 30, 2011 at the latest, such shareholder's holdings in several funds or registers are added together when counting the share of votes. Should a shareholder choose not to use his right to appoint, the right to appoint is transferred in accordance with the shareholder's register to the next largest shareholder who otherwise would not have the right to appoint.

4. The Nomination Board is convened by the Chairman of the Board of Directors, and the Board elects a chairman from among its members.
5. The Nomination Board shall submit the proposal to the Board of Directors no later than February 1 prior to the Annual General Meeting.

## **18. Closing of the meeting**

### ***B. Documents of the Annual General Meeting***

The decision proposals on the agenda of the Annual General Meeting as well as this notice are available on Metso Corporation's website at [www.metso.com](http://www.metso.com). The Annual Report of Metso Corporation, including the Company's Financial Statements, the Report of the Board of Directors and the Auditor's Report, is available on the above-mentioned website no later than March 9, 2011. The proposals of the Board of Directors and the Financial Statements are also available at the Annual General Meeting and copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the meeting will be available on the above-mentioned website as from April 13, 2011 at the latest.

### ***C. Instructions for the participants in the Annual General Meeting***

#### **1. The right to participate and registration**

Each shareholder, who is registered on March 18, 2011 in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal book-entry account, is registered in the shareholders' register of the Company.

A shareholder, who is registered in the shareholders' register and wants to participate in the Annual General Meeting, shall register for the meeting no later than March 24, 2011 by giving a prior notice of participation to the Company. The notice can be given:

- a) on the Company's website [www.metso.com/agm](http://www.metso.com/agm);
- b) by telephone +358 10 808 300 (*from Monday to Friday between 7.30-22.00*);
- c) by fax +358 20 484 3125; or
- d) by regular mail to the address Metso Corporation, Ritva Tyventö-Saari, PO Box 1220, FIN-00101 Helsinki, Finland.

In connection with the registration, a shareholder shall notify his/her name, personal identification number/company identification number, address, telephone number and the name of a possible assistant, authorized representative or statutory representative. The personal data given to Metso Corporation is used only in connection with the Annual General Meeting and with the processing of thereto related registrations.

Pursuant to Chapter 5, Section 25 of the Finnish Companies Act, a shareholder who is present at the Annual General Meeting has the right to request information with respect to the matters to be considered at the meeting.

## **2. Holders of nominee registered shares**

A holder of nominee registered shares, who wants to participate in the Annual General Meeting, shall be notified for temporary entry into the shareholders' register of the Company on March 25, 2011, at 10.00, at the latest, provided that the shareholder has the right, on the basis of the same shares, to be recorded in the shareholders' register of the Company on the record date of the meeting on March 18, 2011.

A holder of nominee registered shares is advised to request instructions regarding the registration in the shareholders' register of the Company, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian.

The account management organization of the custodian bank has to register a holder of nominee registered shares, who wants to participate in the general meeting, into the temporary shareholder's register of the company at the latest by the time stated above.

### **3. Proxy representative and powers of attorney**

A shareholder may participate in the Annual General Meeting by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Annual General Meeting.

If the shareholder participates in the Annual General Meeting through various proxy representatives who represent the shareholder with shares in different security accounts, the shareholder shall report the shares which each different proxy representative represents in connection with the registration.

Possible proxy documents should be delivered in originals to Metso Corporation, Ritva Tyventö-Saari, PO Box 1220, FIN-00101 Helsinki, Finland before the last date for registration.

### **4. The total number of shares in Metso Corporation on the date of the notice to the Annual General Meeting**

On the date of this notice to the Annual General Meeting February 3, 2011, the total number of shares and votes in Metso Corporation is 150,348,256. From this amount 718,397 shares are held by the Company. These shares have no voting right.

Helsinki, February 3, 2011

METSO CORPORATION

THE BOARD OF DIRECTORS