

**PROPOSAL OF THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AND THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

The Board of Directors proposes to the General Meeting that the Board of Directors be authorized to decide on the issuance of new shares and the transfer of the Company's own shares as well as the issuance of special rights referred to in Chapter 10 Section 1 of the Companies Act as follows.

The amount of new shares, which may be issued based on decision(s) of the Board of Directors pursuant to the authorization shall not exceed 15,000,000 shares, which corresponds to approximately 10 percent of all shares in the Company. The amount of the Company's own shares which may be transferred shall not exceed 10,000,000 shares, which corresponds to approximately 6.7 percent of all shares in the Company.

The Board of Directors is furthermore authorized to issue special rights referred to in Chapter 10 Section 1 of the Companies Act entitling their holder to receive new shares or the Company's own shares for consideration in such a manner that the subscription price of the shares is to be set off against a receivable of the subscriber ("Convertible Bond"). The amount of shares which may be issued or transferred based on the special rights shall not exceed 15,000,000 shares, which corresponds to approximately 10 percent of all shares in the Company. This aggregate number of shares is included in the aggregate numbers of shares that may be issued and/or transferred mentioned in the previous paragraph.

The new shares may be issued and the Company's own shares may be transferred for consideration or without consideration.

The Board of Directors is also authorized to decide on a share issue to the Company itself without consideration. The amount of shares which may be issued to the Company, together with the amount of shares to be repurchased based on the authorization, shall not exceed 10,000,000 shares, which corresponds to approximately 6.7 percent of all shares in the Company.

The new shares and the special rights referred to in Chapter 10 Section 1 of the Companies Act may be issued and the Company's own shares transferred to the shareholders in proportion to their current shareholdings in the Company. The new shares and the special rights referred to in Chapter 10 Section 1 of the Companies Act may also be issued and the Company's own shares transferred in deviation from the shareholders' pre-emptive rights by way of a directed issue if there is a weighty financial reason for the Company to do so. The deviation from the shareholders' pre-emptive rights may be carried out for example in order to develop the Company's capital structure, in order to finance or carry out acquisitions, investments or other business transactions, or in order to use the shares for an incentive scheme. A directed share issue may be executed without consideration only if there is an especially weighty financial reason for the Company to do so, taking the interests of all its shareholders into account.

The Board of Directors decides on all other matters related to the issuance of shares and special rights referred to in Chapter 10 Section 1 of the Companies Act.

The authorization is effective until *June 30, 2018*, and it cancels the authorization given by the Annual General Meeting on *March 26, 2014*.

In Helsinki, February 4, 2016

METSO CORPORATION

Board of Directors