

March 24, 2016 at 11:10 a.m.

Opening speech by Mr. Jorma Eloranta, Chairman of the Board of Directors
Neste's Annual General Meeting, March 30, 2016 at 1:00 p.m., Messukeskus, Helsinki

Dear Neste Corporation shareholders, ladies and gentlemen!
Ärade aktieägare, mina damer och herrar, dear fellow shareholders, ladies and gentlemen!

My name is Jorma Eloranta, and I am the chairman of the company's Board of Directors. I would like to warmly welcome you to Neste's Annual General Meeting 2016.

Next, I will briefly introduce the members of the Board of Directors, also explaining the Board's work since the last Annual General Meeting and during the last year, and naturally open the Annual General Meeting.

The business review and financial statements will be presented by our President and CEO Matti Lievonen.

So, I will begin by introducing the members of the Board of Directors, who we have asked to come here to talk to you as in previous years.

- Maija-Liisa Friman has a master's degree in chemistry and is the Vice Chair of the Board of Directors and member of the Audit Committee.
- Laura Raitio has a licentiate degree in chemistry, and she is a member of the Remuneration Committee.
- Jean-Baptiste, or J.B., Renard, is a French citizen with a master's degree in engineering from École Polytechnique and an engineering diploma in petroleum economics from the French Petroleum Institute. Last year, he was a member of the Remuneration Committee.
- Willem Schoeber is a Dutch-German doctor of chemical engineering and member of the Audit Committee
- Marco Wiren has a master's degree in economics and works as a CFO, he is the Chairman of our Audit Committee
- Kirsi Sormunen has a master's degree in economics, and she is also a member of our Audit Committee.
- I myself have a master's degree in technology. I have been the Chair of the Board of Directors and its Personnel and Remuneration Committee since 2012. I have also served as a member of the Shareholders' Nomination Board in accordance with the resolution of the Annual General Meeting.

More detailed information about the background and experience of the Board members is available in the Neste 2015 annual report available on our website.

All of the Board members, as well as Markku Katajisto, Chartered Public Accountant with our principal auditor, the Chartered Public Accountant Company PriceWaterhouseCoopers Oy, are independent of Neste Corporation and its major shareholders.

The year 2015 from the point of view of the Board of Directors

As we know, 2015 was a successful year for Neste. The company's determined operational improvement programs played a major role, but the market conditions were also favorable to Neste. The outright collapse of crude oil prices compared to a few years ago has had a positive effect on economic growth in the United States and Asia. The positive effects seen in Europe have been more moderate, and unfortunately, almost non-existent in Finland.

So, the year 2015 was excellent for Neste in terms of profit and cash flow. Even though crude oil prices decreased, resulting in a decrease in our net sales, our refining margins were OK, as one can see in our profit for last year. With regard to Neste, the development of net sales does not indicate the success of the company.

In our communication, we pay particular attention to comparable operating profit and the comparable net result calculated from it. Many other similar companies do this as well. The reason is that we have a certain amount of crude oil in our inventories as basic stock, and the daily change in its market price is shown as inventory gains or losses in IFRS accounting. If the price of oil decreases, we accumulate losses according to the IFRS rules, if it increases, we correspondingly make a profit. We should not rejoice or become sad due to these gains or losses. The IFRS gains or losses from oil price fluctuations are eliminated when calculating the comparable profit. I believe that the financial market understands this quite well.

A strong balance sheet, a gearing ratio that matches our objective and good liquidity were and remain our key ways of preparing for different price peaks in our industry.

As I stated last year, foreign exchange courses helped, and refining margins were good, especially for gasoline. However, our internal Fight Forward program, among other measures, also contributed to the record-high comparable operating profit: it improved our profit by over EUR 200 million last year, which is roughly on a par with our dividend proposal.

The stock market also viewed the development of our company favorably, as it did in 2013 and 2014. Neste's total shareholder return (TSR) was 51% in 2013, 41% in 2014 and 41% last year. Neste's figures are considerably higher than the development of the general index of the Helsinki Stock Exchange or the development of our international benchmark companies. An investment of EUR 1,000 made at the beginning of 2013 was worth over EUR 2,800 at the end of last year, in addition to which over EUR 270 have been paid in dividends on the investment if the dividend proposal discussed today is accepted.

In spite of the favorable development, it is necessary to critically view the market capitalization of the company. Using the average P/E ratio of 16 in the Helsinki Stock Exchange last year and multiplying it by last year's comparable earnings per share (EPS) and corresponding IFRS-based

earnings per share, the value of the share, and thereby the market capitalization of our company is considerably more than the current share price.

Based on investor feedback, the management of the company does not deteriorate the confidence of the financial market. The uncertainties of our industry and the – incorrect – branding of Neste as an ordinary oil company can influence it.

– Anyway, the Board of Directors aims to act so that the parties to the stock market can trust in Neste as a listed company that aims to work determinedly in the best interests of its shareholders by reforming its business operations and taking good care of the profitability of its current functions. Our long-term investments in renewable diesel are an example of reform and our investments in the Naantali and Porvoo refineries show that we want to keep our conventional oil refining operations competitive. Seeking partners with regard to shipping operations and the power transmission and power plant of the Porvoo refinery also indicate that we want to keep our balance sheet strong with an eye to future opportunities and challenges.

In any case, the decision made by you – dear shareholders – last year to shorten the company's name from Neste Oil to Neste has turned out to have been the right one.

Activity of the Board of Directors and statistics for 2015

The key task of Neste's Board of Directors is to guide the Group's strategy in a way that lays down the preconditions for meeting the financial objectives set for the Group, and the creation of shareholder value in the long term while taking into account the expectations of different stakeholders.

The Board of Directors convened 13 times in 2015. The average attendance rate at the meetings was 93%. We did not reach an attendance rate of 100% last year due to a case of illness and schedule problems early in the year.

The Board of Directors focused on monitoring the company's financial performance and status, oversaw strategy execution and evaluated the changes in the operational environment and their impact on company strategy. The Board made decisions related to refinery development and securing competitiveness. The decisions concerned, for example, the Porvoo refinery maintenance turnaround and the thermal and electrical power plant built as a joint venture. The Board paid attention to the improvement of safety whilst monitoring the measures taken to improve production unit availability and to develop operating methods. The Board also monitored the increasing flexibility in the renewable product raw material base. In addition, the Board paid attention to improving risk control and took care of its other tasks in accordance with its agenda.

The Board of Directors has also approved, most recently in December 2015, the "Board Agenda". It comprises a list of the most important things to be reviewed over the next 18 months. It includes the opportunities and risks related to changes in the operating environment, reform of the company through accelerating research & development activities, for instance, taking care of the excellence of operations, developing and ensuring the competencies and skills required by changes in the operating environment, as well as diverse details related to the product portfolio.

Last year, we commissioned an unofficial review of the use of time at Board meetings that took place last year. We found that the Board of Directors used approximately 30% of its actual effective meeting time on strategic questions and business planning, assessing investment proposals and business development and technology projects, approximately 20% on reviewing reports by the CEO and auditors and interim reports, approximately 15% in matters related to corporate governance and committee reports, approximately 12% in information systems and risk management, and approximately 8% in questions related to personnel and safety. Free-form discussions with the CEO and the Board's internal discussions took some 15% of meeting time. In addition to these, time was spent visiting the company's refineries, meeting customers and seminar work related to matters considered important to the company's success.

To make the work of the Board of Directors more concrete, I will tell you an example of a question that the Board considered important. It is safety, the safety of the company's processes and work.

At the initiative of the Board of Directors, the company organized a seminar with DuPont, in which company key management took part in addition to the Board. At the actual meetings, safety-related matters have perhaps taken up 5% of the effective time usage, but this seminar and other weight given to the matter have emphasized the Board's strategic intent in these questions.

The starting point is that Neste's safety performance is good on a Finnish scale, but internationally, we absolutely want to become a better, safer company within our industry.

A review of safety incidents in recent years has revealed that a large share of accidents in particular have occurred involving Neste's contractors. Neste wants everyone to return home healthy after a safe shift at work, so we have begun to require even better safety planning and performance compliant with Neste's standards.

When the CEO presents a review at each Board meeting, the safety report is always the first thing to be addressed. The Board has also otherwise discussed the development of safety at several meetings during the year and confirmed the company's safety objectives. Safety has also been among the criteria of the reward system for a few years, too. The Board of Directors and the CEO have additionally approved arrangements aiming at increasingly efficient safety management in the organization.

As I mentioned earlier, the Board of Directors has held some of its meetings at the company's refineries. They have always also included the Board's safety visit.

Making safety one of the key themes is based on the experience and expertise of the Board of Directors and its members in developing the profitability of our industry and risk management. We have proceeded in a good mutual understanding with the management in this matter, and I can say with pleasure that Neste's top management has also included the improvement of safety on its agenda.

There are two committees operating inside the Board of Directors: the Audit Committee with 4 members, and the Personnel and Remuneration Committee with 3 members. The duties of the committees have been specified in the charters ratified by the Board of Directors.

The Audit Committee convened five times during 2015, and all of its members attended all meetings. The safety of information systems, which could also be seen more extensively in discussions, emerged in the agendas of the meetings. Considering last year as a whole, slightly over one third of the Audit Committee's meetings were spent on reviewing financial reporting and its process and quarterly reporting. The development of internal auditing and governance and related discussions with the auditors also accounted for one third of the time spent. The rest of the meeting time was equally spent on developing risk management and internal control on the one hand, and monitoring the upgrading and data security of information systems on the other.

The members of the Audit Committee have good knowledge and experience in the matters for which the committee is responsible, and they significantly contributed input from the point of view of the Board as a whole.

The Personnel and Remuneration Committee convened eight times in 2015, and the members' attendance rate was 100% in this Committee as well. The focal areas of the Personnel and Remuneration Committee included the evaluation and development of the company's remuneration principles and the assessment of the company's management and personnel resources, taking into account the strategic objectives set.

Last year, we paid particular attention to successor planning at Neste, as the success of the company largely depends on management and the competence of employees.

With regard to rewarding, Neste's Board of Directors has considered it appropriate to take the State of Finland's incentive guidelines into account. The maximum amounts of performance bonuses in proportion to basic remuneration specified in them limited the share-based incentives paid based on the previous year's results both in 2015 and this year. Increases of base salaries have also been very moderate.

We have disclosed the principles of remuneration – and the actual remuneration – in detail in our Remuneration Report. Good performance is reflected in remuneration. The Board of Directors is satisfied that maximum remuneration was achieved in several areas due to good performance. Certainly, last year's performance did not result in less incentives than aimed at in some areas. There is development potential in e.g. the availability of the refineries and refining margins, the level of fixed expenses and improving safety.

The competence of the Board of Directors is largely measured by our ability to select the performance indicators for the remuneration of the management and personnel and to set objectives to the right level. Based on a retrospective assessment of 2015, we believe that we have succeeded appropriately in this task.

On the whole, we are very satisfied with our achievements last year. For that reason, I would like to extend my gratitude to the company's management and all Neste people and all of our partners. The Board of Directors is justifiably proud of such a magnificent group of people.

Evaluation of the Board of Directors

Neste's Board of Directors annually performs a self-evaluation, and last year was no exception. Each member anonymously responded to a series of questions assessing the content of the Board's work, operating methods and internal dynamics, the activities of the Board members and the Chairman, and the performance of the CEO. A corresponding self-evaluation is also performed by both Board Committees.

In addition, I interviewed each Board member in person. Alongside these evaluations, at the end of each Board meeting, the Board assesses the preparations for each meeting, the materials used, presentations from the management, and our general performance as a Board of Directors in contributing to Neste's success in the Board meeting in question.

The Board's overall assessment of its work has remained very positive.

The results of the self-evaluation have been used to develop the work of the Board.

The results of the Board's self-evaluation and the Chairman's interviews were also relayed to the Shareholders' Nomination Board elected by the Annual General Meeting, and after discussing the matter, it proposed to the Annual General Meeting that the Board of Directors continue with its current line-up.

Working as the Chair of Neste's Board is a pleasant task, as each Board member has a responsible and ambitious attitude towards the duties assigned to them by you, esteemed shareholders, and because the Board makes up an excellent team. Therefore, I would like to extend my thanks to the members of our Board of Directors for providing their expertise for the benefit of Neste and its shareholders.

Opening the meeting

Dear shareholders, ladies and gentlemen,

thank you for showing your faith in Neste Corporation by investing in its shares. I would like to thank you for coming to this Annual General Meeting to hear how the company's Board of Directors and management have taken care of the duties entrusted to us, the company's plans for the future, and the important resolutions that the Annual General Meeting is supposed to make.

I declare the Annual General Meeting open and propose that Jukka Laitasalo be elected as Chair of the meeting, as in previous years.

