

Jorma Eloranta, Chair of Neste's Board of Directors
5 April 2017 at 1.00 p.m.

Dear Neste shareholders, ladies and gentlemen,

Welcome to the Annual General Meeting of Neste!



My name is Jorma Eloranta, and I am the Chair of Neste's Board of Directors. As I have done in previous years in opening the General Meeting, I'd like to start by saying a few things about the Board's work and some key events in the past year.

The other members of the Board are Deputy Chair Maija-Liisa Friman, and members Laura Raitio, Jean-Baptiste Renard, Willem Schoeberg, Kirsi Sormunen, and Marco Wiren.

The board members are introduced in the general meeting material that was handed out. In previous meetings I have also introduced the Board in person. We are all here today except for Maija-Liisa Friman.

She is this time at the general meeting of another listed company in Sweden.

Our education, main work experience, tasks, and shareholdings in Neste are described in the company's annual report. I also otherwise encourage our shareholders to acquaint themselves with our annual report, which also contains 2016 financial statements, the review by the Board of Directors, the auditor's report, as well as the strategy review and the sustainability report among others. There are in all over 200 pages of pure facts on the operations of your company. The key matters relating to the General Meeting are included in the material that was given to you.

The board convened ten times during the year. Participation in the meetings was once again active; with 100 percent participation. One of the meetings was a travel meeting where the Board familiarized itself with the financial situation of Russia, and got to know the operations of Neste's own station chain and those of our competitors in Russia. In addition, the Board also had a seminar-type strategy session.

The Board of Directors has two committees. The Audit Committee convened 7 times, and the members attended its meetings with 100 percent activity. The Personnel and Remuneration Committee had 6 meetings, and there was 100 percent attendance there also. Based on these figures, it can be rightly stated that the Board and each of its members responsibly handled their assignment from the previous General Meeting.

What is essential in the agenda of Neste's Board is the implementation of the approved strategy, acceleration of research and development, operative and commercial excellence as well as development and acquisition of competencies required by recurrence.

During the past year, the Board of Directors monitored the company's development of profitability and the financial position, engaged in discussions with the management and approved their base strategic approach. The Board also oversaw strategy and investment execution and achievement of operative goals, and evaluated the long-term changes in the operational environment and their impact on the

company's operations. 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, with a specific eye on the use of waste and residue feedstock solutions.

The Board also monitored the development of our business in various renewable product solutions, such as renewable aviation fuels and bio-based plastics and chemicals, for which the company founded the New Ventures unit. In addition, the Board paid attention to improving risk control, and took care of its other tasks in accordance with its agenda.

We also spent a lot of time for the review of strategy last year. Not for the reason that our strategy would have somehow been worryingly wrong – as the results show, this was certainly not the case. But because so many things are taking place right now in Neste's operating environment and on various markets, we wanted to ensure that we are continuously able to renew ourselves according to the needs of our customers. Especially in an operating environment that is difficult, the Board's role contains positively challenging the views prevailing in the company with the aim of focusing strategic choices correctly and reviewing opportunities and risks in different ways.

The management of the company prepared exhaustive materials for the strategy review, where among other things, the legislative development in various markets, outlooks for technology, actions by competitors, raw material issues and market potential of Neste products as well as the company's financial targets and shareholder value were discussed. We also heard external experts, such as business management consultants as well as other material parties. For example, the Chief Scientist and Policy Director of Greenpeace from England explained Greenpeace's views to us on the development of traffic and transport solutions and driving forces last spring. So many things have changed from the time when I, for the first time, six years ago participated in Neste's General Meeting, where Greenpeace members in gorilla costumes demonstrated their emotions.

On the basis of these analyses and the dialogue held with the management as well as the material prepared by the management, the Board approved the company's financial targets and the main strategic policies that the company's CEO and the rest of the management have explained and the results of which CEO Matti Lievonon will also discuss to us here later on. Special attention in the strategy has been paid on renewable raw materials and the strong profitable growth of business based on circular economy by using the excellent results of Neste's renewable diesel and the related company knowhow and our strong financial standing. Even though, we have achieved great results in respect of oil-based diesel, petrol and other products, our strategy also contains ambitious development targets for their productivity and operative performance.

As a result, the Board has held continuous dialogue with our CEO and other management – without letting our excellent profitability to lull us into self-satisfaction – and encouraged the management to bold and open-minded renewal of the company for the sake of purer future. Naturally, also responsibly and with a long-term perspective.

In 2016, Neste also achieved good results in the field of renewal. Low-sulfur marine diesel oil, the customer-oriented renewal of Neste K station network, Neste My completely produced of waste and residues as well as the international strengthening of Neste brand are some examples of that. As a result

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of our way of working called Way Forward, the development of business operations and their markets, new customers, operating methods and organization structures as well as plenty of other great things have arisen. I do not consider it indifferent that due to our Fight Forward programme; our result is almost EUR 300 million better than without that operation.

As we renewed and will strongly renew the operations of Neste, we have also managed to mind the profitability, cash flow and balance sheet of our company. The 16.9% return on capital employed after taxes is simply an excellent achievement in our field and thanks to our strong cash flow, the interest-bearing net debt amazingly diminished by EUR 608 million and our balance sheet is strong in all respect. The Board is very satisfied with the last year's financial achievements, for which the skillful management and personnel of the company is to be commended in our opinion.

The satisfaction with what has been executed encourages us to note that we have together with the management set challenging and highly ambitious strategic and operative development targets for the company's business operations and we hope we can tell about their achievement over the upcoming years and decades.

The positive financial development during the past years has also reflected in the company's market value. Neste's total shareholder return (TSR) was 35.7% in 2016. An investment of EUR 1,000 made at the beginning of 2013 was worth over EUR 3,500 at the end of last year, in addition to which over EUR 380 have been paid in dividends on the investment if the dividend proposal discussed today is accepted. The investment in Neste shares has, thus, been quite profitable, also when compared to the price development of international reference companies.

When making its dividend proposal, the Board, besides the dividend policy, assessed the group's financial standing and prospects as well as the financing of expected investments. After careful consideration, we resolved to propose to the General Meeting that our dividend would be increased by 30% of that of the last year i.e. it would be EUR 1.30 per share.

In conclusion, I note that Neste is now in a strong position to take the next step in growth.

Dear shareholders,

Like I have also previously mentioned, the custom of Neste's Board of Directors is every year and continuously to assess its own operations as well as the work of its Chairman and the CEO. The aim of the board assessment is to find the development targets and focus areas of the board work in the spirit of continuous improvement as well as to assess the expertise and composition of the board compared to our strategy. This was also the case last year. The Board assessed that by its actions it has been able to create value to Neste's business. The Board's working atmosphere and collaboration with the management were estimated to have continued as excellent. The Board's participation in meetings was – like I already mentioned – 100 per cent and all members attending the meetings were well acquainted with extensive meeting materials. Therefore, it was possible to focus on discussions and decision-making on focal issues.

The Board has also been satisfied with its Chair and the excellent performance of our CEO.

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The results of the Board evaluation were also reported to the Nomination Board of the company like previously.

Dear shareholders,

As the general meeting material provides, Maija-Liisa Friman and Kirsi Sormunen of the current members of the Board will leave the company's Board of Directors at the conclusion of this General Meeting. Both have over several years greatly and positively affected Neste's fine development. Maija-Liisa Friman was during her entire board term either a member of the Personnel and Remuneration Committee or a member of the Audit Committee as well as the Deputy Chair of the Board during my entire presidency since the spring 2012. Kirsi Sormunen was a member of the Audit Committee during her entire board term. Their input in the company's Board and its Committees has been strong and valuable. As Chair of the Board I also wish in this connection to warmly thank them for their good work for Neste.

Welcome once more to the Annual General Meeting. I declare the meeting open and propose that Attorney Jukka Laitasalo be elected as Chair of the meeting.