SALARY AND REMUNERATION REPORT

This salary and remuneration report of Metsä Board Corporation (Metsä Board or the Company) has been issued pursuant to Recommendation 47 of the Finnish Corporate Governance Code of June 15, 2010 and its latest update has been published on the Company's website in March 2014. In accordance with the Company's practice the salary and remuneration report is updated two times every calendar year as a starting point, however, always in March in connection with the annual Corporate Governance Statement.

DECISION-MAKING AND PRINCIPLES OF REMUNERATION

The purpose of the management's compensation system is to compensate management in a fair and competitive way for a successful and profitable implementation of the Company's strategy. The objective of remuneration is also to encourage management in the development of the Company's strategy and business to thereby act for the benefit the Company in the long run.

The Board of Directors approves the salary and compensation of the CEO and the principles applied in the compensation of other Corporate Management Team members. The Board further approves the structures and basis as well as applicable measures for the Company's remuneration and incentive schemes. The Nomination and Compensation Committee assists the Board in matters relating to management remuneration, conditions of employment and engagement of management members as well as prepares Board decisions relating to management remuneration. The CEO acting in cooperation with the Chairman of the Board decides on matters related to the compensation of other senior management members in accordance with the principles approved and guidance issued by the Board.

FINANCIAL BENEFITS

BOARD OF DIRECTORS

The Annual General Meeting held in April 2014 resolved to maintain the annual remuneration of the members of the Board of Directors unchanged. Thus, the Chairman received an annual remuneration of EUR 76,500, the Vice Chairman EUR 64,500 and members EUR 50,400. One half of the remuneration was decided to be paid in cash while the other half was to be paid in the Company's B-series shares to be acquired from the stock exchange between 1 and 30 April 2014. As a result, the Chairman received 11,531, the Vice Chairman 9,722 and each Board member 7,597 B-series shares. The amount of the cash consideration corresponds to the estimated withholding tax. In addition, the Annual General Meeting resolved to pay to the members a remuneration of EUR 600 per each attended Board and committee meeting. Further, the Annual General Meeting decided that an additional monthly compensation of EUR 800 be paid to the Chairman of the Audit Committee. The Nomination and Compensation Committee of the Board of Directors proposes to the Annual General Meeting convening on March 25, 2015 that the annual remuneration be increased by approximately 15 per cent and also that the practice of paying the remuneration in shares and in cash be continued. Meeting remuneration and Audit Committee Chairman's remuneration would be kept unchanged. The Board's annual remuneration has remain unchanged since 2006 and has been paid in shares and cash since 2009.

MANAGING DIRECTOR

The CEO has a written service contract approved by the Board. The Board monitors the CEO's performance and provides a specific performance evaluation once a year. The Board appoints and discharges the CEO. The Board can discharge the CEO without a specific reason. The CEO can also resign from his assignment. The mutual term of notice is six months. The Board may, however, decide to discharge the CEO without a period of notice. When the service contract of the CEO is terminated by the Board, the CEO is entitled to receive discharge compensation equal to his 12-month salary.

The contractual retirement age of the CEO is 62 years. The Company has commissioned an extra pension insurance policy for the CEO, covering the period between the contractual and statutory retirement age of 63 years and entitling the CEO to receive pension compensation equal to 60 per cent of his salary at the time of retirement (calculated in accordance with Finnish pension laws). The combined cost to the Company of the statutory pension contributions and voluntary pension insurance policies of CEOs Helander and Joukio amounted in 2014 to EUR 663,132 (EUR 413,599 in 2013 and EUR 394,188 in 2012). In case the service relationship of the CEO is terminated prior to retirement, the CEO is entitled to a free policy.

Short-term compensation

The monthly salary of CEO Mika Joukio is EUR 37,000. The salary includes car and mobile phone benefits as well as an extended cover for travel and accident. In addition, the Board may, in accordance with the managing director's service contract, decide that the CEO receives bonus pay based on his overall performance and corresponding to his seven month salary. In the period between January 1 and September 30 2014, the CEO Helander received a total of EUR 894,616 in salary, bonuses and other benefits (EUR 606,534 in 2013 and EUR 570,317 in 2012), of which EUR 444,183 (EUR 535,130 in 2013 and EUR 521,779 in 2012) was fixed compensation and EUR 130,383 (EUR 71,404 in 2013 and EUR 48,538 in 2012) was bonus pay and EUR 320,050 (EUR 0 in 2013 and EUR 0 in 2012) as share based incentive. CEO Joukio received EUR 116,262 in fixed compensation in the period between October 1 and December 31, 2014.

Long-term compensation

The CEO took part in the management ownership scheme of Metsä Group's executive management, through which he indirectly owned shares in the Company. As a consequence, Helander was not entitled to the share bonus for the 2010 financial period under the Company's own share bonus system. Helander invested in August 2010 approximately EUR 500,000 of his own funds in Metsä Group's management holding company, in which he was a co-owner together with other Metsä Group's executive management members. The holding company entitled Metsäliitto Management Ltd. purchased in August 2010

Metsä Board's B-series shares using its own capital and additional debt capital obtained from Metsäliitto Cooperative. Altogether 881,933 B-shares purchased for the aggregate purchase price of approximately EUR 2.5 million were indirectly allocated to Helander. Since in late 2013 the price of Metsä Board B-series shares exceeded the average price at which Metsäliitto Management Oy had acquired its holding of B-series shares, the system was dismantled in the spring of 2014. Upon dismantling of the system, Mr Helander was entitled to a share of Metsäliitto Management Oy's assets which share corresponds to his holding in such company, altogether approximately EUR 569,000.

CORPORATE MANAGEMENT TEAM

Also other Corporate Management Team members have written employment contracts. With the exception of the CEO, the period of notice of Corporate Management Team members is six months. Termination of employment without cause entitles members of the Corporate Management Team to receive discharge compensation equal to their 6 to 12-month salary.

Excluding the CEO, Corporate Management Team members have no extraordinary pension arrangements which would deviate from applicable pension legislation. According to Finnish pension legislation, a person has the option to retire between the ages of 63 to 68. The Finnish TyEL pension system provides for a retirement benefit based on years of service and earnings according to the prescribed statutory system. For purposes of the Finnish pension system earnings include salary, bonuses and fringe benefits but exclude share or stock option based income.

Short-term compensation

In 2014, other Corporate Management Team members received a total of EUR 1,578,817 (EUR 1,336,651 in 2013 and EUR 1,350,562 in 2012) in salary and bonuses of which EUR 1,156,109 (EUR 1,192,652 in 2013 and EUR 1,237,493 in 2012) were fixed salaries and benefits (car and mobile phone) and EUR 180,484 (EUR 143,999 in 2013 and EUR 113,069 in 2012) bonuses and EUR 242,224 (EUR 0 in 2013 and EUR 0 in 2012) as share based incentive. The size of the management board has decreased as a result of changes in the Company's structure in 2012. The members of the Corporate Management Team are entitled to bonus pay corresponding to a maximum of their respective 6-month salaries. The bonus pay is defined and decided by the Board and was in the financial years 2012–2014 based on the Company's and its business areas' (business area heads) operating results (EBIT). The 2015 bonus pay is based on the Company's and unit specific operating results (EBIT) and cash flow development, as determined by the Board of Directors.

Long-term compensation

In December 2010, the Board of Directors approved the current share-based incentive plan. The aim of the plan is to combine the objectives of shareholders and executives in order to increase the value of the company, to commit the executives to perform the mutual strategy, and to offer them a competitive reward plan based on share ownership. The plan consists of three consecutive three-year earnings periods, namely calendar years 2011–2013, 2012–2014 and 2013–2015. At the beginning of each period, the Board of Directors decided on the earnings criteria and defined performance targets. The potential reward from the plan for each of the earnings periods is based on Metsä Board Group's equity ratio at the end of the period as well as the development of return on capital employed (ROCE) and earnings before interest and taxes (EBIT) during each earnings period. Each earnings period is followed by a two-year restriction period during which a participant is not entitled to transfer or dispose of the shares.

The Board confirmed in January 2014 that the result for the earnings period 2011–2013 was 45 per cent, based on which 125,750 B-series shares were paid to participants in the spring of 2014. Similarly the Board confirmed in February 2015 that the result for the earnings period 2012–2014 was 33,5 per cent, based on which 62,533 B-series shares were paid to participants in February 2015. CEO Helander was not entitled to any shares since his service relationship with the company ended during the earnings period. Mr Joukio was entitled to 4,653 shares for the time period August 1 through December 31, 2015. Similarly, the potential reward from the earnings period 2013–2015 will be paid in 2016 and can be a maximum of 372,499 B-shares, if there are no changes to participants during the earnings period. The maximum number of shares available to CEO Joukio for the earnings period 2013–2015 is 71,000 shares taking into account the time he has acted as CEO. The proportion to be paid in cash covers taxes and other tax-related costs. At the beginning the plan concerned 9 individuals, including all members of the Corporate Management Team.

The Board decided in December 2013 to continue the share-based incentive scheme for management. The aim of the plan is to combine the objectives of shareholders and executives in order to increase the value of the company, to commit the executives to perform the mutual strategy, and to offer them a competitive reward plan based on share ownership. The plan consists of three consecutive three-year earnings periods, namely calendar years 2014–2016, 2015–2017 and 2016–2018. At the beginning of each period, the Board of Directors decided on the earnings criteria and defined performance targets. The potential reward from the plan for each of the earnings periods is based partly on Metsä Board Group's equity ratio at the end of the period as well as the development of return on capital employed (ROCE) and operating results (EBIT) and partly based on corresponding indicators for Metsä Group, as determined by the Board. Each earnings period is followed by a two-year restriction period during which a participant is not entitled to transfer or dispose of the shares.

The potential reward for the earnings period 2014–2016 will be paid in 2017 and is at the start of the period a maximum of 378,335 B-shares. Changes in participants such as the appointment of a new CEO in the fall of 2014 and changes to management team members in January 2015 do have an effect on the maximum number of shares available.