

8.2.2018

PROPOSALS OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING

Financial statements

It is proposed that the financial statements and the consolidated financial statements be adopted by the Annual General Meeting.

Consideration of the result for the financial year and dividend

It is proposed to the Annual General Meeting that a dividend of 0,21 euros per share be paid for the financial year 1 January – 31 December 2017. The dividend shall be paid to shareholders who on the record date for the dividend payment, 29 March 2018, are recorded in the shareholders' register held by Euroclear Finland Ltd. The dividend is proposed to be paid on 10 April 2018.

Remuneration of the auditor

The Board of Directors proposes, in accordance with the Audit Committee's recommendation, that a fee in accordance with the auditor's reasonable invoice, as approved by the Company, be paid to the auditor.

Election of the auditor

The Board of Directors proposes, based on the Audit Committee's recommendation that KPMG Oy Ab be elected as auditor with Raija-Leena Hankonen as responsible auditor. The auditor's term of office shall expire at the end of the next Annual General Meeting.

The Committee's proposal is free from third party influence and the Committee has not been required to apply a clause referred to in Section 6 of Article 16 of the EU Audit Regulation.

PROPOSALS OF THE BOARD OR DIRECTORS' NOMINATION AND COMPENSATION COMMITTEE

Remuneration of members of the Board of Directors

The Board of Directors' Nomination and Compensation Committee proposes to the Annual General Meeting that the annual remuneration for the members of the Board of Directors be kept unchanged such that the Chairman would be paid EUR 95,000, Vice Chairman EUR 80,000 and ordinary members EUR 62,500 annually and further that a fee of EUR 700 be paid for each attended meeting of the Board of Directors and its Committees. The Committee further proposes that approximately one half of the annual remuneration be paid in the Company's B-class shares to be acquired from public trading between 1 and 30 April 2018 (or when such transaction can be executed under applicable law), and that the transfer of such shares would be restricted for a period of two years. The Committee finally proposes that an additional remuneration of EUR 800 be paid to the Audit Committee Chairman.

The number of members of the Board of Directors

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The Board of Directors' Nomination and Compensation Committee proposes to the Annual General Meeting that the number of members of the Board of Directors be nine (9) members.

Composition of the Board of Directors

The Board of Directors' Nomination and Compensation Committee proposes to the Annual General Meeting that Martti Asunta, Kirsi Komi, Kai Korhonen, Liisa Leino, Juha Niemelä and Veli Sundbäck be re-elected as members of the Board of Directors and that Ilkka Hämälä and Hannu Anttila be elected as new Board members.

Mr Hämälä (born 1961, Finnish citizen) holds a M.Sc. (Engineering) degree and acts as the CEO of Metsäliitto Cooperative. He has previously served in various positions at the Company's associated company Metsä Fibre Oy, including as its CEO. Being CEO to Metsäliitto Cooperative Mr Hämälä is dependent of the Company and its significant shareholder.

Mr Anttila (born 1955, Finnish citizen) holds a M.Sc (Economics) degree and has until April 30, 2017 acted as Metsä Group's Executive Vice President for strategy. Anttila has acted in numerous positions within Metsä Group for more than 30 years, including as the CEO of the Company in 2004-2005. Based on an overall evaluation, Anttila is independent of the Company however dependent on its significant shareholder for approximately two years.

The term of office of the Board members will continue until the end of the next Annual General Meeting.