

## **PROPOSALS OF THE BOARD OF DIRECTORS TO THE 2020 ANNUAL GENERAL MEETING OF METSÄ BOARD CORPORATION**

### **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**

The Board of Directors proposes that a dividend of 0.10 euros per share (in total 35,551,274.60 euros) be distributed for the financial year 2019, and further that 0.14 euros per share (in total 49,771,784.44 euros) be distributed from the unrestricted equity reserve, altogether 0.24 euros per share. The proposed dividend and distribution from the unrestricted equity reserve correspond to approximately 85.3 million euros funds distribution.

The proposal of the Board of Directors is subject to the general meeting not deciding on a minority dividend referred to in Section 7 of Chapter 13 of the Companies Act. Should the general meeting however decide to distribute a minority dividend, the proposed dividend and distribution from the unrestricted equity reserve are not distributed but instead the Board of Directors proposes that a dividend equal to the minority dividend, in total 58,966,180.01 euros (approximately 0.166 euros per share), and distribution from the unrestricted equity reserve in total 26,356,879.04 euros (approximately 0.074 euros per share), altogether 85,323,059.04 euros (0.24 euros per share) be distributed, hence the aggregate level of funds distribution remains unchanged.

The total funds distribution primarily proposed by the Board of Directors exceeds the level of minority dividend referred to in Section 7 of Chapter 13 of the Companies Act. Since the share of dividend of the entire proposed funds distribution is below the level of minority dividend, shareholders have a right to require the distribution of a minority dividend. A minority dividend must be distributed when supported by shareholders representing at least 1/10 of all shares. A shareholder requiring minority dividend can in the advance voting cast a vote on the Board of Directors' proposal as well as require minority dividend, hence a counterproposal is not required. By requiring minority dividend a shareholder cannot increase the total amount of funds distribution in excess of the proposal made by the Board of Directors, but only affect the balance between dividend and distribution from the unrestricted equity reserve.

The distribution will be paid to shareholders who on the record date for the distribution, 15 June 2020, are recorded in the shareholders' register held by Euroclear Finland Ltd. The distribution is proposed to be paid on 24 June 2020.

**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 Kirsi Jantunen 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 TO THE 2020 ANNUAL GENERAL MEETING OF METSÄ BOARD CORPORATION****Remuneration of members of the Board of Directors**

The Board of Directors' Nomination and Compensation Committee proposes 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 15 and 30 June 2020 (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**

The Board of Directors' Nomination and Compensation Committee proposes 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 current Board members Hannu Anttila, Ilkka Hämälä, Kirsi Komi, Kai Korhonen, Liisa Leino and Veli Sundbäck be re-elected and that M.Sc. (Econ), MBA Jukka Moisio and M.Sc (Agriculture and Forestry) Timo Saukkonen be elected as new members.

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