

## **Procedure of the HR Committee of Metsäliitto Cooperative's Board of Directors**

### **1 Purpose of the HR Committee**

The purpose of the HR Committee is to assist the Board of Directors in ensuring that Metsä Group has the appropriate human resources management and administration processes in place that also support the business operations. The HR Committee prepares proposals for decisions for the Board of Directors in matters in its field.

The Board of Directors can also separately authorise the HR Committee to decide specific matters within the authorisation granted by the Board of Directors.

### **2 Composition and term of office of the Committee**

At its first meeting of each calendar year, the Board of Directors elects from among its members at least three members to the HR Committee for one year at a time, and it elects the Chair of the committee. Members of the Committee must have the relevant expertise and experience required by the Committee's duties, and the majority of the members must be independent of the company.

The executive management acts as the presenter of matters in the Committee's meetings at the Chair's request.

Metsä Group's President and CEO is entitled to attend the Committee's meetings unless the Committee separately decides otherwise.

### **3 Duties of the Committee**

Duties of the Committee include preparing and presenting the following matters for the Board of Directors to decide or process:

- 1) Terms of the employment relationship of the President and CEO and the Managing Director, including matters related to remuneration (the basic salary, short- and long-term incentives and other questions concerning remuneration);
- 2) Pay and remuneration systems for the top management (persons reporting to the President and CEO/Managing Director) on the President and CEO's proposal;
- 3) On the President and CEO's proposal, matters related to appointing and dismissing the top management that belong to the

Board of Directors to decide according to the rules of Metsäliitto Cooperative;

- 4) The central principles of executive employment contracts for the top management;
- 5) The contingency and successor plans for the President and CEO and the Managing Director;
- 6) Evaluation of the successor and development plans for the top management;
- 7) Evaluation of the functioning of the Group's human resources administration processes (including wellbeing, work safety and personnel development) and review of the results of the Group's personnel survey;
- 8) Evaluation of the implementation of the Group's Code of Conduct concerning the principles related to personnel; and
- 9) Other matters related to remuneration handled at the Board of Directors level.

## **4 Work of the Committee**

### **4.1 Meetings**

The Chair of the HR Committee convenes the Committee on a quarterly basis around the following themes:

Q1:

- Realisation of the remuneration systems in the previous year
- Evaluation of the President and CEO's performance and remuneration
- Evaluation of the top management based on the President and CEO's assessment and proposal
- Evaluation of the contingency and successor plans for the President and CEO and the Managing Director
- Evaluation of successor planning based on the presentation of the President and CEO and the Senior Vice President, HR
- Metsä Group's Remuneration Report for the previous year

Q2:

- Realised performance bonuses for the previous year
- Realised salary adjustments
- Review and evaluation of the functioning of the human resources administration processes based on the presentation of the President and CEO and the Senior Vice President, HR
- Targets for the following year's remuneration systems

Q3:

- Preparation of remuneration matters for the following year
- Evaluation of the personnel development plans based on the presentation of the President and CEO and the Senior Vice President, HR

Q4:

- Conditions for the following year's remuneration systems
- Summary of the results of the personnel survey and ethics barometer
- The Committee's self-assessment

In addition, the Committee holds extra meetings at its own discretion to the extent required by the management of the duties.

## **4.2 Work of the Committee**

The Chair of the Committee approves the agenda for each meeting. Minutes are prepared for the meetings, and the secretary of the Board of Directors acts as the secretary for the meetings.

If necessary, meetings of the Committee can also be organised by telephone or other technical means.

The Committee may invite experts to its meetings when it considers this necessary. If the Committee resorts to external experts, the Chair of the Board of Directors must be notified of this in advance.

### **4.3 Reporting to the Board of Directors**

Minutes of the Committee's meetings will be delivered to the members of the Board of Directors. In addition, at the next meeting of the Board of Directors following each meeting of the Committee, the Chair of the Committee will present a summary of the matters discussed during the Committee's meeting to the Board of Directors.

Approved by the Board of Directors of Metsäliitto Cooperative at its meeting on 8 February 2024.