

CORPORATE GOVERNANCE STATEMENT

This statement concerning Metsä Group's Corporate Governance has been given as a separate report in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act, and it has been published simultaneously with Metsä Group's Financial Statements and Report of the Board of Directors.

Metsäliitto Cooperative is a Finnish cooperative and parent company of Metsä Group. In this report, Metsäliitto Cooperative is referred to when a matter is being discussed from the parent company's point of view. The decision-making and administration of Metsä Group companies complies with the Cooperatives Act, the Limited Liability Companies Act, the Securities Markets Act, the cooperative rules, procedures approved by the administrative bodies and the policies and guidelines approved by the Metsäliitto Cooperative Board of Directors and the Executive Management Team. Metsäliitto Cooperative's rules are available in full on the Metsä Group's website under "Corporate Governance in Metsä Group."

This account of Metsä Group's corporate governance system follows the recommendation issued by the Securities Market Association on the corporate governance systems of listed companies on 15 June 2010 (see www.cgfinland.fi) with regard to structure and content. However, Metsäliitto Group's parent company Metsäliitto Cooperative takes into account the special characteristics of the cooperative form of incorporation and states the deviations from the recommendation with rationale. In accordance with the opinion issued by the Finnish Central Chamber of Commerce in January 2006, communities with an extensive ownership base, extensive operations or which are regionally or nationally significant, should comply with the recommendation to the extent that it is possible, taking their special characteristics into consideration in accordance with the comply or explain principle.

Metsä Group prepares its financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS). The financial statement documents are published in Finnish, Swedish and English.

Metsä Group's head office is located in Espoo, Finland. The registered office of the parent company Metsäliitto Cooperative is in Helsinki, Finland.

MAIN ADMINISTRATIVE BODIES

Metsäliitto Cooperative's administrative bodies are the Representative Council, Supervisory Board, Board of Directors and the CEO. The bodies separately specified below in this account assist the administrative bodies in their decision making and prepare their decisions. Currently, the CEO of Metsäliitto Cooperative acts as the President and CEO of Metsä Group. In this account, the CEO of Metsäliitto Cooperative is referred to as the "President and CEO".

REPRESENTATIVE COUNCIL

The Representative Council uses the supreme decision-making power belonging to the members in Metsäliitto Cooperative in the matters specified by law and regulations. The Representative Council substitutes for the meeting of the cooperative in Metsäliitto Cooperative. The meeting of the Representative Council processes the matters specified in the Cooperatives Act and the cooperative rules, and other matters mentioned in the invitation to the meeting. The main tasks of the Representative Council are:

- to decide on adopting the financial statements;
- to decide on the distribution of profit to the members;
- to decide on discharging the Supervisory Board, Board of Directors and CEO/President from liability;
- to elect the members of the Supervisory Board and the auditors and to decide on their fees.

A full member of Metsäliitto Cooperative or his/her spouse may be elected to the Representative Council. The election of the Representative Council is carried out every fourth (4) year by mail, telecommunications or by some other technical device. Each member has one (1) vote. The election is carried out by election districts so that as many representa-

tives are selected from each district as the list of voters for the district in question includes Metsäliitto Cooperative members entitled to vote on 1 January of the election year divided by 2,300 or part thereof. The election districts are confirmed by the Supervisory Board, and basically they are determined in accordance with Metsäliitto Cooperative's district organisations. A member of the personnel of the Metsä Group is not eligible according to the election system.

In accordance with the rules, the Representative Council convenes once a year in the spring. The Representative Council, Supervisory Board or the Board Directors may decide to arrange an extraordinary meeting. An extraordinary meeting shall also be arranged if demanded by at least one tenth of the members. The Representative Council is convened by the Chairman of the Supervisory Board at the latest seven (7) days before the meeting with a written notice of a meeting sent to every member of the Representative Council, which must mention the issues processed in the meeting.

Each representative has one (1) vote in the meeting. Amending Metsäliitto Cooperative's rules requires the amendment proposal to be supported by a minimum of two thirds of the members participating in the meeting. In addition to the meeting representatives, the Chairman of the Board of Directors and, as a general rule, the members of the Board of Directors and Supervisory Board, shall be present at meetings of the Representative Council. In addition to these, the auditors shall also be present at the annual meeting.

The composition of the Representative Council is presented on page 7 of this publication.

DISTRICT COMMITTEES

In accordance with Metsäliitto Cooperative's rules, there is a District Committee in each supply district. The District Committee comprises the members of the representative council, Supervisory Board and Board of Directors elected from the District's area and of the candidates not elected in the election of the representative council, twice the number of the representatives elected from the District's

area; however, at least five (5), in the order of the personal number of votes. The guidelines approved by the Supervisory Board specify the tasks of the District Committee. According to the guidelines, the main task of the District Committee is to promote communication and interaction between the members and Metsäliitto Cooperative's supply district in question with its operation.

SUPERVISORY BOARD

Metsäliitto Cooperative's rules specify that the Supervisory Board is a part of Metsäliitto Cooperative's administration model. This aims to ensure the realisation of sufficient corporate governance and commitment of the members to Metsäliitto Cooperative's decision-making. Strategic and other far-reaching decisions, however, belong to the powers of Metsäliitto Cooperative's Board of Directors, and operational management to the acting management.

Metsäliitto Cooperative's rules specify the tasks of the Supervisory Board. The main task of the Supervisory Board is to ensure that Metsäliitto Cooperative is managed in accordance with the rules and the decisions of the Representative Council and the Supervisory Board. In addition to this, the Supervisory Board:

- elects and dismisses members of the Metsäliitto Cooperative Board of Directors and decides on their fees;
- elects the CEO who also acts as the President and CEO of Metsä Group unless otherwise decided by the Supervisory Board;
- gives the Board of Directors instructions in far-reaching matters and matters of importance in principle;
- audits the financial statements and issues a proposal on the use of any surplus to the Representative Council.

The Supervisory Board elects a Chairman and Deputy Chairman from among its members for one (1) year at a time and invites a secretary. The Supervisory Board convenes as summoned by the Chairman as often as necessary, or as proposed by the Board of Directors. The Supervisory Board is quorate when more than half the members are present. The opinion favoured by the majority shall be the decision. When the votes are even, the Chairman's vote decides, and elections are decided by lot.

The Supervisory Board comprises a minimum of twenty (20) and a maximum of

thirty (30) members elected by the Representative Council from among the members of Metsäliitto Cooperative. Metsäliitto Cooperative's personnel may elect a maximum of five (5) members to the Supervisory Board. In addition, the Representative Council may, at the proposal of the Supervisory Board, elect a maximum of three (3) expert members to the Supervisory Board. The term of office of a member of the Supervisory Board begins at the closure of the annual meeting that elected him/her and runs until the annual meeting of the Representative Council three (3) years later. The aim of the three-year term of office is to ensure continuity in decision-making. Once a member of the Supervisory Board turns 65, his/her term of office, however, terminates at the annual meeting of the Representative Council the following year. When electing members to the Supervisory Board, the aim is to have nationwide representation that would cover all areas. A member of the Board of Directors may not be a member of the Supervisory Board.

The composition of the Supervisory Board is presented on page 8 of this publication.

NOMINATION COMMITTEE OF THE SUPERVISORY BOARD

A special nomination committee elected from among the members of the Supervisory Board prepares the election of the members of the Board of Directors in accordance with procedures approved for it. In addition, the nomination committee makes a proposal for the fees paid to the Board of Directors. The nomination committee comprises six (6) members of the Supervisory Board as well as the Chairman and the Deputy Chairman of the Supervisory Board. The Chairman of the Supervisory Board acts as the chairman of the nomination committee, and the secretary of the Supervisory Board acts as the secretary. The committee may invite the Chairman of the Board of Directors to attend their meeting as an expert member.

The Supervisory Board elected the following persons to the nomination committee in its meeting on 7 May 2013: Ilkka Juusela, Esko Kinnunen, Timo Kässi, Hannu Lassila, Timo Nikula and Erkki Vainionpää. Furthermore, Hannu Järvinen, Chairman of the Supervisory Board, and Deputy Chairman Juha Paajanen are members of the nomination committee on the basis of their position.

INFORMATION ON THE MEETINGS OF THE SUPERVISORY BOARD DURING THE PREVIOUS FINANCIAL PERIOD

In 2013, there were 34 members in the Supervisory Board, four (4) of them personnel representatives elected by different personnel groups of Metsäliitto Cooperative. There were no expert members in the Supervisory Board in 2013. The Supervisory Board convened four (4) times, and the members' attendance rate was 95 per cent.

BOARD OF DIRECTORS

According to the Metsäliitto Cooperative's rules and legislation, the task of the Board of Directors is to ensure that Metsäliitto Cooperative and Metsä Group's operations and administration are appropriately arranged. The Board of Directors has composed a procedure for its operations that specifies the operating principles followed in the decision-making of the Board of Directors in more detail. The working order is available in full on Metsä Group's website under "Corporate Governance in Metsä Group."

The tasks of the Board of Directors include:

- approving the tasks of the CEO/President and monitoring to ensure that they take care of the cooperative's running administration in accordance with the instructions and orders of the Board of Directors
- appointing and dismissing the Directors immediately subordinate to the CEO and, if elected, the President and CEO
- deciding on how shares are collected and additional shares made and their terms and conditions
- approving the strategy and annual budget of the cooperative and the Group, and supervising compliance with them
- signing the financial statements and consolidated financial statements, and presenting them to the Supervisory Board for audit
- preparing the matters to be decided by the Supervisory Board
- deciding on the sale, purchase and discontinuation of business operations and starting of new operations and mergers
- deciding on the wages and salaries and other benefits of the CEO/President and CEO and other senior management on the Compensation Committee's proposal
- deciding on other matters that, taking into account the extent and quality of the operations of the cooperative, are unusual and far-reaching.



The Board of Directors elects a chairman from among its members for one (1) year at a time. According to Metsäliitto Cooperative's rules, the President and CEO acts as the deputy chairman. According to the recommendation, the CEO should not be elected the chairman of the Board of Directors. However, the deviation from the Recommendation can be justified with Metsäliitto Cooperative's cooperative administrative model. The Board of Directors convenes as summoned by the chairman as often as necessary. The President and CEO prepares the Board's meetings. The Board of Directors is quorate when more than half the members of the Board are present. When the votes are equal, the chairman's vote decides. Minutes shall be kept of the meetings of the Board of Directors.

The Board of Directors regularly appraises its operation and procedures by conducting an annual self-assessment.

COMPOSITION AND TERM OF OFFICE OF THE BOARD OF DIRECTORS

The Supervisory Board elects Metsäliitto Cooperative's Board of Directors. Thus, the election of Metsäliitto Cooperative's Board of Directors deviates from the recommendation on the election of the Board of Directors. The deviating competence regulations secure the realisation of cooperative corporate governance and the members' extensive participation in Metsäliitto Cooperative's decision-making.

The Board of Directors comprises a minimum of five (5) and a maximum of eight (8) members, plus the President and CEO. All Board members apart from the President and CEO are independent of Metsä Group. Both genders are represented in the Board of Directors. A Board member's term of office commences at the beginning of the calendar year following the meeting of the Supervisory Board that elected them and runs for three (3) years at a time. The term of office of a member of the Board of Directors ends at the end of the calendar year during which they turn 65. The term of office of the members of the Board of Directors deviates from the one-year term of office of the recommendation. However, the owners of the cooperative have not considered it necessary to shorten the term of office, as the three-year term has been considered necessary to secure continuity in decision-making. In the past few years, particular attention has been paid by the Supervisory Board's nomination committee to the compo-

sition of the Board of Directors and the diversity of its members' competence.

In 2013, the Chairman of the Board of Directors was Martti Asunta, the Vice Chairman was Kari Jordan, and members were Mikael Aminoff, Eino Halonen, Arto

Hiltunen, Saini Jääskeläinen, Juha Parpala, Timo Saukkonen and Antti Tukeva.

CVs of the members of the Board are presented on page 9 and their holdings in Metsä Group on page 6 of this publication.

BOARD COMMITTEES

In order to ensure that the Board of Directors' tasks are effectively managed, Metsäliitto Cooperative's Board of Directors has an Audit Committee and a Compensation Committee. The Committees are not competent to make decisions independently; the Board of Directors makes the decisions on matters based on the preparation of the Committees. The Board of Directors elects the members of the Committee from among its members.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in performing its monitoring task. In this task, the Committee assesses and supervises matters related to financial reporting, auditing, internal audit and risk management in accordance with procedures approved for it. The Audit Committee comprises a minimum of three (3) members who are independent of Metsä Group, elected by the Board of Directors from among its members. In addition, the President and CEO attends the meetings of the Audit Committee, except for the times when the Audit Committee wishes to convene without the presence of the acting management. The Audit Committee shall regularly report to the Board of Directors on its operations and observations. In 2013, the Chairman of the Audit Committee was Arto Hiltunen and members were Martti Asunta and Eino Halonen.

COMPENSATION COMMITTEE

The purpose of the Compensation Committee is to assist the Board of Directors in ensuring that Metsä Group has appropriate and competitive pay systems, and successor and development planning in accordance with the procedure approved by the Board of Directors. In its task, the Committee presents e.g. the terms of the employment relationship of the CEO and the President and CEO, pay sys-

tems of the top management and key principles in the top management's contracts to the Board of Directors to decide on. In addition, the Compensation Committee presents the annual targets for the top management to the Board of Directors and monitors their realisation. Furthermore, the committee reviews matters related to the compensation systems of the top management and proposes them for the Board of Directors to decide on.

The Board of Directors elects three (3) members to the Compensation Committee from among its members. The majority of the members of the Compensation Committee must be independent of Metsä Group, and a member of Metsä Group's acting management may not be a member of the Committee. The Compensation Committee shall regularly report to the Board of Directors on its operations. In 2013, the Chairman of the Compensation Committee was Martti Asunta and its members were Eino Halonen and Antti Tukeva.

INFORMATION ON THE MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES DURING THE PREVIOUS FINANCIAL PERIOD

The Board of Directors convened 13 times during 2013 and the members' attendance rate was 97 per cent. The Audit Committee convened four (4) times, and the members' attendance rate was 92 per cent. The Compensation Committee convened four (4) times, and the members' attendance rate was 83 per cent.

PRESIDENT AND CEO

Metsäliitto Cooperative has a CEO who also acts as the President and CEO of Metsä Group unless otherwise decided by the Supervisory Board. The President and CEO manages the operation of the entire Metsä Group. Currently, the President and CEO of Metsä Group, Kari Jordan, also acts as the CEO of Metsäliitto Cooperative.

The President and CEO's duty is to manage the operational actions of Metsä Group in accordance with the law, regulations, decisions and instructions of the administrative bodies. According to the Metsäliitto Cooperative's rules, the President and CEO is in charge of arranging the running administration of the cooperative and supervises financial administration.

The President and CEO is elected by the Supervisory Board, and the Board of Direc-

tors approves the contract of the President and CEO. The deviation from the Recommendation in the election of the President and CEO can be justified with Metsäliitto Cooperative's cooperative administrative model.

The CV of the President and CEO is presented on page 9 and his holdings in Metsä Group on page 6 of this publication.

EXECUTIVE MANAGEMENT TEAM

Metsä Group has an Executive Management Team with the Group's President and CEO as its chairman. The Executive Management Team assists the President and CEO in the planning and operational management of business operations and prepares proposals for the Board of Directors, such as business strategies, budgets and significant investments. The Executive Management Team has no authority based on laws or rules. The Executive Management Team comprises the Metsä Group's President and CEO, the CEOs of the subsidiaries, directors of Metsä Wood and Metsä Forest business areas as well as the Group's CFO and strategy officer.

The Executive Management Team convenes as summoned by the Chairman, primarily once a month, and additionally whenever necessary.

During 2013, the Executive Management Team comprised Kari Jordan, President and CEO, Hannu Anttila (Executive Vice President, Strategy), Mikko Helander (CEO of Metsä Board Corporation), Ilkka Hämälä (CEO of Metsä Fibre Oy), Mika Joukio (CEO of Metsä Tissue Corporation), Esa Kaikkonen (Executive Vice President, Metsä Wood), Juha Mäntylä (Executive Vice President, Metsä Forest) and Vesa-Pekka Takala (CFO).

CVs of the members of the Executive Management are presented on page 10 and their holdings in Metsä Group on page 6 of this publication.

INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

Profitable business requires that operations are monitored continuously and with adequate efficiency. Metsä Group's internal control covers the control of financial reporting, internal authorisation rights, investment follow-up and credit control. The functionality of internal control, on the other hand, is evaluated by Metsä Group's internal audit. Inter-

nal control is carried out throughout the organisation. Internal control methods include internal guidelines and reporting systems that support control.

The principles, objectives and responsibilities of Metsä Group's internal control and the principles of internal audit are described below. Metsä Group's acting management, risk management director and internal audit are in charge of composing the principles mentioned above and the Board of Directors for ultimately ratifying them.

DEFINITION OF INTERNAL CONTROL AND ITS OBJECTIVES

In Metsä Group, internal control covers financial reporting and other monitoring. Internal control is implemented by the Board, audit committee and the acting management, as well as the entire personnel. Internal control refers to those management activities that seek to ensure:

- achievement of the goals and objectives set for Metsä Group
- economical, appropriate and efficient use of resources
- management of operation-related risks
- reliable and correct financial and other management information
- adherence to external regulations and internal policies
- adherence to appropriate procedures related to customer relationships
- sufficient security of operations, information and property
- arranging adequate and suitable manual and IT systems to support operations.

PROACTIVE CONTROL

Proactive control includes specifying Metsä Group's values, general operational and business principles as well as goals and strategy. Metsä Group's corporate culture, governance and the approach to control together create the basis for the entire process of internal control.

DAILY CONTROL

PDaily control refers to general control and follow-up, with operational systems and work guidelines, related to operational steering. Examples include specifying personnel responsibilities and authority, identifying high-risk assignment combinations, job descriptions, approval authority and deputy procedures.

SUBSEQUENT CONTROL

Subsequent control refers to control and check-up measures, such as different management evaluations and inspections, comparisons and verifications, the aim of which is to ensure that the goals are met and that the agreed operational and control principles are followed.

INTERNAL MONITORING OF THE FINANCIAL REPORTING PROCESS, CREDIT CONTROL AND AUTHORISATION RIGHTS

The financial organisations of the business areas and the Group are responsible for financial reporting. The units and business areas report the financial figures each month. Business area controllers check the monthly performance of units from each business area and report them further to the Group financial administration. Business area profitability development and business risks and opportunities are discussed monthly at the Metsä Group Executive Management Team meetings attended by the senior management of Metsä Group and of each business area, and at financial management team meetings attended by the Group CFO and director of finance and the CFO of each business area, among others. The results are reported to the Board of Directors of Metsäliitto Cooperative each month. The results of the business areas are additionally reported to the Boards of Directors of their parent companies each month. Metsä Group's Controllers' Manual describes the reporting and control regulations and the reporting procedure in detail.

Credit control in Metsä Group is carried out by each business area in accordance with the Group credit control policy and the business area-specific credit control policy based on it. Credit control is carried out by the Group's central credit control organisation in cooperation with the management of the business areas.

Authorisation rights concerning expenses, significant contracts and investments have been continuously specified for different organisation levels, according to the decision-making order confirmed by the Board and the authority separately granted by the President and CEO and other management personnel.

Investment follow-up is carried out by the Group's financial administration according to the investment policy confirmed by the Board. After pre-approval, investments are taken to the management teams of the business areas within the framework of the annual invest-



ment plan. Significant investments are separately submitted for approval by the Executive Management Team and the Boards of the Group's parent company, and of the parent company of the business area.

INTERNAL AUDIT

Metsä Group's internal audit assists the Board of Directors in performing its supervisory task by assessing the level of internal audit maintained in order to attain the targets of Metsä Group's operation. In addition, the department supports the organisation by assessing and ensuring the functioning of the business processes, risk management and management and administration systems. In its audit work, the internal audit function complies with the internal audit guideline ratified by the Board of Directors of Metsäliitto Cooperative.

The internal audit unit operates under the supervision of the Group's President and the Audit Committee. An internal audit action plan is prepared for one (1) calendar year at a time. The audit focuses on areas that have particular significance for the risk assessed and the Group's objectives at the time. The action plan will be reviewed with the management semi-annually, with regard to how up to date and appropriate it is.

The extent and coordination of auditing will be ensured with regular contact and flow of information with other internal control functions and auditors. Internal audit uses, if necessary, external outsourced services for temporary additional resourcing or performing assessment tasks that require special expertise. In this case, the external service providers act under the supervision of the head of the internal audit.

A report is written for each audit and distributed to the Group's President and CEO, the senior management of the affiliated group being audited and the management of the audited function or unit. The audit reports are submitted to the auditors for information and to the parties that are considered relevant based on the content of the report. The internal audit department shall compose a semi-annual summary report to the Audit Committee on the audits carried out, the most significant observations and the agreed measures. In addition, the semi-annual report shall state the most significant changes in carrying out the audits compared to the action plan and other main duties performed by the internal audit department, as well as any changes in

resources. An annual report of the activity of the internal audit shall be composed for the Board of Directors.

RISK MANAGEMENT

Risk management is an essential part of Metsä Group's standard business planning and leadership. Risk management belongs to daily decision-making, operations follow-up and internal control, and it promotes the objectives set by the company and ensures that they are met.

Linking business management efficiently with risk management is based on the operational principles confirmed by Metsäliitto Cooperative's Board of Directors; the aim of the principles is to maintain risk management as a process that is well defined, understandable and sufficiently practical. Risks and their development are reported on a regular basis to the Board's Audit Committee. Centralised risk management also takes care of the coordination and competitive bidding for Metsä Group's insurance coverage.

The most crucial objective of risk management is to identify and evaluate those risks, threats and opportunities which may have an impact on the implementation of the strategy and on how short-term and long-term objectives are met. A separate risk review is also included in the most significant investment proposals.

The business areas regularly evaluate and monitor the risk environment and related changes as part of their annual and strategic planning. The risks identified and their means of control are reported to the company's management, Audit Committee and the Board at least twice a year. Business risks also involve opportunities, and they can be utilised within the boundaries of the agreed risk limits. Conscious risk-taking decisions must always be based on an adequate evaluation of the risk-bearing capacity and the profit/loss potential, among other things.

RISK MANAGEMENT RESPONSIBILITIES

Risk management responsibilities in Metsä Group are divided as follows:

- The Board is responsible for Metsä Group's risk management and confirms the company's risk management policy.
- The Audit Committee evaluates the adequacy of Metsä Group's risk management and the essential risk areas and provides the Board with related proposals.

- The President and CEO and the members of the Executive Management Team are responsible for the specification and adoption of the risk management principles. They are also responsible for ensuring that the risks are taken into account in the company's planning processes and that risk reporting is adequate and appropriate.
- The Group's Risk Management Director is in charge of the development and coordination of the risk management process, performance of risk assessment and the essential insurance decisions.
- Business areas and services functions identify and evaluate the essential risks related to their own areas of responsibility in their planning processes, prepare for them, take necessary preventive action and report on the risks as agreed.

RISK MANAGEMENT PROCESS

The purpose of risk management is to:

- promote and ensure the achievement of the goals set for business operations;
- ensure the safe and uninterrupted continuity of business operations in all circumstances;
- optimise Metsä Group's overall risk exposure.

Metsä Group's essential risk management elements include implementing a comprehensive corporate risk management process that supports the entire business, protecting property and ensuring business continuity, Metsä Group's security and its continuous development, as well as crisis management and continuity and recovery plans. According to the risk management policy and principles, adequate risk management forms a necessary part of the preliminary review and implementation stages of projects which are financially or otherwise significant.

THE TASKS OF RISK MANAGEMENT ARE TO:

- ensure that all identified risks with an impact on personnel, customers, products, property, information assets, corporate image, corporate responsibility and operational capacity are controlled according to applicable laws and on the basis of best available information and financial aspects;
- ensure that Metsä Group's objectives are met;
- fulfil the expectations of stakeholders;
- protect property and ensure disruption-free business continuity;

- optimise the profit/loss possibility ratio;
- ensure the management of Metsä Group's overall risk exposure and minimise the overall risks.

The most significant risks and uncertainties that Metsä Group is aware of are described in the report of the Board of Directors.

INSIDER GUIDELINES

In matters related to insiders, Metsä Group complies with securities market legislation and the insider guidelines of the subsidiary Metsä Board Corporation, composed in accordance with the standards of the Financial Supervisory Authority and the guidelines prepared by NASDAQ OMX Helsinki Ltd (the Helsinki Stock Exchange). Metsä Group requires every employee to follow the insider regulations. The secretary of the Board of Directors of each Group company is in charge of the maintenance and administration of Metsä Group's statutory insider register. Metsä Group only recommends long-term invest-

ments and the use of purchase programmes. Metsä Board Corporation's public insider register comprises the members of Metsäliitto Cooperative's Board of Directors, the President and CEO and the auditors. Metsä Board's company-specific insiders include the members of the Group's Executive Management Team and persons appointed to legal, financial, communications and investor relations-related tasks of Metsä Group and thus regularly have access to insider information on Metsä Board.

AUDIT

According to Metsäliitto Cooperative's rules, Metsäliitto Cooperative has one (1) auditor, who shall be an auditing firm authorised by the Central Chamber of Commerce of Finland. The Representative Council elects the auditor to review the accounts for the year underway, and their task ends at the closure of the next annual meeting of the Representative Council. The task of the auditors is to audit the financial statements and accounting of the

Group and the parent company, and the administration of the parent company. The auditor provides a statutory auditor's report to the members of Metsäliitto Cooperative in connection with the annual financial statements and regularly reports on their observations to the Board of Directors and the management of Metsä Group.

In accordance with the resolution of the Representative Council meeting in the spring of 2013, Metsäliitto Cooperative's auditor for 2013 is KPMG Oy Ab, firm of authorised public accountants, with Raija-Leena Hankonen, APA, as main responsible auditor. Companies that belong to Metsä Group paid a total of EUR 1,212,000 (EUR 1,246,000 in 2012) in audit fees to the KPMG chain and a total of EUR 223,000 (EUR 205,000 in 2012) to other accounting firms in 2013. In addition, the KPMG chain was paid EUR 32,000 (EUR 38,000 in 2012) for services not related to the actual audit and other auditing firms were paid EUR 393,000 (EUR 962,000 in 2012).

MANAGEMENT'S MEMBERS' CAPITAL AND SHAREHOLDING IN METSÄLIITTO COOPERATIVE AND METSÄ BOARD CORPORATION

31 December 2013	Participation in Metsäliitto Cooperative EUR	Shares in Metsä Board Corporation (B share)	Shares in Metsä Board Corporation via Metsäliitto Management (B share)
METSÄLIITTO COOPERATIVE'S BOARD OF DIRECTORS			
Martti Asunta	65,455	48,610	
Mikael Aminoff	43,008	53,749	
Eino Halonen	2,738	18,900	
Arto Hiltunen	1,040		
Kari Jordan	520	48,047	1,763,867
Saini Jääskeläinen	103,005	2,678	
Juha Parpala	16,947	1,000	
Timo Saukkonen	65,994	3,699	
Antti Tukeva	28,376	3,200	
METSÄ GROUP'S EXECUTIVE MANAGEMENT TEAM			
Hannu Anttila			617,353
Mikko Helander			881,933
Ilkka Hämälä			617,353
Kari Jordan	520	48,047	1,763,867
Mika Joukio		34,345	
Esa Kaikkonen			440,967
Juha Mäntylä	146,355		440,967
Vesa-Pekka Takala			440,967



METSÄLIITTO COOPEARTIVE'S REPRESENTATIVES COUNCIL

Members of the Metsäliitto Cooperative elect a Representative Council from among the members every four years through mail elections. The Representative Council is the highest decision-making body.

Aikinen Ilmari	Farmer	Mynämäki	Niemelä Henry	Farmer	Lapua
Alatalo Matti	Farmer	Soini	Nylund Mats	Farmer	Pedersöre
Eeva Toivo	Farmer	Kauhajoki	Nyysönen Olli-Pekka	Chauffeur	Pielavesi
Haukilahti Tapani	Farmer	Veteli	Pekonen Kari	Rural entrepreneur	Parikkala
Häppölä Heikki	Farmer	Orimattila	Purhonen Petri	Farmer	Enonkoski
Idström Eero	Farmer	Kiuruvesi	Pyykkönen Rauno	Forestry technician	Suomussalmi
Isomuotia Harri	Farmer, MSc (Forestry)	Hämeenkyrö	Raininko Tuomo	Farming and forestry entrepreneur	Jämijärvi
Juutilainen Jukka	Farming and forestry entrepreneur	Juva	Raitala Juha	Farmer	Loimaa
Juonen Matti	Pensioner	Joensuu	Rautiola Antti	Farmer	Oulainen
Kallunki Heikki	Physiotherapist	Kuusamo	Ryymän Jaakko	Farmer	Iisalmi
Kananen Jussi	Farmer, agrologist	Viitasaari	Räsänen Tauno	Entrepreneur	Tuusniemi
Kangas Erkki	Agricultural entrepreneur	Harjavalta	Savolainen Jyrki	Farmer	Laukaa
Keskinen Sakari	Farmer	Mänttä-Vilppula	Sipola Atso	Farmer	Oulu
Keskisarja Hannu	Farmer	Nivala	Sirviö Antti	Farmer	Kemijärvi
Kivenmäki Ari	Agrologist, farmer	Kuortane	Snellman Veli	Farmer	Helsinki
Kiviranta Esko	Farmer, senior lawyer	Sauvo	Storsjö Bo	Farmer	Kristiinankaupunki
Koskinen Jaakko	Farmer	Hamina	Tienhaara Asko	Farmer	Alajärvi
Kuisma Jaakko	Agrologi	Urjala	Tolvanen Matti	Farmer, forestry technician	Varkaus
Kuivalainen Kyösti	Rural entrepreneur	Lieksa	Tuominen Pasi	Rural manager, farmer	Eura
Laineenoja Jari	Agronomist, financial manager	Huittinen	Tuppi Veli-Matti	Farmer, entrepreneur	Laihia
Laitinen Pirkko	Agrologist	Utajärvi	Turtiainen Matti	Journalist, farmer	Kerimäki
Lamminsalo Asko	Rural entrepreneur	Rääkkylä	Uotila Kirsi	Forestry entrepreneur	Helsinki
Lauttia Petri	Farmer	Hämeenlinna	Uusitalo Ilkka	Farmer	Salo
Levänen Pertti	Senior policeman	Pieksämäki	Vapaniemi Jukka-Pekka	Forestry services entrepreneur	Nurmijärvi
Lunttila Tommi	Farming and forestry entrepreneur	Äänekoski	Wasberg Johan	Forestry engineer	Mustasaari
Lyömiö Matti	Agrologist	Mäntyharju	Wasström Anders	Farming entrepreneur	Raasepori
Långgård Thomas	Farmer	Maalahti	Vuorela Erkki	Rural manager	Salla
Morri Tiina	Forestry entrepreneur	Virrat	Vuoremaa Heino	Forestry entrepreneur	Haapavesi
Murto Pentti	Agrologist	Tampere	Väänänen Martti	Farmer	Sillinjärvi
Mäkinen Pirjo	Forestry entrepreneur	Petäjävesi	Ylitalo Martti	Farmer	Ii
Neuvuori Jari	Development manager, farmer	Uusikaupunki	Ylä-Outinen Päivi	Farmer	Lappeenranta

METSÄLIITTO COOPEATIVE'S SUPERVISORY BOARD

The Supervisory Board's duty is to supervise the appropriate management of the Metsäliitto Cooperative in compliance with the relevant regulations, the Supervisory Board's decisions, and in the interests of Metsäliitto Cooperative. It also supervises the implementation of the Representative Council's decisions and elects Metsäliitto Cooperative's Board of Directors.

CHAIRMAN					
Hannu Järvinen	Agronomist	Janakkala			
DEBUTY CHAIRMAN					
Juha Paajanen	Farmer	Punkaharju			
MEMBERS					
Björkenheim Johan	Farmer	Isokyrö	Lappalainen Jukka	Farmer	Pielavesi
Brandt Mats	Agrologist	Kokkola	Lassila Hannu	Farmer	Veteli
Ekman Eero	Rural secretary	Paimio	Lindqvist Hans-Erik	MSc (Forestry), town manager	Närpiö
Hatva Teuvo	Forestry entrepreneur	Kajaani	Linnaranta Jussi	Agronomist	Kuopio
Hirvonen Ville	Agrologist	Rääkkylä	Malmström marten	Farmer	Espoo
Hongisto Arto	Farmer	Liminka	Mikkola Antti-Jussi	Farmer	Pälkäne
Isotalo Antti	Farmer	Kauhava	Nikula Timo	Agrologist	Laitila
Junttila Risto	Executive manager	Kemijärvi	Palojärvi Martti	Farmer	Vihti
Juusela Ilkka	Talousneuvos (Finnish honorary title)	Sastamala	Ruuth Mauri	Agrologist	Mikkeli
Jäärni Antti	Farmer	Simo	Siponen Ahti Tapani	M.Soc.Sc	Kiuruvesi
Kinnunen Esko	Farmer	Pieksämäki	Tolonen Mikko	Farmer	Suomussalmi
Kulmala Airi	Specialist, farmer	Nousiainen	Vainionpää Erkki	Farmer	Töysä
Kuutti Petri	Farmer	Kouvola	Vanhatalo Jukka	Farmer	Siikainen
Kässi Timo	Agrologist	Uurainen	Äijö Matti	Forestry engineer	Ikaalinen
PERSONNEL REPRESENTATIVES					
Hyvönen Jari	Mill measurer	Keuruu			
Keskinen Matti	Purchasing supervisor	Nastola			
Koljonen Timo	System specialist	Espoo			
Nurmi Mikko	Project engineer	Kyrö			



METSÄLIITTO COOPERATIVE'S BOARD OF DIRECTORS



MARTTI ASUNTA

KARI JORDAN

MIKAEL AMINOFF

EINO HALONEN

ARTO HILTUNEN

SAINI JÄÄSKELÄINEN

JUHA PARPALA

TIMO SAUKKONEN

ANTTI TUKEVA

MARTTI ASUNTA

(b. 1955)

MSc (Forestry),

Metsäneuvos (Finnish honorary title)

Member of the Board since 2005,

Chairman since 2008

- **Huoneistokeskus Oy**, Branch Manager (2003–2005)
- **Municipality of Kuru**, Project Manager (2001–2003)
- **Kiinteistötoimisto Martti Asunta LKV**, entrepreneur (1995–)
- **Suomen Yhdyspankki**, Bank Manager (1993–1995)
- **Tampere Regional Savings Bank (SSP)**, Area Manager (1988–1993)
- **Federation of Forest Management Associations in Pohjois-Häme**, Field Manager, Executive Manager (1982–1988)
- **Pellervo-Media Oy**, Chairman of the Board (2013–)
- **Pellervo Society**, Member of the Board (2008–), Chairman of the Board (2010–)
- **Metsä Board Corporation**, Vice Chairman of the Board (2008–)
- **Metsä Fibre Oy**, Member of the Board (2008–)
- **Metsä Tissue Corporation**, Member of the Board (2008–)

MIKAEL AMINOFF

(b. 1951)

MSc (Forestry)

Member of the Board since 2008

- **Metsä Board Corporation**, Member of the Board (2010–)
- **Coastal regional council of the Finnish Forestry Centre**, Member (2010–)
- **Pellervo Society**, Member of the Delegation (2010–2011)
- **Coastal forest owners' union**, Chairman (2004–2007)
- **Eteläinen metsäreviiri**, Chairman of the Board (2000–2007)
- **Entrepreneur in farming and forestry** (1992–)
- **Länsi-Uudenmaan metsäreviiri**, Executive Manager (1980–1997)

KARI JORDAN

(b. 1956)

MSc (Econ.),

Vuorineuvos (Finnish honorary title)

Member and Vice-Chairman of the Board since 2005

- **Metsä Group**, President and CEO (2006–)
- **Metsäliitto Cooperative**, CEO (2004–)
- **Metsä Board Corporation**, Chairman of the Board (2005–)
- **Metsä Tissue Corporation**, Chairman of the Board (2004–)
- **Metsä Fibre Oy**, Member of the Board (2004–), Chairman (2006–)
- **Central Chamber of Commerce of Finland**, Member of the Board (2007–2011), Chairman of the Board (2012–)
- **Confederation of Finnish Industries EK**, Member of the Board (2005–), Vice Chairman (2009–2011, 2013–)
- **Finnish Forest Industries Federation**, Chairman of the Board and the Board's Working Committee (2009–2011), Vice Chairman of the Board and member of the Board's Working Committee (2005–2009), Member of the Board (2012–2013), Vice Chairman of the Board and its Working Committee (2014–)
- **Varma Mutual Pension Insurance Company**, Member of the Supervisory Board (2006–2012), Deputy Chairman of the Board (2013), Chairman of the Board (2014–)
- Holds several positions of trust in foundations and non-profit associations

EINO HALONEN

(b. 1949)

MSc (Econ.),

Rahoitusneuvos (Finnish honorary title)

Member of the Board since 2006

- **Suomi Mutual Life Assurance Company**, Managing Director (2000–2007)
- **Pohjola Life Assurance Company Ltd**, Managing Director (1998–1999)
- **Merita Nordbanken**, Executive Vice President, Regional Bank Manager (1998)
- **Merita Bank Ltd**, Director and member of the Management Board (1996–1997)

- **Kansallis-Osake-Pankki** (1971–1995)
- **Cramo Oyj**, Vice Chairman of the Board (2003–)
- **YIT Corporation**, Member of the Board (2000–2012), Chairman of the Audit Committee (2004–2012) and member of the Nomination and Rewards Committee (2008–2012)

ARTO HILTUNEN

(b. 1958)

MSc (Econ.)

Member of the Board since 2007

- **SOK Corporation**, CEO and Chairman of the Board (2007–2009)
- **Helsinki Cooperative Society Elanto**, Managing Director (2004–2007), Chairman of the Board (2005–2007),
- **Cooperative Elanto**, following the merger decision, Managing Director (2003)
- **Helsinki Cooperative Society HOK**, Managing Director, Chairman of the Board (1998–2003)
- **Veho Group Oy AB**, Member of the Board (2011–), Chairman of the Board (2012–)
- **Talent Vectia Oy**, Member of the Board (2010–)
- **Metsä Tissue Corporation**, Member of the Board (2010–)
- **SRV Group Plc**, Member of the Board (2010–)
- **Itella corporation**, Member of the Board (2010–), Chairman (2011–)
- **Jenny and Antti Wihuri Foundation**, Member of the Board (2010–)

SAINI JÄÄSKELÄINEN

(b. 1959)

Entrepreneur in farming and forestry

Member of the Board since 2005

- **Central Finland Central Hospital**, anaesthetic nurse (1986–1988), midwife (1989–1998)
- **Korpilahti Cooperative Bank**, Member of the Supervisory Board (2008), Member of the Board (2009–)
- **Vapo Oy**, Member of the Supervisory Board (2005–2009)

JUHA PARPALA

(b. 1967)

Agrologist

Member of the Board since 2009

- **Farmer** (1994–)
- **Simon Turvejaloste Oy**, Member of the Board (2011–)
- **Metsäliitto Cooperative**, District Committee (1997–), Member of the Supervisory Board (2001–2008)
- **Osuuskunta Pohjolan Maito**, Member of the Board (2006–2007)

TIMO SAUKKONEN

(b. 1963)

MSc (Forestry)

Member of the Board since 2007

- **Farmer** (1992–)
- **Pellervo Society**, Member of the Delegation (2008–)
- **Simple Cooperative Bank**, Member of the Supervisory Board (2000–), Chairman (2011–)
- **Metsäliitto Cooperative**, various positions of trust (1995–)

ANTTI TUKEVA

(b. 1953)

Agronomist,

Maanviljelysneuvos (Finnish honorary title)

Member of the Board since 2009

- **Osuuskunta Maitosuomi**, CEO (2007–)
- **Osuuskunta Normilk**, CEO (1994–)
- **Osuuskunta Maitojaloste**, CEO (1991–2006)
- **Kukkala farm**, farming and forestry (1985–)
- **LähiTapiola Southern Ostrobothnia**, Member of the Board (2012–)
- **Lakeus Local Insurance Mutual Company**, Vice Chairman of the Board (2006–2012)
- Positions of trust in agrifood organisations

Management's members' capital and shareholding in Metsäliitto Cooperative and Metsä Board Corporation are presented on page 6 of this report.

METSÄ GROUP'S EXECUTIVE MANAGEMENT TEAM



KARI JORDAN

HANNU ANTILA

MIKKO HELANDER

ILKKA HÄMÄLÄ

MIKA JOUKIO

ESA KAIKKONEN

JUHA MÄNTYLÄ

VESA-PEKKA TAKALA

KARI JORDAN

(b. 1956)

MSc (Econ.),

Vuorineuvos (Finnish honorary title)

President and CEO, Metsä Group
Member of the Executive Management Team since 2005

- **Metsä Group**, President and CEO (2006–)
- **Metsäliitto Cooperative**, CEO (2004–)

For the full CV, see page 98

HANNU ANTILA

(b. 1955)

MSc (Econ.)

Executive Vice President, Strategy,
Metsä Group

Member of the Executive Management Team since 2005

- **Metsä Group**, Executive Vice President, Strategy (2006–)
- **M-real Corporation (currently Metsä Board Corporation)**, CEO (2005–2006)
- **Metsäliitto Group (now Metsä Group)**, Chief Financial Officer (2003–2004)
- **Metsä Tissue Corporation**, CEO (1998–2003)
- **Oy Metsä-Botnia Ab and Metsä Serla Corporation (now Metsä Fibre Corporation and Metsä Board Corporation)**, previously various management positions
- **Pohjolan Voima Oy**, Member of the Board (2009–)
- **Tapiola Mutual Life Assurance Company**, Member of the Advisory Board (2011–)
- **Teollisuuden Voima Oyj**, Member of the Board (2007–)
- **Metsä Tissue Corporation**, Member of the Board (2004–)
- **Metsä Fibre Oy**, Member of the Board (2004–)
- **Metsä Group Treasury Oy**, Chairman of the Board (2010–2013)

MIKKO HELANDER

(b. 1960)

MSc (Eng.)

CEO, Metsä Board Corporation
Member of the Executive Management Team since 2006

- **Metsä Board Corporation**, CEO (2006–)
- **Metsä Tissue Corporation**, previously CEO
- **Valmet and Metso Group**, previously various management positions
- **Metsä Fibre Oy**, Member of the Board (2009–)

ILKKA HÄMÄLÄ

(b. 1961)

MSc (Eng.)

CEO, Metsä Fibre Oy
Member of the Executive Management Team since 2008

- **Metsä Fibre Oy**, CEO (2008–)
- **Oy Metsä-Botnia Ab (currently Metsä Fibre Oy)**, previously various management positions
- **Finnish Forest Industries Federation**, Vice Chairman of the Board and the Board's Working Committee (2012–2013), Member of the Board (2014–)
- **Pohjolan Voima Oy**, Deputy Member of the Board (2009–)
- **Ilmarinen Mutual Pension Insurance Company**, Member of the Supervisory Board (2009–)
- **Delegation of Excellence Finland**, Member (2008–)

MIKA JOUKIO

(b. 1964)

MSc (Tech.), MBA

CEO, Metsä Tissue Corporation
Member of the Executive Management Team since 2012

- **Metsä Tissue Corporation**, CEO (2012–)
- **M-real Corporation (currently Metsä Board Corporation)**, Head of Consumer Packaging (2006–2012)
- **Metsä-Serla Corporation and M-real Corporation (currently Metsä Board Corporation)**, various management positions since 1990

ESA KAIKKONEN

(b. 1969)

LLM

Executive Vice President, Metsä Wood
Member of the Executive Management Team since 2008

- **Metsä Wood**, Executive Vice President (2013–)
- **Metsä Group**, General Counsel (2003–2013)
- **Metsäliitto Group (now Metsä Group)**, Legal Counsel (2000–2003)
- **Metsä-Serla Corporation (currently Metsä Board Corporation)**, Legal Counsel (1998–2000)
- **Lawyer in a law office (1995–1998)**
- **Confederation of Finnish Industries EK**, Member of the Legal Committee (2007–2013)
- **Finnish Forest Industries Federation**, Member of the Sawmill Industry Committee (2013–)
- **European Organisation of the Sawmill Industry aisbl (EOS)**, Member of the Board (2013–)
- **Finnish Wood Research (FWR) Oy**, Member of the Board (2014–)

JUHA MÄNTYLÄ

(b. 1961)

MSc (Forestry),

Metsäneuvos (Finnish honorary title)

Executive Vice President, Metsä Forest
Member of the Executive Management Team since 2008

- **Metsä Forest**, Executive Vice President (2008–)
- **Metsäliitto Cooperative**, previously various positions
- **Etelä-Pohjanmaa Forestry Centre and Enso Forest Development Ltd.**, previously various positions
- **CEPI (Confederation of European Paper Industries)**, Member of the Forest Committee (2012–)
- **Swedish Forest Industries Federation**, Member of the Forest Committee (2011–)
- **Finnish Forest Industries Federation**, Chairman of the Forest Committee (2010–)
- **Finnish Forest Foundation**, Member of the Board (2010–)
- **Pellervo Economic Research**, Member of the Board (2011–)
- **Metsä Fibre Oy**, Member of the Board (2008–)
- **Finsilva Oyj**, Member of the Board (2007–)

VESA-PEKKA TAKALA

(b. 1966)

MSc (Econ.)

Chief Financial Officer, Metsä Group
Member of the Executive Management Team since 2010

- **Metsä Group**, Chief Financial Officer (2010–)
- **Outotec Group**, Chief Financial Officer and Director of Finance (2006–2010), member of the management team, deputy to the CEO
- **Outokumpu Group**, Chief Financial Officer (2001–2006), member of the management team (2005), previously financial management positions
- **Metsä Group Treasury Oy**, Chairman of the Board (2013–)

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