

METSÄ GROUP

CORPORATE GOVERNANCE STATEMENT 2017



Metsä

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INTRODUCTION

This statement concerning Metsä Group's Corporate Governance has been given as a separate report and published simultaneously with Metsä Group's Financial Statements and the Report of the Board of Directors.

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

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

CORPORATE GOVERNANCE CODE

Metsä Group's parent company Metsäliitto Cooperative complies with the Corporate Governance Code for Finnish listed companies issued by the Securities Market Association on 1 January 2016; however, it 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 Finland Chamber of Commerce in January 2006, corporations with an extensive ownership base, extensive operations, or regional or national significance 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. The Corporate Governance Code is available on the website of the Securities Market Association at www.cgfinland.fi/en/.

The governance and management system of Metsä Group's parent company Metsäliitto Cooperative deviates from the recommendations Corporate Governance Code as follows:

- According to the Corporate Governance Code, the CEO should not be elected as the chairman of the Board of Directors. According to the rules of Metsäliitto Cooperative, Metsä Group's President and CEO acts as the vice chairman of the Board of Directors. The deviation from the recommendation can be justified by Metsäliitto Cooperative's cooperative administrative model.
- According to the Corporate Governance Code, the members of the Board of Directors are elected by the Annual General Meeting. According to the rules of Metsäliitto Cooperative, the members of the Board of Directors are elected by the Supervisory Board. Thus, the election of Metsäliitto Cooperative's Board of Directors deviates from the recommendation of the Corporate Governance Code on the election of the Board of Directors. The competence regulations that deviate from the recommendation ensure that cooperative corporate governance is realised.
- According to the Corporate Governance Code, the members of the Board of Directors are elected for a term of office of one (1) year at a time. According to the rules of Metsäliitto Cooperative, the term of office of the members of the Board of Directors is three (3) years at a time. The Board members' three-year term of office has been deemed necessary in order to ensure the continuity of decision-making.
- According to the Corporate Governance Code, the CEO is elected by the Board of Directors in accordance with the Limited Liability Companies Act. According to the Cooperatives Act, the CEO may also be elected by the Supervisory Board, if provided for in the cooperative's rules. According to the rules of Metsäliitto Cooperative, the CEO and the President and CEO of Metsä Group are elected by the Supervisory Board. In accordance with the rules, the tasks of the President and CEO, and the terms of the President and CEO's service contract, are confirmed by the Board of Directors. The deviation from the recommendation in the election

of the President and CEO can be justified by Metsäliitto Cooperative's cooperative administrative model.

MAIN ADMINISTRATIVE BODIES

Metsäliitto Cooperative's administrative bodies are the Representative Council, the Supervisory Board, the Board of Directors, the President and CEO, and the CEO. The bodies separately specified below in this statement assist the administrative bodies in their decision-making and prepare their decisions.

According to the rules of Metsäliitto Cooperative, the administrative personnel of Metsäliitto Cooperative must not work for companies or other organisations operating either directly or indirectly in the same sector as Metsäliitto Cooperative or its group companies, or participate in the administration of such companies or organisations.

REPRESENTATIVE COUNCIL

The Representative Council uses the supreme decision-making power belonging to the members of 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 discusses the matters specified in the Cooperatives Act and the rules of Metsäliitto Cooperative, as well as 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 and CEO from liability;
- to elect the members of the Supervisory Board and the auditors and to decide on their remuneration.

A full member of Metsäliitto Cooperative may be elected to the Representative Council. Persons who are employed by Metsäliitto Cooperative or a Group company and who are members of the Metsäliitto Cooperative Supervisory Board or Board of Directors are not eligible to stand for election to the Representative Council.

The election of the Representative Council is carried out every four years by postal voting, a communications link or some other technical device. Each member has one vote. The election is carried out by election districts so that the number of representatives selected from each district equals the number of Metsäliitto Cooperative members on the list of voters for the district in question who are entitled to vote on 1 January of the election year, divided by 2,300. The election districts are confirmed by the Supervisory Board, and basically they are determined in accordance with Metsäliitto Cooperative's district organisations.

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 must also be convened if demanded by at least one tenth of the Representative Council members. Unless otherwise required by the Cooperatives Act for certain matters, the Representative Council is convened by the Supervisory Board no later than seven (7) days before the meeting with a written invitation to the meeting sent to every member of the Representative Council, which must include the matters to be discussed in the meeting.

Each member of the Representative Council has one vote in the meeting. Amending the rules of Metsäliitto Cooperative requires the proposed amendment to be supported by a minimum of two thirds of the members present at the meeting. In addition to the members of the Representative Council, the Chairman of the Board of Directors and, as a general rule, the members of the Board of Directors and Supervisory Board must be present at meetings of the Representative Council. In addition to these, the auditors must also be present at the annual meeting.

The composition of the Representative Council is presented on page 10 of this report.

DISTRICT COMMITTEES

In accordance with the rules of Metsäliitto Cooperative, there is a District Committee in each procurement district. The District Committee comprises the members of the Representative Council, Supervisory Board and Board of Directors elected from the District's area, as well as candidates not elected in the election of the representative council, in the order of their personal number of votes. Each District has twice as many committee mem-

bers as the number of representatives elected from the District's area, but always with a minimum of five (5) candidates not elected to the Representative Council in the election. The guidelines approved by the Supervisory Board specify the tasks of the District Committee. According to the guidelines, the main task of a District Committee is to promote communication and interaction between the members and Metsäliitto Cooperative's procurement district in question.

SUPERVISORY BOARD

The rules of Metsäliitto Cooperative 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 the members' commitment to the decision-making of Metsäliitto Cooperative. Strategic and other far-reaching decisions, however, are in the scope of Metsäliitto Cooperative's Board of Directors, and operational management is the responsibility of the executive management.

The rules of Metsäliitto Cooperative 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 Board of Directors and decides on their remuneration;
- elects the CEO, who also serves 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 that are of importance in principle;
- issues a statement for the Representative Council on the financial statements, including the consolidated financial statements and the Board of Director's report.

The Supervisory Board elects a chairman and vice 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 will be the decision. If the votes are even, the chairman has the casting vote, 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 or 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 or her term of office, however, terminates at the annual meeting of the Representative Council the following year. Regional equality is considered when electing the members of the Supervisory Board. 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 11 of this report and on Metsä Group's website under **"Metsäliitto Cooperative governance and Metsä Group management."**

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 vice 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 its 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 held on 4 May 2017: Mats Brandt, Teuvo Hatva, Ville Hirvonen, Antti Isotalo, Timo Nikula and Jukka Vanhatalo. In addition, the Nomination Committee includes Juha Paajanen, Chairman of the Supervisory Board, and Ahti Siponen, Vice Chairman of

the Supervisory Board, due to their respective positions.

INFORMATION ON THE MEETINGS OF THE SUPERVISORY BOARD IN 2017

In 2017, there were 34 members on the Supervisory Board, four (4) of them being personnel representatives elected by different personnel groups of Metsäliitto Cooperative. There were no expert members on the Supervisory Board in 2017. The Supervisory Board convened six (6) times, and the members' attendance rate was 95%.

BOARD OF DIRECTORS

According to the rules of Metsäliitto Cooperative and in accordance with 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 drawn up a procedure for its operations that specifies in greater detail the operating principles followed in the decision-making of the Board of Directors. The working order is available in full on Metsä Group's website under "[Metsä Group's corporate governance principles.](#)"

The tasks of the Board of Directors include:

- approving the tasks of the CEO/President and CEO and the terms of the service contract, 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 the possibly elected President and CEO;

- deciding on how shares are collected and the issue of additional shares 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 matters to be processed at the meetings of the Supervisory Board;
- deciding on the remuneration and other benefits of the CEO/President and CEO and other senior management on the proposal of the Compensation Committee;
- 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 the rules of Metsäliitto Cooperative, the President and CEO or the CEO acts as the vice chairman. If the Supervisory Board has appointed a President and CEO, the CEO is not a member of the Board of Directors. The Board of Directors convenes as summoned by the chairman, as often as necessary. The President and CEO prepares the meetings of the Board of Directors. The Board of Directors is quorate when more than half the members of the Board are present. If the votes are equal, the chairman has the casting vote. Minutes must 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

Metsäliitto Cooperative's Board of Directors is elected by the Supervisory Board. The Board of Directors comprises a minimum of five (5) and a maximum of eight (8) members, plus the CEO of Metsäliitto Cooperative or the President and CEO of Metsä Group. The CEO of Metsäliitto Cooperative is not a member of the Board of Directors if the Supervisory Board has separately appointed a President and CEO. 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.

When preparing the nominations of the members of the Board of Directors, the Supervisory Board's Nomination Committee considers their qualifications, experience and available time, and also ensures that the composition of the Board includes diverse expertise.

In 2017, the position of the Chairman of the Board of Directors was held by Martti Asunta, that of the Vice Chairman by Kari Jordan, and the members were Arto Hiltunen, Jussi Linnaranta, Leena Mörttinen, Juha Parpala, Timo Saukkonen, Mikael Silvennoinen and Antti Tukeva.

In November 2017, the Supervisory Board of Metsäliitto Cooperative elected Johan Björkenheim, a forestry and agriculture entrepreneur, as a new member of the Board of Directors as of 1 January 2018. Antti Tukeva, who has been a member of the Board since 2009, was no longer a candidate for the position of Board member.

METSÄLIITTO COOPERATIVE'S BOARD OF DIRECTORS, 31 DECEMBER 2017

MEMBER OF THE BOARD OF DIRECTORS	MEMBER OF THE BOARD OF DIRECTORS SINCE	DATE OF BIRTH	EDUCATION	PARTICIPATION IN METSÄLIITTO COOPERATIVE (OWN, UNDER COMMON OWNERSHIP AND OWNED BY CONTROLLED CORPORATIONS) ON 31 DECEMBER 2017 (EUR)	SHARES (OWN AND BY CONTROLLED CORPORATIONS) IN METSÄ BOARD CORPORATION ON 31 DECEMBER 2017 (B SHARE)
Martti Asunta, Chairman	2005, Chairman since 2008	1955	M.Sc. (Forestry)	72,870	60,450
Kari Jordan, Vice Chairman	2005, Vice Chairman since 2005	1956	M.Sc. (Econ.)	6,843	1,033,147
Arto Hiltunen	2007	1958	M.Sc. (Econ.)	1,170	-
Jussi Linnaranta	2017	1972	M.Sc. (Agriculture and Forestry), agronomist	78,350	5,239
Leena Mörttinen	2016	1967	M.Sc. (Econ.), D.Soc.Sc.	2,550	-
Juha Parpala	2009	1967	Agrologist	24,638	1,087
Timo Saukkonen	2007	1963	M.Sc. (Agriculture and Forestry), forester	96,906	4,600
Mikael Silvennoinen	2015	1956	M.Sc. (Econ.)	195	14,000
Antti Tukeva	2009	1953	Agronomist	50,075	3,479

More detailed information on the members of the Board of Directors is presented on pages 12–13 of this report and on Metsä Group’s website under [“Metsäliitto Cooperative governance and Metsä Group management.”](#)

INDEPENDENCE OF BOARD MEMBERS AND DIVERSITY OF THE BOARD OF THE DIRECTORS
According to the overall evaluation by the Board of Directors, all members of the Board, with the exception of the President and CEO, are independent of Metsäliitto Cooperative. Metsäliitto Cooperative does not have significant owner-members as referred to in the Corporate Governance Code whom the members of the Board of Directors would be dependent on.

In December 2016, the Board of Directors of Metsäliitto Cooperative approved the principles concerning the diversity of the Board of Directors. According to the principles, the successful management of the tasks of the Board of Directors and its Committees requires a diverse composition, diverse competence and experience, as well as consideration of the personal qualities of individual members. Metsäliitto Cooperative has identified, in addition to a knowledge of the forest economy and industry sector, experience in demanding management tasks and an international operating environment to be essential in terms of the Board of Director’s diversity. Other factors identified as promoting diversity include Board members’ mutually complementary educational backgrounds, management experience in various segments of business operations, and a diverse age and gender range. It is Metsäliitto Cooperative’s goal that both genders be represented on the Board of Directors. The Supervisory Board’s Nomination Committee observes these principles when preparing proposals for the Supervisory Board on the composition of the Board of Directors.

In 2017, the Board of Directors was composed of nine (9) members, most of whom have an academic degree. The members of the Board of Directors have significant experience in demanding administrative and management duties from a number of sectors, and of international business operations. The Board was composed of eight men and one woman. Several Board members are distinguished members of society. The composition of the Board of Directors meets the principles of diversity, and the Supervisory Board’s Nomination Committee will continue to account for the principles and objectives of diversity

when preparing proposals on the composition of the Board of Directors in the future.

BOARD COMMITTEES

To ensure that the Board of Directors’ tasks are carried out effectively, Metsäliitto Cooperative’s Board of Directors has an Audit Committee and a Compensation Committee. The Committees do not have the authority to make decisions independently; rather, 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 Committees 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 auditing and risk management in accordance with procedures approved for it. The Audit Committee comprises a minimum of three (3) members, a majority of whom are independent of the company, elected by the Board of Directors from among its members annually. 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 executive management. The Audit Committee regularly reports to the Board of Directors on its operations and observations. In 2017, the Chairman of the Audit Committee was Mikael Silvennoinen, and its members were Martti Asunta and Arto Hiltunen.

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 as well as 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 service contract of the CEO and the President and CEO, pay systems for the senior management, and the key principles in the senior management’s contracts for the Board of Directors to decide on. In addition, the Compensation Committee presents the annual targets for the senior management to the Board of Directors and monitors their realisation. Furthermore, the Committee reviews matters related to the compensation systems of the senior manage-

ment and proposes them for the Board of Directors to decide on.

The Board of Directors annually 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 executive management may not be a member of the Committee. In addition, the President and CEO attends the meetings of the Compensation Committee, except for the times when the Committee wishes to convene without the presence of the executive management. The Compensation Committee regularly reports to the Board of Directors on its operations. In 2017, the Chairman of the Compensation Committee was Arto Hiltunen and its members were Martti Asunta and Antti Tukeva.

Information on the meetings of the Board of Directors and its Committees in 2017

The Board of Directors convened 14 times in 2017. Board members Asunta, Jordan, Linnaranta, Parpala, Saukkonen and Tukeva attended all meetings. Board members Hiltunen, Mörttinen and Silvennoinen attended 13 meetings. The members’ attendance rate was 98%.

The Audit Committee convened four (4) times. The members’ attendance rate was 100%.

The Compensation Committee convened ten (10) times, and the members’ attendance rate was 100%.

President and CEO 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. The President and CEO of Metsä Group and CEO of Metsäliitto Cooperative is elected by the Supervisory Board, and their service contract is approved by the Board of Directors.

The President and CEO is charged with the management of the operations of Metsä Group in accordance with the law and regulations, as well as the decisions and instructions of the administrative bodies.

Kari Jordan (M.Sc. (Econ.), born 1956) has acted as the President and CEO of Metsä Group since 2006 and also as the CEO of Metsäliitto Cooperative in 2004–2017. Ilkka Hämälä (M.Sc. (Eng.), born 1961) took up the position of the CEO of Metsäliitto Cooperative on 1 January 2018. Hämälä will start

his work as the President and CEO of Metsä Group on 1 April 2018, when Kari Jordan retires, and will simultaneously work as the CEO of Metsäliitto Cooperative.

More detailed information on Kari Jordan and Ilkka Hämälä is presented on page 14 of this report and on Metsä Group's website under "[Metsäliitto Cooperative governance and Metsä Group management.](#)"

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 comprises Metsä Group's President and CEO, the CEOs of the subsidiaries, the Executive Vice Presidents of Metsä Wood and Metsä Forest, and the Group's CFOs.

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

In 2017, the Executive Management Team comprised Kari Jordan (President and CEO), Hannu Anttila (Executive Vice President, Strategy, until 28 February 2017), Petri Hel-

sky (CEO of Metsä Tissue Corporation), Ilkka Hämälä (CEO of Metsä Fibre Oy), Mika Joukio (CEO of Metsä Board Corporation), Esa Kaikkonen (Executive Vice President, Metsä Wood, and Executive Vice President, Strategy, of Metsä Group as of 1 March 2017), Juha Mäntylä (Executive Vice President, Metsä Forest) and Vesa-Pekka Takala (CFO, Vice Managing Director of Metsäliitto Cooperative).

More detailed information on the members of the Executive Management Team is presented on pages 14–15 of this report and on Metsä Group's website under "[Metsäliitto Cooperative governance and Metsä Group management.](#)"

METSÄ GROUP'S EXECUTIVE MANAGEMENT TEAM, 31 DECEMBER 2017

MEMBER OF THE EXECUTIVE MANAGEMENT TEAM (MEMBER OF THE EXECUTIVE MANAGEMENT TEAM SINCE)	POSITION IN METSÄ GROUP	YEAR OF BIRTH	EDUCATION	PARTICIPATION IN METSÄLIITTO COOPERATIVE (OWN, UNDER COMMON OWNERSHIP AND OWNED BY CONTROLLED CORPORATIONS) ON 31 DECEMBER 2017 (EUR)	SHARES (OWN AND BY CONTROLLED CORPORATIONS) IN METSÄ BOARD CORPORATION ON 31 DECEMBER 2017 (B SHARE)
Kari Jordan (2005)	President and CEO	1956	M.Sc. (Econ.)	6,843	1,033,147
Petri Helsky (2015)	CEO of Metsä Tissue Corporation	1966	M.Sc. (Eng.)	-	16,666
Ilkka Hämälä (2008)	CEO of Metsä Fibre Oy	1961	M.Sc. (Eng.)	-	129,355
Mika Joukio (2012)	CEO of Metsä Board Corporation	1964	M.Sc. (Eng.)	20,461	261,884
Esa Kaikkonen (2008)	Executive Vice President, Metsä Wood Executive Vice President, Strategy, Metsä Group	1969	LL.M.	-	108,594
Juha Mäntylä (2008)	Executive Vice President, Metsä Forest	1961	M.Sc. (Agriculture and Forestry)	337,645	119,339
Vesa-Pekka Takala (2010)	CFO, Metsä Group, Deputy Managing Director, Metsäliitto Cooperative	1966	M.Sc. (Econ.)	-	160,846

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 is evaluated by Metsä Group's internal audit. Internal control is implemented 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 audits are described below. Metsä Group's executive management, risk management director and internal audit are in charge of composing the principles mentioned above, and the Board of Directors is responsible for their ultimate ratification.

INTERNAL CONTROL

In Metsä Group, internal control covers financial reporting and other monitoring. Internal control is implemented by the Board of Directors, the Audit Committee and the executive

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 operational risks;
- reliable and correct financial and other management information;
- compliance with external regulations and internal policies;
- compliance with the appropriate procedures related to customer relationships;
- sufficient security of operations, information and property;
- arrangement of adequate and suitable manual and IT systems to support operations.

Internal control is divided into: (i) proactive control, such as defining Metsä Group's values and general operational and business principles, as well as its goals and strategy; (ii) daily control, such as general control and follow-up with operational systems and work guidelines, related to operational steering; and (iii) subse-

quent control, 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. Metsä Group's corporate culture, governance and the approach to control together create the basis for the entire process of internal control.

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's financial administration. Business area profitability development and business risks and opportunities are discussed monthly at the meetings of Metsä Group's Executive Management Team attended by the senior management of Metsä Group and of each business area, as well as 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 of Directors and the authority separately granted by the President and CEO and other management personnel.

Investment approval and follow-up are carried out by the business areas and the Group's financial administration according to the decision-making order and investment policy approved by the Board of Directors. The most significant investments are separately submitted for approval by the Executive Management Team and the Boards of the Group's parent company and 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 CEO and the Audit Committee. An internal audit action plan is prepared for one 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 every six months, with regard to how up to date and appropriate it is.

The extent and coordination of auditing will be ensured by 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 composes a summary report to the Audit Committee every six months on the audits carried out, the most significant observations and the agreed measures. In addition, the half-year report states 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 must 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 is part of 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 effectively 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 the opportunities, risks and threats that may have an impact not only on the implementation of the strategy, but also on the achievement of short- and long-term objectives. A separate risk

review is 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 Board of Directors 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 of Directors 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, the performance of the risk assessment and 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 the necessary preventive action and report on the risks as agreed.

RISK MANAGEMENT PROCESS

The essential elements of Metsä Group's risk management 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 implemen-

tation stages of projects that 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 or 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

Metsä Group complies with the EU's Market Abuse Regulation (Regulation (EU) No 596/2014 of the European Parliament and of the Council; hereinafter referred to as the "MAR"), securities market legislation, and the insider guidelines of the parent company Metsäliitto Cooperative and the subsidiary Metsä Board Corporation, prepared in accordance with rules and instructions drawn up by the Helsinki stock exchange. Metsä Group requires every employee to follow the insider regulations.

Pursuant to Article 14 of MAR and Chapter 51 of the Criminal Code of Finland, a person in possession of insider information may not: (i) engage or attempt to engage in insider dealing by acquiring or disposing of the company's financial instruments under their own or a third party's name; (ii) recommend that another person engage in insider dealing or induce another person to engage in insider dealing; or (iii) disclose inside information to another person unless this occurs as part of the normal performance of work, tasks or the profession. Insider guidelines aim to enable the people considered the company's insiders to hold shares in the company openly while maintaining public trust in trading and price formation with the company's securities. Metsä Group only recommends long-term investments and the use of purchase pro-

grammes. Insiders are provided with instructions and training at frequent intervals.

Following MAR's entry into force on 3 July 2016, Metsä Group companies no longer have public insiders, nor do they maintain permanent company-specific insider registers, but rather only project- or event-specific insider lists. The lists include information on persons participating in insider projects who are not allowed to trade the financial instruments of the company in question during the project.

Metsäliitto Cooperative has defined its managers, as referred to in MAR, to include the members of the Supervisory Board, the members of the Board of Directors, and the President and CEO. The managers in question and their related parties are obligated to inform the company and the Financial Supervisory Authority of their transactions in Metsäliitto Cooperative's financial instruments, and Metsäliitto Cooperative will publish such transactions as stock exchange releases. The aforementioned persons are subject to a closed period of 30 calendar days prior to the publication of Metsä Group's interim reports and financial statements, during which time the managers may not trade Metsäliitto Cooperative's financial instruments. In addition to the managers subject to the disclosure obligation, the company specifies such other persons who, in the course of their duties, participate in the preparation of interim reports and financial statements and may not trade Metsäliitto Cooperative's financial instruments during the closed period.

Metsäliitto Cooperative did not have any financial instruments traded in regulated markets in issue on 31 December 2017.

Metsä Board Corporation has defined its managers, as referred to in MAR, to include the members of the Board of Directors and the President and CEO. The managers in question and their related parties are obligated to inform the company and the Financial Supervisory Authority of their transactions concerning Metsä Board's shares and financial instruments, and Metsä Board will publish such transactions as stock exchange releases. The aforementioned persons are subject to a closed period of 30 calendar days prior to the publication of Metsä Group's interim reports and financial statements, during which time the managers may not trade Metsä Board's financial instruments. In addition to the managers subject to the disclosure obligation, the company specifies such other persons who, in the course of their duties, participate in the preparation of interim reports and financial

statements and may not trade Metsä Board's shares or financial instruments during the closed period.

RELATED PARTY TRANSACTIONS

Metsäliitto Cooperative and its Group companies assess and monitor related party transactions. Related parties are determined in accordance with International Accounting Standards (IAS 24), and they include, among others, all Group companies and the members of the Board of Directors and the Executive Management Team, as well as their immediate family members. Any conflicts of interest are taken into account in decision-making and, in accordance with the Corporate Governance Code, each Group company maintains a list of the members of its related parties.

AUDIT

According to the rules of Metsäliitto Cooperative, Metsäliitto Cooperative has one auditor, which must be an auditing firm authorised by the Finland Chamber of Commerce. 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 auditor 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 2017, Metsäliitto Cooperative's auditor for 2017 is KPMG Oy Ab, firm of authorised public accountants, with Raija-Leena Hankonen, APA, as the main responsible auditor.

In 2017, companies that belong to Metsä Group paid a total of EUR 1,114,000 in audit fees to KPMG in Finland and internationally (2016: EUR 1,119,000), and a total of EUR 112,000 to other auditing firms (2016: EUR 107,000). In addition, the KPMG chain was paid EUR 28,000 for services not related to the actual audit (2016: EUR 46,000), and other auditing firms were paid EUR 261,000 (2016: EUR 252,000).

METSÄLIITTO COOPERATIVE'S REPRESENTATIVE COUNCIL

Members of Metsäliitto Cooperative elect a Representative Council from among the members every four years by mail, telecommunications or by some other technical device. The Representative Council is the highest decision-making body.

Anttila Juha	Farmer	Mänttä-Vilppula	Nybacka Mika	Farming Entrepreneur	Haapajarvi
Haikkonen Aila	Master of Science, Agricultural Entrepreneur	Pori	Nylund Mats	Farmer, Member of Parliament	Pedersöre
Halkilahti Jaakko	Farmer	Salo	Oinas-Panuma Eero	Reindeer Herder, Rural Entrepreneur	Pudasjärvi
Hanhimäki Jorma	Farmer	Kauhava	Orjala Jari	Farming Entrepreneur, Lecturer	Kannus
Hiekka Matti	Farmer	Ikaalinen	Pekonen Kari	Farming Entrepreneur	Parikkala
Hiitunen Martti	Account Manager	Kaavi	Pietilä Juho	Farming Entrepreneur	Loimaa
Häppölä Heikki	Farmer	Orimattila	Purhonen Petri	Farmer	Enonkoski
Härkönen Matti J.	Forestry Entrepreneur	Sotkamo	Pylkkänen Ari	Forestry Engineer	Rantasalmi
Isomuotia Harri	Master of Science (For.)	Hämeenkyrö	Raininko Tuomo	Farming and Forestry Entrepreneur	Kankaanpää
Jänkälä Aarne	Farmer	Rovaniemi	Ruusuvirta Jukka	Farming Entrepreneur	Kivijärvi
Kallio Maarit	Farmer, Agrolgist	Sastamala	Savinieimi Timo	Farming and Forestry Entrepreneur	Hämeenlinna
Kankaanpää Antti	Rural Entrepreneur	Orivesi	Savola Mikko	Member of Parliament	Ähtäri
Karhunen Asko	Farmer	Suonenjoki	Sipola Atso	Farmer	Oulu
Ketola Jyrki	Director, Forestry Entrepreneur	Helsinki	Sirviö Antti	Rural Entrepreneur	Kemijärvi
Kivenmäki Ari	Agrologist, Farmer	Kuortane	Soronen Mauno	Vicar	Haapavesi
Kiviranta Esko	Farmer, Trained on the Bench	Sauvo	Säynätjoki Ilkka	Farmer	Kuhmoinen
Koistinen Pertti	Rural Entrepreneur	Liperi	Tasanen Terho	Machine Entrepreneur, Farmer	Nousiainen
Kontinen Kati	Master of Science (For.)	Ristiina	Tikka Antti-Lassi	Planning and Development Manager, Farmer	Kiuruvesi
Koskinen Jaakko	Farming Entrepreneur	Hamina	Tolvanen Matti	Forest Technician, Farming and Forest Entrepreneur	Varkaus
Kurtti Aulis	Forest Owner	Kuusamo	Tuominen Pasi	Agrologist, Farmer	Eura
Könönen Katri	Farmer	Tohmajärvi	Tyskas Kim	Farming entrepreneur, Salesman	Lapinjärvi
Laitinen Markku	Farming and Forestry Entrepreneur	Kangasniemi	Törmikoski Jari	Farmer	Raahe
Lunttila Tommi	Farmer	Äänekoski	Uotila Kirsi	Forestry Entrepreneur, Technology Student	Helsinki
Långgård Tomas	Farmer	Maalahti	Vanhatalo Tuula	Bachelor of Science (Agr. and For.)	Hyvinkää
Minkkinen Timo	Forestry Entrepreneur	Viitasaari	Vidlund Mikael	Farmer	Närpiö
Moilanen Heli	Public Health Nurse	Paltamo	Virnala Jukka	Entrepreneur	Kurikka
Morri Tiina	Forestry Entrepreneur	Virrat	Wasberg Johan	Forestry Engineer	Mustasaari
Mäntylä Arto	Farmer	Kurikka	Ylimartimo Aatto	Farmer	Tervola
Nevavuori Jari	Product Manager, Farmer	Uusikaupunki	Ylä-Outinen Päivi	Farmer	Lappeenranta
Niemelä Henry	Farmer, Forest Machine Entrepreneur	Lapua	Ylönen Reijo	Farmer	Hankasalmi

METSÄLIITTO COOPERATIVE'S SUPERVISORY BOARD

The Supervisory Board's duty is to supervise the appropriate management of 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

Paajanen Juha	Farming and Forestry entrepreneur	Savonlinna
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VICE CHAIRMAN

Siponen Ahti	Master of Social Sciences	Kiuruvesi
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MEMBERS

Alatalo Matti	Farmer	Soini
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Brandt Mats	Agrologist	Kokkola
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Hatva Teuvo	Forestry Entrepreneur	Kajaani
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Haukilahti Tapani	Farmer	Veteli
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Hirvonen Ville	Agrologist	Rääkkylä
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Isotalo Antti	Farmer	Kauhava
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Junttila Risto	Executive Manager	Kemijärvi
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Jäärn Antti	Farmer	Simo
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Kinnunen Esko	Farmer	Pieksämäki
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Kulmala Airi	Specialist, farmer	Nousiainen
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Kuutti Petri	Farmer	Kouvola
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Kässi Timo	Agrologist	Uurainen
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Laineenoja Jari	Agronomist, Financing Manager	Huittinen
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Laitinen Pirkko	Agronomist	Utajärvi
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PERSONNEL REPRESENTATIVES

Kaukinen Susanna	Office Assistant	Lohja
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Koljonen Timo	Solution Owner	Helsinki
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Kuhlampi Rauno	Forest Specialist, Wood trade and forest services	Seinäjoki
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Naukkarinen Janne	Chief Shop Steward	Savonlinna
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Lappalainen Jukka	Farmer	Pielavesi
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Lauttia Petri	Farmer	Hämeenlinna
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Lillandt Anders	Farmer	Kristiinankaupunki
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Malmström Märten	Farmer	Espoo
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Mikkola Antti-Jussi	Farmer	Pälkäne
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Nikula Timo	Agrologist	Laitila
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Savolainen Jyrki	Farmer	Laukaa
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Tolonen Mikko	Farmer	Suomussalmi
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Turtiainen Matti	Master of Science (Agr. and For.), Agronomist	Savonlinna
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Uusitalo Ilkka	Farmer	Salo
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Vanhatalo Jukka	Farmer	Siikainen
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Wasström Anders	Farming Entrepreneur	Raasepori
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Äijö Matti	Forestry Engineer	Ikaalinen
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METSÄLIITTO COOPERATIVE'S BOARD OF DIRECTORS



MARTTI ASUNTA

b. 1955
M.Sc (Forestry)
Metsäneuvos
(Finnish honorary title)

Member of the Board since 2005
Chairman since 2008

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–)
Pellervo-Seura ry, Member of the Board (2008–2017), Chairman of the Board (2010–2017)
Pellervo-Media Oy, Chairman of the Board (2013–2017)
Finnish Agri-Agency for Food and Forest Development, Member of the Board (2012–2018)
Cooperative Council of Finland, Chairman (2013–)
Kiinteistötoimisto Martti Asunta LKV, Entrepreneur (1995–2015)
Huoneistokeskus Oy, Branch Manager (2003–2005)
Municipality of Kuru, Project Manager (2001–2003)
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)

Participation in Metsäliitto Cooperative on 31 Dec. 2017: EUR 72,870

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 60,450 (B-share)



KARI JORDAN

b. 1956
M.Sc (Economy)
Vuorineuvos
(Finnish honorary title)

Member and Vice Chairman of the Board since 2005

Metsä Group, President and CEO (2006–31.3.2018)
Metsäliitto Cooperative, CEO (2004–2017)
Metsä Board Corporation, Chairman of the Board (2005–)
Metsä Fibre Oy, Member of the Board (2004–), Chairman (2006–2017)
Metsä Tissue Corporation, Member of the Board (2004–), Chairman of the Board (2004–2017)
Central Chamber of Commerce of Finland, Member of the Board (2007–2011), Chairman (2012–2016)
Confederation of Finnish Industries EK, Member of the Board (2005–2016), Vice Chairman (2009–2011, 2013–2014), Member of the Board's Working Committee (2015–2016)
Finnish Forest Industries Federation, Chairman of the Board and the Board's Working Committee (2009–2011), Vice Chairman of the Board and Board's Working Committee (2005–2008, 2014–2017), Member of the Board (2012–2013)
Varma Mutual Pension Insurance Company, Member of the Supervisory Board (2006–2012), Vice Chairman of the Board (2013), Chairman of the Board (2014), Chairman of the Supervisory Board (2015–)
Holds several positions of trust in foundations and non-profit associations

Participation in Metsäliitto Cooperative on 31 Dec. 2017: EUR 6,843

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 1,033,147 (B-share)



JOHAN BJÖRKENHEIM

b. 1966
Forestry and agriculture entrepreneur

Member of the Board since 2018

Forestry and agriculture entrepreneur, (1989–)
Kyrönmaa regional bank, Member of the Board (2006–), Chairman of the Board (2012–), Member of the Representative Council (1996–2006)
Kyrö Distillery, Member of Advisory Board (2013–2016)
Metsäliitto Cooperative, Member of the Supervisory Board (2011–2017), Member of Representative Council (1999–2011)
Itikka Osuuskunta, Member of the Representative Council (1999–2013)
Pohjola, Member of Etelä-Pohjanmaa regional Advisory Board (1995–2015)

Participation in Metsäliitto Cooperative on 31 Dec. 2017: EUR 151,214

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 14,280 (B-share)



ARTO HILTUNEN

b. 1958
MSc (Economy)

Member of the Board since 2007

Metsä Tissue Corporation, Member of the Board (2010–)
Veho Oy Ab, Member of the Board (2011–), Chairman of the Board (2012–)
Yliopiston Apteekki, Member of the Board (2015–), Chairman (2017–)
Jenny and Antti Wihuri Foundation, Member of the Board of (2010–2015), Vice Chairman (2016–)
Talent Vectia Oy, Member of the Board (2010–2015)
SRV Group Plc, Member of the Board (2010–2017)
Posti Corporation, Member of the Board (2010–2017), Chairman (2011–2017)
SOK Corporation, CEO and Chairman of the Board (2007–2009)
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)

Participation in Metsäliitto Cooperative on 31 Dec. 2017: EUR 1,170

Shares owned in Metsä Board Corporation on 31 Dec. 2017: no ownership



JUSSI LINNARANTA

b. 1972
M.Sc (Agriculture and Forestry)
Agronomist

Member of the Board since 2017

Agricultural entrepreneur, (2001–)
Thermal entrepreneur, (2003–)
Ministry of Agriculture and Forestry, Information and Research Centre, various positions (1997–2007)
Pohjois-Savo Cooperative bank, Member of the Representative Council (2014–2017)
Metsäliitto Cooperative, Member of the Supervisory Board (2004–2016)
The Central Union of Agricultural Producers and Forest Owners (MTK), Member of the Energy Committee (2007–2008, 2014–2016)
Kalakukko 2006 ry, LEADER Operational Committee, Member of the Board (2001–2006)

Participation in Metsäliitto Cooperative on 31 Dec. 2017: EUR 78,350

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 5,239 (B-share)



LEENA MÖRNTINEN

b. 1967
M.Sc (Economy)
Doctor of Social Sciences (Econ.)

Member of the Board since 2016

Ministry of Finance, Director General, Head of Financial Markets Department (1 August 2017–)
Finnish Family Firms Association, Managing Director (2015–2017)
Confederation of Finnish Industries, Director, Competence and Growth (2012–2015)
Nordea, various management positions (2006–2012)
Bank of Finland, Financial Stability and Statistics department, Advisor (2005–2006)
European Central Bank, Senior Economist (2002–2005)
Bank of Finland, Financial Stability department, Economist (1999–2002)
University of Helsinki, Researcher (1995–1999)
The Research Institute of the Finnish Economy, Member of the Board (2017–)
Finnish Business and Policy Forum EVA, Member of the Board (2017–)
Kansallisteatterin Säätiö, Member of the Board (2015–)
University of Helsinki Research Foundation, Chairman of the Advisory Board (2016–)
Scout Foundation, Member of the Supervisory Board (2011–)

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
EUR 2,550

Shares owned in Metsä Board Corporation on 31 Dec. 2017: no ownership



JUHA PARPALA

b. 1967
Agrologist

Member of the Board since 2009

Metsäliitto Cooperative, District Committee (1997–), Member of the Supervisory Board (2001–2008)
Farmer, (1994–)
Simon Turvejaloste Oy, Member of the Board (2011–)
Vapo Oy, Member of the Supervisory Board (2009)
Osuuskunta Pohjolan Maito, Member of the Board (2006–2007)
Parish of Simo, Member of the Church Council (2015–)
Municipality of Simo, positions of trust

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
EUR 24,638

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 1,087 (B-share)



TIMO SAUKKONEN

b. 1963
M.Sc (Agriculture and Forestry)

Member of the Board since 2007

Metsäliitto Cooperative, various positions of trust (1995–)
Farmer, (1992–)
Pellervo Seura ry, Confederation of Finnish Cooperatives, Member of the Delegation (2008–2017), Member of the Board (2018–)
Simpele Cooperative Bank, Member of the Supervisory Board (2000–2017), Chairman of the Supervisory Board (2011–2017), Member of the Board (2018–)

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
EUR 96,906

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 4,600 (B-share)



MIKAEL SILVENNOINEN

b. 1956
M.Sc (Economy)

Member of the Board since 2015

IMS Talent Oy, Chairman of the Board (2013–)
Orion Corporation, Member of the Board (2014–)
Pontos Group, Member of the Board (2014–)
Hartwall Capital Ltd, Member of the Board (2014–2017)
Konecranes Plc, Member of the Board (2008–2015)
Pohjola Bank plc, Managing Director (1997–2013)
Pohjola Bank plc, various management positions (1989–1997)
Wärtsilä Group, various management positions (1983–1989)

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
EUR 195

Shares owned in Metsä Board Corporation on 31 Dec. 2017: 14,000 (B-share)

METSÄ GROUP EXECUTIVE MANAGEMENT TEAM



KARI JORDAN

b. 1956
M.Sc (Economy)
Vuorineuvos
(Finnish honorary title)

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

Metsäliitto Cooperative, Vice Chairman of the Board (2005–)
Metsä Board Corporation, Chairman of the Board (2005–)
Metsä Fibre Oy, Member of the Board (2004–), Chairman of the Board (2006–2017)
Metsä Tissue Corporation, Member of the Board (2004–), Chairman of the Board (2004–2017)
Central Chamber of Commerce of Finland, Member of the Board (2007–2011), Chairman of the Board (2012–2016)
Confederation of Finnish Industries EK, Member of the Board (2005–2016), Vice Chairman (2009–2011, 2013–2014), Member of the Board's Working Committee (2015–2016)
Finnish Forest Industries Federation, Chairman of the Board and the Board's Working Committee (2009–2011), Vice Chairman of the Board and Board's Working Committee (2005–2008, 2014–2017), Member of the Board (2012–2013)
Varma Mutual Pension Insurance Company, Member of the Supervisory Board (2006–2012), Vice Chairman of the Board (2013), Chairman of the Board (2014), Chairman of the Supervisory Board (2015–)
Holds several positions of trust in foundations and non-profit associations

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
EUR 6,843

Shares owned in Metsä Board Corporation on 31 Dec. 2017:
1,033,147 (B-share)



ILKKA HÄMÄLÄ

b. 1961
M.Sc (Engineering)

CEO, Metsäliitto Cooperative
CEO and President, Metsä Group,
as of 1 April 2018
Member of the Executive
Management Team since 2008,
Chairman as of 1 January 2018

Metsä Group, CEO and President (1 April 2018–)
Metsäliitto Cooperative, CEO (2018–)
Metsä Fibre Oy, CEO (2008–2017)
Oy Metsä-Botnia Ab, (now Metsä Fibre Oy), previously various management positions
Finnish Forest Industries Federation, Chairman of the Board and the Board's Working Committee (2018–), Chairman of the Labour Market Committee (2017), Member of the Board (2012–), Vice Chairman of the Board and the Board's Working Committee (2012–2013)
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–)

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
no ownership

Shares owned in Metsä Board Corporation on 31 Dec. 2017:
129,355 (B-share)



PETRI HELSKY

b. 1966
M.Sc (Chemical Engineering)
M.Sc (Economy)

CEO, Metsä Tissue Corporation
Member of the Executive
Management Team since 2015

Metsä Tissue Corporation, CEO (2015–)
Kemira Oyj, President, (Paper and Region APAC), Member of the management team (2008–2015)
Kemira ChemSolutions, Vice President (2007–2008)
Solvay Group, several management positions (1993–2007)

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
no ownership

Shares in Metsä Board Corporation on 31 December 2017:
16,666 (B-share)



MIKA JOUKIO

b. 1964
M.Sc (Technology)
MBA

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

Metsä Board Corporation, CEO (2014–)
Metsä Tissue Corporation, CEO (2012–2014)
M-real Corporation (now Metsä Board Corporation), Head of Consumer Packaging (2006–2012)
Metsä-Serla Corporation and M-real Corporation (now Metsä Board Corporation), various positions in management since 1990

Participation in Metsäliitto Cooperative on 31 Dec. 2017:
EUR 20,461

Shares in Metsä Board Corporation on 31 December 2017:
261,884 (B-share)



ESA KAIKKONEN

b. 1969
LL.M

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

Metsä Wood, Executive Vice President
(2013–)

Metsä Group, Executive Vice
President, Strategy (2017–)

Metsä Group, General Counsel
(2003–2013)

Metsäliitto Group, Legal counsel
(2000–2003)

Metsä-Serla Corporation, (now Metsä
Board Corporation), Legal counsel
(1998–2000)

Finnish Forest Industries Federation,
Member of the Board (2018–)

Metsä Fibre Oy, Member of the Board
(2017–)

Pohjolan Voima Oy, Member of the
Board (2017–)

Teollisuuden Voima Oyj, Member of
the Board (2017–)

**Federation of the Finnish
Woodworking Industries**, Chairman
of the Board (2015–2016), Member of
the Board (2017–)

**Participation in Metsäliitto
Cooperative on 31 Dec. 2017:**
no ownership

**Shares owned in Metsä Board
Corporation on 31 Dec. 2017:**
108,594 (B-share)



JUHA MÄNTYLÄ

b. 1961
M.Sc (Agriculture and Forestry)
Forester
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, Etelä-
Pohjanmaa Forestry Centre and
Enso Forest Development Ltd.**,
previously various positions

Metsä Fibre Oy, Member of the Board
(2008–)

Finsilva Oyj, Member of the Board
(2007–)

Finnish Forest Industries Federation,
Chairman of the Forest Committee
(2010–)

**Swedish Forest Industries
Federation**, Member of the Forest
Committee (2011–)

Natural Resources Institute Finland,
Chairman of the Board (2015–)

Finnish Forest Foundation, Chairman
of the Board (2010–2014), Member of
the Board (2015–)

**CEPI (Confederation of European
Paper Industries)**, Member of Forest
Committee (2012–2014)

Pellervo Economic Research,
Member of the Board (2011–2015)
Suomen Puukauppa Oy, Member of
the Board (2016)

**Participation in Metsäliitto
Cooperative on 31 Dec. 2017:**
EUR 337,645

**Shares owned in Metsä Board
Corporation on 31 Dec. 2017:**
119,339 (B-share)



ISMO NOUSIAINEN

b. 1966
M.Sc (Engineering)

CEO, Metsä Fibre Oy
Member of the Management Team
since 2018

Metsä Fibre Oy, CEO (2018–)

Metsä Fibre Oy, responsible for
production (2008–2017)

Oy Metsä-Botnia Ab
(now. Metsä Fibre Oy), various
management positions (2001–2007)

**VTT Technical Research Centre of
Finland Ltd**, various positions
(1996–2001)

Finntech Finnish Technology Ltd Oy,
Researcher (1993–1996)

Mittaportti Oy, Chairman of the Board
(2008–2014)

Botnia Mill Service Oy, Member of the
Board (2007–2017)

**Participation in Metsäliitto
Cooperative on 31 Dec. 2017:**
no ownership

**Shares owned in Metsä Board
Corporation on 31 Dec. 2017:**
53 194 (B-share)



VESA-PEKKA TAKALA

b. 1966
M.Sc (Enocomy)

Chief Financial Officer, Metsä Group
Deputy Managing Director,
Metsäliitto Cooperative
Member of the Executive
Management Team since 2010

Metsä Group, Chief Financial Officer
(2010–)

Metsäliitto Cooperative, Deputy
Managing Director (2017–)

Metsä Group Treasury Oy, Chairman
of the Board (2013–)

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)

Outokumpu Group, previously
management positions in the financial
administration

**Participation in Metsäliitto
Cooperative on 31 Dec. 2017:**
no ownership

**Shares owned in Metsä Board
Corporation on 31 Dec. 2017:**
160,845 (B-share)