

15 May 2007

**Metsäliitto Cooperative****Rules of Procedure of the Compensation Committee****1 Purpose of the Compensation Committee**

The purpose of the Compensation Committee is to assist the Board of Directors in ensuring that the company has appropriate salary systems, and successor and development planning in place. The Compensation Committee drafts proposals to the Board of Directors and makes decisions within the limits of the authority granted by the Board.

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

The Board of Directors appoints three (3) members to the Compensation Committee and determines the Chairman of the Committee.

The Board of Directors appoints the members for one year at a time in the Board meeting following the meeting of the Representative Council.

The members of the executive management present issues at the meetings at the request of the Chairman, and they cannot be appointed to the Committee.

**3 Responsibilities of the Committee**

The Compensation Committee is responsible for presenting the following issues to the Board of Directors for decision:

- 1) the terms of the President's and Chief Executive Officer's service contracts, including issues related to remuneration (basic salary, bonus, share bonuses, etc.);
- 2) the remuneration and rewards systems for the top management (President/Chief Executive Officer and those reporting to them);
- 3) the key principles of the top executives' service contracts;
- 4) the successor and development plans for the top executives.

In addition, the Compensation Committee decides, independently and within the limits of the authorisation granted by the Board of Directors, on the terms of employment applied to the direct subordinates of the President and the Chief Executive Officer, including remuneration issues.

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**4 Work of the Committee****4.1 Meetings**

The Chairman of the Compensation Committee convenes the Committee regularly and at least twice (2) every year.

The Compensation Committee may invite experts to the meetings as it deems necessary.

A detailed agenda shall be prepared and minutes kept for each Committee meeting.

The minutes of the Compensation Committee's meetings shall be sent to the members of the company's Board of Directors.

**4.2 Reporting to the Board of Directors**

The Compensation Committee reports to the Board on a regular basis.

Adopted at the meeting of the Board of Directors on 15 May 2007