

16.12.2021

## **THE NOMINATION AND COMPENSATION COMMITTEE CHARTER OF METSÄ BOARD CORPORATION**

### **Purpose of the Nomination and Compensation Committee**

The purpose of the Nomination and Compensation Committee is to assist the Board of Directors in (i) managing the nomination and compensation matters of the CEO and top management; (ii) preparing the compensation systems of the personnel; and (iii) managing the nomination and compensation matters of the members on the Board of Directors.

### **Constitution of the Committee and its term of office**

At its organizing meeting, the Board of Directors nominates, from among its members, three to five (3-5) members for the Committee who have sufficient experience in the terms and conditions of employment of senior management and different remuneration schemes.

The Board of Directors nominates the Chair and the members of the Committee for one year at a time. A majority of the Committee members must be independent of the Company.

The Chair of the Board of Directors acts as Chair of the Committee, and the secretary of the Board of Directors acts as secretary to the Committee.

### **Duties of the Committee**

The Nomination and Compensation Committee shall:

1. prepare the nomination of the CEO and a possible deputy to the CEO and the terms and conditions for their service relationship for a decision on these by the Board of Directors;
2. search for candidates to succeed the CEO and a possible deputy to the CEO and evaluate their experience and competence to act in this position;
3. assist the CEO in the nomination of managers who report to the CEO, and counsel the CEO on the compensation of said managers;
4. prepare the successor planning for management and a system for nominating deputies for management position holders as well as control the functionality of management systems;
5. prepare the forms of compensation systems and incentive schemes for the top management and the entire personnel, and approve their central principles and grounds;
6. assess proposals for Board members made by the Company's shareholders and ask for additional information when required;
7. annually clarify and assess the Board members' independence, experience and competence, and their availability to work as a Director;
8. assess the need for any changes in the composition of the Board of Directors and make a proposal to the Annual General

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- Meeting of Shareholders on the composition of the Board of Directors;
9. search for candidates to succeed members on the Board of Directors and assess their experience and capability to act as Board members;
  10. monitor the implementation of social responsibility in remuneration, nominations and other company operations, including human rights and staff well-being;
  11. present the company's remuneration policy and remuneration report at the Annual General Meeting.

In its work, the Committee takes into account the purpose of the company's operations and its established values, as well as the requirements of responsible and sustainable business conduct.

### **Working of the Committee**

The Chair of the Committee convenes Committee meetings at regular intervals; however, no less than three (3) meetings each year. Matters in accordance with this Charter shall be dealt with at the meetings.

A detailed agenda for the Committee meetings is drawn up and distributed approximately one week in advance. Minutes are kept of Committee meetings and sent to all Board members and the CEO for information.

The Committee may consult shareholders with significant voting rights to get their opinion on a proposal under preparation.

The Committee reports on its actions to the Board.