

RULES OF PROCEDURE FOR METSÄ BOARD CORPORATION'S AUDIT COMMITTEE

1 Purpose

In accordance with the Finnish Limited Liability Companies Act, the Board of Directors is responsible for the proper organisation of the Company's administration and operations. The Board is responsible for ensuring that the supervision of the accounts and financial control is appropriately arranged. The Audit Committee's primary task is to assist the Board of Directors in the preparation and monitoring of the financial and sustainability reporting processes for which it is responsible.

Unless otherwise stated in these rules of procedure, the Audit Committee is not a decision-making body but instead prepares matters under its remit that are decided by the Board of Directors. The Board of Directors can separately authorise the Audit Committee to decide specific matters within the authorisation granted by the Board of Directors.

2 Composition and term of office

The Audit Committee shall consist of three to five (3–5) members, including the Chair, who shall be elected by the Board of Directors from among its members after the Annual General Meeting for a term of one year. The secretary of the Board of Directors acts as the Committee's secretary unless the Committee decides otherwise.

The majority of the members of the Audit Committee must be independent of the Company and its significant shareholders. A member of the Audit Committee shall not participate in the operative management of the Company, Metsäliitto Cooperative or other Metsä Group companies.

The members must possess the expertise and experience required for the Committee's remit, and at least one of the Committee members must have experience in accounting or auditing.

3 Duties and powers

If necessary, the Audit Committee shall hear internal experts from the Company or Metsä Group or external advisors for the purpose of carrying out their duties.

To fulfil the purpose of the Audit Committee, the Audit Committee shall specifically:

3.1 Financial statements and financial reporting

1. oversee the Company's financial and sustainability reporting process, monitor the financial reporting process and make recommendations on them;
2. monitor the Company's financial performance and the development of its financial position;
3. review, with the Company's management, the financial statements, the report of the Board of Directors and the sustainability report contained within, the financial statements bulletin, the half-yearly report, and the interim reports before they are reviewed by the Board of Directors;
4. review the annual Corporate Governance Statement.

3.2 Internal control, internal audit and risk management

1. approve the internal audit charter and the annual audit plan and ensure that it covers the relevant risk areas, and that cooperation with the auditor and the person verifying sustainability reporting is properly arranged;
2. supervise the operation and effectiveness of internal audit, internal control and risk management in terms of financial reporting and sustainability reporting procedures, study the organisation and processes of these functions, and ensure that they have the necessary resources at their disposal;
3. review the reports prepared by internal audit, internal control and risk management;
4. evaluate the quality and scope of internal audit and evaluate internal audit reports and management views on them.

3.3 Audit

1. monitor the statutory audit of the financial statements and consolidated financial statements and the verification of sustainability reporting, assess the performance and resources of the auditor and the verifier of sustainability reporting;
2. assess the independence of the statutory auditor and audit firm, their fees, and the provision of related services in particular, and authorise the purchase of non-audit services and services unrelated to the verification of sustainability reporting from the audit firm;

3. supervise the tendering of audit services at appropriate intervals, and ensure that the audit firm and the principal auditor and the verifier of sustainability reporting are replaced in accordance with the applicable rules;
4. prepare and make to the Board of Directors a proposal to be presented to the General Meeting of Shareholders for a resolution on the appointment and remuneration of the auditor and verifier of sustainability reporting.

3.4 Compliance with laws and regulations and other duties

1. evaluate compliance with laws and regulations and manage the related process;
2. address reviews of compliance processes;
3. monitor compliance with the Corporate Governance Code and the rules of the stock exchange;
4. assess the Company's level of information security, the information security process and the risks related to information security;
5. monitor the Group's financial situation and taxation status;
6. perform such other duties as may be specifically assigned to the Audit Committee by the Board of Directors or by legislation.

4 Meetings and reporting to the Board of Directors

The Chair of the Audit Committee shall convene the Committee at regular intervals. However, the Audit Committee must hold at least four meetings each year. These meetings shall address the matters falling within the authority of the Audit Committee. The Committee has a quorum when more than half its members are present.

The CEO and CFO and the principal auditor shall also attend the meetings of the Committee, except when the Committee decides to meet without the presence of the executive management or the auditor. As a rule, the Chair of the Board of Directors shall attend the meetings of the Committee when financial reporting issues are discussed.

The meeting material shall be distributed to the Committee members approximately one week before the meeting. The Chair and secretary sign the minutes of the meetings. Committee meetings can also be organised using technical aids (remote meeting).

The minutes of the Committee meetings are distributed to the Board members, and the Chair reports on the main findings and issues discussed at the next Board meeting following the Committee's meeting. The Committee shall make recommendations and suggestions for improvement to the Board of Directors in matters falling within its scope of responsibility. The Committee shall also evaluate its own operations annually and shall report on them to the Board of Directors. The Committee shall review these Rules of Procedure at regular intervals and the Board of Directors shall decide on any changes thereto if necessary.