

The proposals of the Board and its Committees to the Annual General Meeting 2022

The Board of Directors and its Committees have made the following proposals to the Annual General Meeting:

FINANCIAL STATEMENTS

The Board of Directors proposes that the financial statements and the consolidated financial statements be adopted by the Annual General Meeting. The Annual and Sustainability report for 2021, which includes the financial statements, will be published as a stock exchange release and is available on the company's website on 23 February 2022.

CONSIDERATION OF THE RESULT FOR THE FINANCIAL YEAR AND DIVIDEND

The Board of Directors proposes that a dividend of 0.41 euros per share (in total approximately 145,760,226 euros) be distributed for the financial year 2021. The distribution will be paid to shareholders who on the record date for the distribution, 28 March 2022, are recorded in the shareholders' register held by Euroclear Finland Ltd. The distribution is proposed to be paid on 7 April 2022.

The proposal of the Board of Directors exceeds the minority dividend referred to in Section 7 of Chapter 13 of the Companies Act.

REMUNERATION REPORT

The Board of Directors proposes that the Remuneration Report for 2021 be adopted by the Annual General Meeting. The Remuneration Report will be published as a stock exchange release and be made available on the company's website on 23 February 2022.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors' Nomination and Compensation Committee proposes that the annual remuneration for the members of the Board of Directors be increased such that the Chair would be paid EUR 99,000, Vice Chair EUR 85,000 and ordinary members EUR 67,000 per year. In addition the committee proposes that a fee of EUR 800 be paid for each attended meeting of the Board of Directors and its Committees. The Committee additionally proposes that one half of the annual remuneration be paid in the company's B-class shares to be acquired from public trading between 1 and 30 April 2022 (or at such first available time when the transaction can be executed under applicable law), and that the transfer of shares be restricted for a two-year period. The Committee finally proposes that an additional monthly remuneration of EUR 900 be paid to the Audit Committee Chair.

THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors' Nomination and Compensation Committee proposes that the number of members of the Board of Directors be nine (9) members.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors' Nomination and Compensation Committee proposes that current board members Hannu Anttila, Raija-Leena Hankonen-Nybom, Erja Hyrsky, Ilkka Hämälä, Jussi Linnaranta, Jukka Moisio, Timo Saukkonen and Veli Sundbäck be re-elected, and that M.S.S. (Econ) Mari Kiviniemi be elected as a new member.

Mari Kiviniemi is Finland's former Prime Minister, minister, a long-time Member of Parliament and OECD's Deputy Secretary General. She has since 2019 acted as the Managing Director of the Finnish Commerce Federation. She is independent of both the company and its significant shareholders. Further information on proposed Board members is available on this website.

The term of office of the Board members will continue until the end of the next Annual General Meeting.

REMUNERATION OF THE AUDITOR

The Board of Directors proposes, in accordance with the Audit Committee's recommendation, that a fee in accordance with the auditor's reasonable invoice, as approved by the Company, be paid to the auditor.

ELECTION OF THE AUDITOR

The Audit Committee, together with the Audit Committee of the parent entity Metsäliitto Cooperative, arranged in 2021 a tender for auditing services. As a result of the tendering the Board of Directors proposes, based on the Audit Committee's recommendation that KPMG Oy Ab be elected as auditor with Kirsi Jantunen as responsible auditor.

The Audit Committee's recommendation is based on the outcome of a tender for audit services which was carried out in 2021 by the company together with Metsäliitto Cooperative. The tender was carried out in accordance with the EU's audit regulation after 10 consecutive terms of KPMG Oy Ab. The Audit Committee considers that KPMG Oy Ab best meets the predetermined criteria, with Deloitte Ltd having come second in the tender.

The auditor's term of office shall expire at the end of the next Annual General Meeting. The Committee's proposal is free from third party influence and the Committee has not been required to apply a clause referred to in Section 6 of Article 16 of the EU Audit Regulation.

AUTHORISATION TO ISSUE SHARES AND SPECIAL RIGHTS ENTITLING TO SHARES

The Board of Directors proposes that the Annual General Meeting authorises the Board to decide on a share issue and the issue of special rights entitling to shares as defined in §1 of Chapter 10 of the Companies Act as follows:

The authorization applies to B-shares. By virtue of the authorization the Board is entitled to issue up to 35,000,000 new B-series shares, including shares to be issued pursuant to rights entitling to shares. The number of shares corresponds to approximately 10 per cent of all current shares.

Shares can be issued or transferred in deviation of shareholders' pre-emptive subscription right in case there are weighty reasons from the company's perspective. Such reasons can include the use of shares in corporate transactions, investment financing or as part of the company's share-based incentive plan. New shares can be issued and company held shares transferred against payment or free of charge. A directed share issue can be free of charge only if there are from the company's and all shareholders' perspective particularly weighty reasons. The Board would decide on all terms and conditions of share issues and the issues of special rights.

This authorisation is proposed to be effective until 30 June 2023. The authorization issued by the Annual General Meeting on 23 March 2017 to issue shares or special rights as defined in §1 of Chapter 10 of the Companies Act terminates on 23 March 2022.

AUTHORISATION TO ACQUIRE OWN SHARES

The Board of Directors proposes that the Annual General Meeting authorizes the Board to decide on the acquisition of the company's own shares as follows:

The number of shares to be acquired based on the authorization shall not exceed 1,000,000 B-shares, which corresponds to approximately 0.3 per cent of all current shares. Shares can, pursuant to the authorisation, be acquired only with unrestricted equity. Shares can be acquired at prevailing market price on the acquisition day or otherwise at market price. Own shares can be acquired other than in proportion to shares held by shareholders (directed share acquisition). Shares can be acquired to be used to pay for Board remuneration or in connection with the company's incentive plans. This authorisation is proposed to be effective until 30 June 2023.

Company's Annual and Sustainability report, which includes financial statements, the corporate governance statement and a remuneration report, is published as a stock exchange release and will be available for inspection by shareholders on the company's website on 23 February 2022.