

14 January 2021

## **Working order of the Board of Directors of Metsäliitto Cooperative**

### **1 Composition and term of office**

According to the rules of the Cooperative, the Board of Directors comprises a minimum of five (5) and a maximum of eight (8) members.

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.

### **2 Organisation of the Board of Directors**

In its annual organising meeting, the Board of Directors elects the Chair and a potential Deputy Chair from among its members, and calls the meeting's secretary.

The Chair is responsible for ensuring that the provisions of this working order are followed in the work of the Board.

### **3 Tasks**

The Board of Directors is responsible for Metsäliitto's administration and arranging its operations appropriately in accordance with the provisions of the Cooperatives Act valid at the time. The Board is responsible for ensuring that the supervision of the Cooperative's accounting and financial management is appropriately arranged.

The Board's authority covers matters that, considering the scope and quality of Metsäliitto's operations, are significant and far-reaching in terms of finance, business operations or operating principles, and do therefore not belong to the daily management of business. In particular, the tasks of the Board of Directors include:

- arranging the supervision of the Cooperative's accounting, financial management, risk management and financial reporting process;

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- signing the financial statements and consolidated financial statements, and presenting them to the Supervisory Board for audit and to the Representative Council for approval;
- approving and publishing the financial statements bulletins and interim reports of Metsäliitto and Metsä Group;
- appointing and dismissing the Managing Director, who also serves as the President and CEO of Metsä Group, unless otherwise decided by the Board of Directors;
- confirming the duties of the President and CEO/Managing Director and the conditions of their employment relationship;
- supervising that the President and CEO/Managing Director takes care of the day-to-day administration in accordance with the Board's instructions and orders;
- appointing and dismissing the managers reporting directly to the President and CEO/Managing Director based on proposals made by the President and CEO/Managing Director;
- deciding on the remuneration and other benefits of the President and CEO/Managing Director and other senior management;
- deciding on the way in which share payments are collected and on the issue of additional shares in the Cooperative and their terms and conditions in accordance with the rules of the Cooperative;
- processing and approving the strategy, long-term plan and annual plan of the Cooperative and Metsä Group, and to supervise their implementation;
- making proposals to the Representative Council on the distribution of profit;
- deciding on charitable or other comparable donations from the Cooperative's funds if the amount of the donation can be regarded as reasonable, considering its purpose of use, the state of the Cooperative and other circumstances;
- granting and revoking the right of representation and power of procuration for the Cooperative;
- preparing the matters to be discussed by the Supervisory Board;

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- deciding on acquiring, divesting and mortgaging properties;
- deciding on significant corporate and financial arrangements and investments;
- confirming Metsäliitto's representatives for the boards of the most important subsidiaries;
- approving the central policies guiding Metsä Group's operations; and
- deciding on other matters that, taking into account the scope and quality of the Cooperative's operations, are unusual and far-reaching.

The Board of Directors may appoint committees from among its members to prepare matters falling within the Board's scope of responsibilities. The Board decides on the composition and procedure of the committees.

The Board may delegate its authority to the President and CEO/Managing Director.

#### **4 Meetings and decision-making**

The Board of Directors convenes approximately once a month, in addition to which the Chair (or, if they are prevented, the Deputy Chair) will convene the Board whenever necessary. The Board of Directors must also convene in a meeting if the Managing Director or an individual Board member so demands.

The Chair of the Cooperative's Supervisory Board is entitled to attend the Board's meetings. Metsä Group's President and CEO, CFO and Board's secretary also attend the meetings of the Board of Directors, except for meetings/items for which the Board separately decides to convene without the presence of the executive management.

The Chair approves the agenda of the meetings and is responsible for ensuring that minutes are prepared for the meetings by the Board's secretary.

The minutes of the meetings are signed by the Chair, the secretary and a member elected as the examiner of the minutes for each meeting.



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The Board of Directors constitutes a quorum when more than half of its members are present. The decision of the Board of Directors will be the opinion which was supported by more than half of the members present or, if the votes are even, the opinion which was supported by the Chair of the Board.

If necessary, meetings and decision-making of the Board can also be organised by telephone or other technical means.

## **5 Preparation of meetings**

The matters to be discussed by the Board of Directors are prepared and presented by the President and CEO or a person separately appointed by them. The presenter must prepare the matters carefully and ensure that the presentation material and proposals for decisions are drafted appropriately.

Material concerning the matters to be decided must include a summary and a specific and clear proposal for a decision.

The agenda and materials for the meetings are delivered to members of the Board of Directors by the Board's secretary approximately one week before the meeting.

## **6 Disqualification**

A member of the Board of Directors, the President and CEO or a functionary of the Cooperative is disqualified from participating in the processing of a matter

- in which they themselves, their close relative or a related party, company or entity in which they act in a governing body or in which they have significant ownership or other interest is the contracting party or counterparty of the Cooperative; or
- of which they can expect to gain material benefit that may be in conflict with the benefit of the Cooperative.

If a Board member, the President and CEO, or a functionary of the Cooperative is disqualified, they must not participate in discussing the matter, preparing a decision proposal or making the decision in the Board's meeting. However, a disqualified person can be heard for the purpose of clarifying the matter. Disqualification also remains in force outside the actual meeting situation.



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## **7 Evaluation of the operation of the Board of Directors**

The Board of Directors evaluates its operation and ways of working annually. The evaluation can also be assigned to an external party.

## **8 Validity**

This working order has been approved by the Board of Directors of Metsäliitto Cooperative in its meeting on 14 January 2021, and it will be valid until further notice.