



# Rules of Metsäliitto Cooperative

## 1 Business name and domicile

The name of the cooperative is Metsäliitto Cooperative (Metsäliitto Osuuskunta in Finnish). In these rules, the Cooperative is referred to as Metsäliitto.

Metsäliitto is domiciled in Helsinki.

## 2 Purpose

The purpose of Metsäliitto is to support its members' forest management and organise the marketing of the wood produced by its members in an economical and technically efficient manner, seeking profit in accordance with the principles of sustainability. To fulfil its purpose, Metsäliitto may provide forestry services, buy and sell wood, engage in forest industry operations and other processing of and trading in forest industry products, and acquire the real estate and securities necessary for its operations. Parties other than members may also utilise Metsäliitto's services.

## 3 Applying for and commencement of membership

The Board of Directors of Metsäliitto may grant membership to any private individual or organisation who owns at least three hectares of forestland in Finland, who is willing to promote the purpose specified in these rules, and whose operations are not in conflict with these rules. A private individual or organisation with a permanent right of possession over a forest is also considered a forest owner.

Any party seeking membership of Metsäliitto must submit a written application to a person authorised by Metsäliitto's Board of Directors, specifying the total area of forestland under their ownership or in their permanent control by municipality of location.

Membership begins once the applicant has been entered in Metsäliitto's list of members.

## 4 Members' obligation to acquire participation shares

The par value of a participation share shall be one euro (EUR 1.00).

The subscription price of a participation share is equivalent to its par value, unless otherwise decided by the Representative Council or the Board of Directors, authorised by the Representative Council.

A member's obligation to acquire participation shares is determined according to the surface area and location of their forestland, with no single member being obligated to acquire more than 30,000 participation shares. For the purpose of determining the participation shares, the country is divided into five geographical zones. The number of participation shares is 65 per hectare in the first zone, 50 per hectare in the second zone, 35 per hectare in the third zone, 22.5 per hectare in the fourth zone and 12.5 per hectare in the fifth zone. A list of municipalities showing the number of participation shares per hectare is appended to

these rules.

A member's obligation to acquire participation shares is calculated by multiplying the surface area of their forestland in hectares by the number of participation shares per hectare confirmed for the municipality in question and then rounding the product up to the nearest whole number.

If a member procures more forestland or assigns it to another party, the member's obligation to acquire participation shares shall be recalculated in the manner described above. If a member's obligation to take shares is reduced, the member may request a refund of the amount that they paid for the participation shares exceeding the obligation under the same conditions as are applied to members who resign. Should the member not place such a request, any participation shares that exceed the obligation and for which payment has been made in full may be converted into additional shares as determined by the Board of Directors.

## 5 Payment for participation shares

The amount to be paid for participation shares is collected from a member in the manner determined by the Board of Directors by deducting the amount from the transaction price for wood received from the member or in another way within five (5) years of the date of initial membership.

If a member's obligation to acquire participation shares increases because they acquire more forestland or because the provision of the rules concerning the obligation to acquire participation shares is amended, such an increase must be paid within five (5) years of the date when it comes into effect.

Any interest or surplus reimbursement due to a member will be withheld to pay for any unpaid participation shares until the member's participation shares have been paid in full.

## 6 Additional shares

The Board of Directors may decide to issue shares other than participation shares to members. Such shares are called additional shares.

A member may acquire additional shares only if their participation shares have been paid in full.

The Cooperative may have A additional shares, B additional shares, Metsä1 additional shares and Metsä2 additional shares. The minimum number of A additional shares is one (1), and the maximum number of A additional shares is one billion five hundred million (1,500,000,000). The minimum number of B additional shares is one (1), and the maximum number of B additional shares is three hundred million (300,000,000). The maximum number of Metsä1 additional shares and Metsä2 additional shares has not been restricted.

The amount paid for A additional shares and Metsä1 and Metsä2 additional

shares will be returned to the owner or to the party to whom their rights have been transferred within six (6) months, and the amount paid for B additional shares within eighteen (18) months of the end of the financial period during which the membership ended or Metsäliitto received a request in writing from the share owner to reduce the number of additional shares in accordance with Article 16 of these rules. However, as regards Metsä1 and Metsä2 additional shares, the provisions of Article 6c shall also apply.

The par value of an additional share is EUR 1.00 (one euro).

Interest will be paid on additional shares in accordance with Article 14 of these rules. The interest payable on additional shares may differ from the interest payable on participation shares and from that paid on other types of additional shares.

The Board of Directors decides on the issuance, the grounds for issuance, the subscription price and the payment of additional shares, as well as other conditions related to their issuance. The Board of Directors may also decide on issuing additional shares held by Metsäliitto.

Members may have their additional shares refunded upon the end of their membership or otherwise by requesting it in writing. Article 7 of these rules contains provisions on returning additional share payments when shares are transferred.

The amount returned for an additional share equals its par value, unless otherwise specified in the issuance terms and conditions. This provision has no impact on the terms and conditions for A or B additional shares issued prior to the entry into force of this provision.

## 6a Conversion clauses

Metsä1 additional shares will be automatically converted into Metsä2 additional shares ten (10) years after the end of the calendar year during which the converted Metsä1 additional share was subscribed for, or acquired if it was received without consideration. However, this conversion date will be postponed by ten (10) years from the original date of conversion in the situations described in this paragraph. The conversion date will be automatically postponed for the number of Metsä1 additional shares already owned by a member whose total par value equals the amount of wood trade income, in euros, that the member has received from Metsäliitto prior to the conversion date applicable to each additional share (rounded down to the nearest full euro for each individual payment and excluding the applicable amount of VAT or similar taxes and fees, as well as withholding tax). The date of conversion of the same additional share may be postponed several times, but never in the case of an individual postponement more than 20 years from the end of the calendar year during which the wood trade income serving as the basis for the postponement was received. If a share

owner holds several Metsä1 additional shares, the postponement of the conversion date will first be carried out for the additional share with the nearest conversion date. The conversion date for each Metsä1 additional share, described above, will be entered in the membership register. If a share owner requests the return of a Metsä1 additional share or if Metsäliitto redeems a Metsä1 additional share, the return or redemption will first be carried out for the additional share with the nearest conversion date.

If requested, an A additional share can be converted into a Metsä1 additional share by exchanging the owner's convertible A additional shares for a number of Metsä1 additional shares equal to that of the convertible A additional shares. The conversion ratio is 1:1, meaning that one A additional share is converted into one Metsä1 additional share. The request for conversion must be submitted in writing to the Board of Directors of Metsäliitto. The conversion of an A additional share into a Metsä1 additional share will take effect after the end of the calendar year in which Metsäliitto's Board of Directors received the conversion request.

## **6b Right of redemption**

Metsä1 and Metsä2 additional shares are subject to redemption. Metsäliitto has the right to redeem all or part of Metsä1 and/or Metsä2 additional shares. Redemption may concern either Metsä1 or Metsä2 additional shares or both. The Board of Directors may decide to redeem a particular type of shares and/or adopt a particular redemption ratio for Metsä1 and Metsä2 additional shares. Partial redemption is carried out in proportion to the holdings in the type of share to be redeemed. The redemption price is the par value of the additional share.

The Board of Directors of Metsäliitto decides on the exercise of the redemption right. Share owners must be notified of any decision to redeem shares in accordance with Article 20 of these rules, after which the redemption request is deemed to have been made.

The redemption is deemed to have taken place once Metsäliitto has paid the redemption price. If the redemption price cannot be paid to the holder of the additional share, it may be deposited with the Regional State Administrative Agency and the redemption is deemed to have taken place once the redemption price has been deposited. The redemption is made from the distributable surplus, taking into account the provisions in Article 16 of these rules. Additional shares redeemed by Metsäliitto in accordance with this redemption clause will be automatically cancelled on the date of the redemption. The Board of Directors of Metsäliitto decides on other matters related to redemption.

## **6c Deferral of refund**

The Board of Directors of Metsäliitto has the right to defer the refund of the amount paid for Metsä1 additional

shares and Metsä2 additional shares or their par value while the cooperative remains in operation, if the Board of Directors considers, based on its comprehensive review, that payment of the refund could place the cooperative's adequate solvency or capital at risk. The Board of Directors determines the objectives for the cooperative's solvency and adequacy of capital and may defer payment of the refund but only until such a time when the payment no longer places the cooperative's adequate solvency or capital at risk.

Share owners will be notified of the decision to defer payment in accordance with Article 20 of these rules, and the deferral decision also applies to any additional shares which were terminated no more than three months before the deferral decision and which have not yet been refunded. If, despite a deferral decision referred to above, the Board of Directors considers it possible to make a partial payment of the refund, such a partial payment will be made to all the owners of the shares subject to deferral in proportion to the amounts requested to be refunded.

Metsäliitto may distribute assets as described in Article 14, even if the refund of the amount paid for Metsä1 additional shares and Metsä2 additional shares or their par value had been deferred as referred to here.

## **7 Transfer of participation and additional shares**

A member may transfer their rights to the amount paid for participation or additional shares to another party by notifying Metsäliitto of this in writing. If the transferee is a member of Metsäliitto or their application for membership is accepted, they shall have the same rights to the return of the amount paid for participation shares and additional shares and to surplus distribution as the transferor would have had. If the transferee does not apply for membership or their application is rejected, they shall only have the same rights as the transferor would have had upon resigning. If the transferee is not a member of Metsäliitto, they must apply for membership within six (6) months of the transfer.

The holders of the rights of a deceased member shall be entitled to exercise the deceased member's rights together in Metsäliitto. The holders of the rights may exercise the rights only through a joint representative.

## **8 Members' financial liability**

The members shall not be personally liable for Metsäliitto's obligations.

## **9 Marketing obligation in principle**

Membership of Metsäliitto entails an obligation in principle to deliver wood harvested for sale in a forest owned and controlled by a member to be marketed by Metsäliitto.

## **10 Resignation of members and expiry of membership**

A member has the right to resign from

Metsäliitto by notifying the Board of Directors or a person authorised by the Board of Directors of this in writing. The member's rights and obligations in Metsäliitto cease immediately once their notice of resignation has been received.

If the member has transferred their rights to the amount paid for participation shares to another party in full, the written notice of the transfer shall have the same effect as a resignation notice submitted by the transferor would have had.

If an organisation that is a member of Metsäliitto is discontinued or dissolved, it shall be considered to have resigned from Metsäliitto.

## **11 Expulsion of a member**

The Board of Directors may expel a member from Metsäliitto in the following cases:

1. They fail to meet their obligations in accordance with the law and these rules;
2. They cause Metsäliitto to incur considerable damage or evidently act against its interests;
3. They do not meet the requirements of Article 3 of these rules.

An expelled member has the right to appeal to the Representative Council. The appeal must be sent to the Board of Directors within one (1) month of the date when the member was notified of their expulsion by means of an extract from the minutes. If the Representative Council must vote in order to reach a decision on the expulsion, the votes shall be cast through a secret ballot. An expulsion decision shall be revoked if a minimum of one third (1/3) of the votes cast are against the expulsion. If the decision of the Board of Directors is not appealed against within the prescribed period of time, it shall remain in effect.

## **12 Refunding the amount paid for participation shares upon expiry of membership**

Upon expiry of their membership in Metsäliitto, a former member, or the party to whom their rights to participation shares have been transferred, shall be entitled to have the amount they paid for participation shares returned to them once a period of one (1) year has passed since the closing date of the financial statements immediately following the end of their membership in accordance with Article 16 of these rules.

Notwithstanding the above, a former member may receive a refund for their participation share payment by the end of the calendar month immediately following the expiry of their membership, provided that Metsäliitto has an amount of distributable surplus equal to the refund and that the total amount of the participation share payments to be refunded during the financial period does not exceed ten (10) per cent of the amount of participation share payments shown on the most recently adopted balance sheet. The right to an accelerat-

ed payment refund shall be determined according to the expiry of membership in chronological order.

An accelerated payment refund shall be conducted as an acquisition of own shares in accordance with chapter 19, section 10 of the Cooperatives Act, and participation shares acquired in accordance with an accelerated return of payment shall automatically be cancelled at the time of acquisition. The provisions of these rules on refunds of share payments shall be applied to all such acquisitions as are applicable. Surplus shall be used to make the acquisition. However, the Board of Directors may decide otherwise on the funds to be used.

### **13 Reserve fund**

Metsäliitto has a reserve fund. Five (5) per cent of the surplus for the financial period shown on the balance sheet, less the loss for previous financial periods on the balance sheet, must be transferred to the reserve fund until the reserve fund is at least EUR seventy million (70,000,000).

### **14 Use of surplus and distribution of other funds**

Surplus may be distributed to the members.

Interest or other returns from Metsäliitto's surplus may be distributed to the members.

Funds may also be distributed to the members in other ways in accordance with chapter 16, section 1 of the Cooperatives Act.

The Representative Council decides on the distribution of funds and the grounds for distribution. By a decision of the Representative Council, funds may also be distributed as additional shares referred to in Article 6.

The interest to be paid on participation shares and additional shares shall be calculated according to the number of days during which the participation shares and additional shares have been fully paid up during the financial year.

If a surplus reimbursement is paid to a member based on their use of Metsäliitto's services, the payment shall be made proportionately based on the amount of industrial roundwood that Metsäliitto has received from its members during at least two (2) and at most six (6) financial periods. The Representative Council decides on the surplus reimbursement and the applicable review period within the above limits, based on a proposal from the Board of Directors. If funds are distributed as additional shares as referred to in Article 6, the number of additional shares issued to the member will be rounded down to the nearest full additional share.

Any right to future interest, surplus reimbursement or other returns shall expire on the date when the membership expires.

### **15 Donations**

Donations may be made from Metsäliitto's funds to causes promoting a public good or for similar purposes. The Metsäliitto Board of Directors may decide on making such a donation if the amount of the donation can be regarded as reasonable, considering its purpose of use and the state of Metsäliitto and other circumstances.

### **16 Amount of participation share and additional share refunds and rights of terminated shares**

One third of the distributable surplus shown on the most recently adopted balance sheet may be used for refunding basic and additional shares.

Article 14 of these rules lays down provisions on the rights conferred by a terminated participation share and additional share in Metsäliitto prior to the payment of the refund. Any right to future interest, surplus reimbursement or other returns shall expire on the date when the membership in Metsäliitto expires. The interest to be paid on participation shares and additional shares prior to the expiry of membership shall be calculated according to the number of days during which the participation shares and additional shares have been fully paid up during the financial year.

### **17 Representative Council**

The members' decision-making power shall be exercised by the Representative Council, which shall be elected from among the members by electoral district. The Supervisory Board confirms the manner of the division of the country into electoral districts. As far as possible, the electoral districts shall be determined in accordance with Metsäliitto's districts. The number of representatives elected from each electoral district shall be equal to the number of complete and incomplete multiples of 2,300 Metsäliitto members recorded on its electoral roll as eligible voters on 1 January of the election year.

The members may participate in the vote concerning the election of the Representative Council by post or using a data communication connection or other technical auxiliary device. An Election Committee appointed by the Supervisory Board shall determine the procedure for the election of the Representative Council in a manner that safeguards the members' right to vote and nominate candidates.

The representatives are elected in accordance with the Metsäliitto election procedure, which is attached to these rules, using proportional representation.

Full members of Metsäliitto who were approved as members before 1 January of the election year and who are not employed by Metsäliitto or a group company and are not members of the Metsäliitto Supervisory Board or Board of Directors are eligible to stand for election.

If an elected representative resigns from the Representative Council or ceases to be a member of Metsäliitto, or is elected to the Supervisory Board or the Board of Directors before the end of their term of office, the member shall be replaced, at the invitation of the Supervisory Board, by a deputy member elected in accordance with the election procedure.

The election of the Representative Council is conducted every four years. The term of a representative shall begin on 1 July of the election year and end four years later on 30 June.

The Representative Council shall be entitled to determine the fee and compensation for travel expenses payable to its members.

### **18 Meeting of the Representative Council**

The Representative Council shall hold an Annual General Meeting on a date determined by the Supervisory Board, but no later than the end of the June immediately following the end of the financial period.

An extraordinary meeting shall be held if an earlier meeting of the Representative Council has so decided, if the Supervisory Board or Board of Directors deems it necessary, or if a minimum of one tenth (1/10) of the members of the Representative Council so request in writing for a specified purpose.

The meetings shall be held in Helsinki, the domicile of Metsäliitto, or in Espoo, unless the Supervisory Board decides, in an individual case, to hold such a meeting in another location in Finland.

The Chair of the Supervisory Board opens the meetings of the Representative Council. The representatives then elect a chair for the meeting.

The members of the Supervisory Board and the Board of Directors are entitled to attend the meetings of the Representative Council and have the right to speak at the meetings.

Each representative shall have one (1) vote at the meetings of the Representative Council. Resolutions shall be passed by a simple majority of votes, unless otherwise provided by the law or these rules. In elections, a tie shall be resolved by drawing lots. Otherwise, the chair's vote shall be decisive in the event of a tie. If the chair of the meeting is not a member of the Representative Council, ties shall be resolved by drawing lots in all cases.

The minutes of a meeting of the Representative Council shall be recorded and signed by the Secretary of the Supervisory Board and confirmed by the chair of the meeting and two elected inspectors of the minutes.

### **19 Remote participation in decision-making at the Representative Council**

By a decision of the Supervisory Board, the members of the Representative Council may participate in decision-



making by post or using a data communication connection or other technical auxiliary device. The instructions for participating in decision-making are provided in the invitation to the meeting of the Representative Council.

## **20 Decision-making by the Representative Council in other situations and submission of information to holders of shares or stocks**

If decision-making in accordance with chapter 5, section 32 or another provision of the Cooperatives Act requires support for a decision specific to a type of share, the participation of the share owners in decision-making shall be organised in a manner separately determined by the Board of Directors, by post or using a data communication connection or other technical auxiliary device.

If the Cooperatives Act requires a share owner to be informed about a decision made or to be made by Metsäliitto, the information shall be published in the Metsäliitto membership magazine or a similar publication or a widely distributed newspaper published in Finland, unless otherwise provided by the Cooperatives Act.

## **21 Convening the Representative Council**

The Representative Council shall be convened by the Supervisory Board. An invitation to a meeting of the Representative Council shall be sent to each representative in writing no earlier than two (2) months and no later than seven (7) days prior to the date of the meeting. The matters to be discussed at the meeting must be stated in the invitation.

Notwithstanding what is stated above, an invitation to a meeting of the Representative Council will be sent to each representative in writing no earlier than two (2) months and no later than one (1) month prior to the date of the meeting if matters referred to in chapter 5, section 21 of the Cooperatives Act are to be processed at the meeting.

A matter proposed by members of the Representative Council may be handled by the Annual General Meeting if the Supervisory Board is informed about the matter in writing no later than twenty (20) days before the meeting.

## **22 Matters processed at Annual General Meetings of the Representative Council**

At an Annual General Meeting, the Representative Council shall

**be presented with the following:**

- 1 financial statements, including consolidated financial statements, and the Board of Director's report
- 2 the Supervisory Board's statement concerning the financial statements
- 3 the auditor's report
- 4 an account by the Board of Directors concerning any comments made by

the auditor in the auditor's report

**decide on the following:**

- 5 the adoption of the financial statements, including consolidated financial statements
- 6 the use of any surplus in accordance with the adopted balance sheet
- 7 discharging from liability the members of the Board of Directors and the Supervisory Board, and the CEO
- 8 the fees payable to the Chair and members of the Supervisory Board and to the auditor
- 9 the number of the members of the Supervisory Board

**elect the following:**

- 10 the members of the Supervisory Board
- 11 the auditor, which shall be an audit firm authorised by the Central Chamber of Commerce of Finland, and process the following:
- 12 any other matters mentioned in the invitation to the meeting.

## **23 Supervisory Board**

The Supervisory Board shall consist of a minimum of twenty (20) and a maximum of thirty (30) members elected by the Representative Council from among the members of Metsäliitto.

The Representative Council may, upon a proposal of the Supervisory Board, elect a maximum of three (3) expert members to the Supervisory Board in addition to the actual members.

The term of office of a member of the Supervisory Board shall begin at the closure of the Annual General Meeting that elected them and shall run until the end of the Annual General Meeting of the Representative Council three (3) years later.

Regional equality shall be considered when electing the members of the Supervisory Board.

A member of the Metsäliitto Board of Directors may not be a member of the Supervisory Board.

The Supervisory Board may have committees that prepare matters falling within the power of decision of the Supervisory Board. The Supervisory Board shall decide on the establishment, composition and rules of procedure of a committee.

## **24 Meetings of the Supervisory Board**

The Supervisory Board elects a Chair and a Vice-Chair from among its members for one (1) year at a time and invites a Secretary.

The Supervisory Board shall convene as summoned by the Chair, or by the Vice-Chair if the Chair is prevented from being present, as often as necessary or as

requested by the Board of Directors.

The Supervisory Board constitutes a quorum if more than half of its members are present at the meeting. If both the Chair and the Vice-Chair are prevented from attending the meeting, a member of the Supervisory Board elected by those in attendance shall chair the meeting.

By decision of the Chair of the Supervisory Board, the members of the Supervisory Board may participate in decision-making by post or using a data communication connection or other technical auxiliary device. In such cases, the instructions for participating in decision-making shall be provided in the invitation to the Supervisory Board's meeting.

In the event of a tie when votes are cast at a meeting of the Supervisory Board, the Chair shall have the deciding vote. In the event of a tie in the election of a Chair, the election shall be resolved by drawing lots.

Minutes shall be kept of the meetings of the Supervisory Board, including records of those in attendance, resolutions passed and elections held.

The members of the Board of Directors shall be entitled to attend the meetings of the Supervisory Board and have the right to speak at the meetings.

The documents sent on behalf of the Supervisory Board shall be signed by its Chair or Vice-Chair and its Secretary.

## **25 Duties of the Supervisory Board**

The Supervisory Board is responsible for ensuring that Metsäliitto is administered in accordance with these rules, the decisions of the Supervisory Board and the interests of Metsäliitto, and for monitoring the implementation of the resolutions passed by the Representative Council.

The Supervisory Board shall:

- 1 elect the members of the Board of Directors for a period of three (3) years at a time and determine their salaries and fees. The person elected to the Board must be a member of Metsäliitto Cooperative at the beginning of the term of office and the membership of the cooperative must remain valid throughout the entire term of office. The Supervisory Board may relieve a member of the Board of Directors of their duties before the end of their term of office.
- 2 provide the Board of Directors with instructions concerning far-reaching matters or matters that are otherwise of importance in principle.
- 3 issue a statement for the Representative Counsel on the financial statements, including the consolidated financial statements, and the Board of Director's report.
- 4 convene the Representative Council.

- 5 present a proposal to the Representative Council on the use of the surplus.
- 6 prepare matters to be handled by the Representative Counsel.
- 7 decide on other matters that the Board of Directors transfers to be decided by the Supervisory Board or that must be handled by the Supervisory Board in accordance with these rules or the law.

## **26 Board of Directors**

The Board of Directors comprises a minimum of five (5) and a maximum of eight (8) members.

The term of office of a member of the Board of Directors commences at the beginning of the calendar year immediately following the meeting of the Supervisory Board that elected them and runs for three years at a time.

The Board of Directors shall elect a Chair from among its members for one (1) year at a time.

The Board of Directors convenes at the invitation of its Chair when necessary.

The Board of Directors constitutes a quorum when more than half of its members are present. If the votes are even, the Chair has the casting vote.

The Board of Directors may have committees that prepare matters falling within its scope of responsibilities. The Board of Directors shall decide on the establishment, composition and rules of procedure of such a committee.

## **27 Duties of the Board of Directors**

The Board of Directors is responsible for deciding on matters that fall within its scope of responsibilities in accordance with the Cooperatives Act. In addition, the Board shall:

- 1 appoint and dismiss a CEO, who also serves as the President and CEO of Metsä Group, unless otherwise decided by the Board of Directors;
- 2 confirm the duties of the President and CEO of Metsä Group and the conditions of their employment relationship;
- 3 confirm the duties of the CEO and the conditions of their employment relationship;
- 4 appoint and dismiss management staff immediately subordinate to the CEO of Metsäliitto and to the President and CEO of Metsä Group, if one is elected;
- 5 decide on acquiring, divesting and mortgaging properties;
- 6 prepare matters to be handled at the meetings of the Supervisory Board; and
- 7 decide on other matters that must be handled by it in accordance with these rules or the law.

Minutes are kept of the meetings of the Board of Directors.

## **28 Serving in an administrative capacity or working for another organisation**

The administrative personnel of Metsäliitto must not work for companies or other organisations operating either directly or indirectly in the same sector as Metsäliitto or its group companies, or participate in the administration of such companies or organisations. However, such companies or organisations shall not be taken to include companies or organisations in which Metsä Group has a holding or in which a group company is a member.

## **29 Financial period, financial statements and audit**

Metsäliitto's financial period is the calendar year.

Its financial statements must be completed by 31 March each year. The auditor must submit the auditor's report to the Chair of the Supervisory Board no later than two (2) weeks before the Annual General Meeting of the Representative Council.

## **30 Signing for Metsäliitto**

The members of the Board of Directors, the CEO or people authorised by the Board shall sign for Metsäliitto two together.

## **31 District councils**

A district council shall serve as a link between the members and Metsäliitto's supply organisation in each supply district.

The composition of the district councils shall be as follows:

- 1 Members of the Representative Council and the Supervisory Board elected from that district
- 2 A number of candidates not elected in the election of the Representative Council, in the order of the number of votes received by the candidates; this number shall be twice the number of the representatives elected from the district, with a minimum number of five (5)

A district council may invite expert members. The duties of the district councils are specified in the regulations confirmed by the Supervisory Board.

## **32 Change of organisational form**

If Metsäliitto is converted into a limited liability company, its members shall receive shares in the limited liability company in proportion to their paid-up participation and additional shares as consideration for the merger.

## **33 Liquidation or dissolution of the cooperative society**

If Metsäliitto is placed in liquidation or dissolved, the following will be distributed among its members, after its liabilities have been paid:

1 The share of the distributable assets attributable to additional shares, but no more than the amount that was paid for the additional shares

2 The share of the distributable assets attributable to participation shares, but no more than the amount that was paid for the participation shares

3 Any remaining assets in proportion to the payments made for participation shares by the members

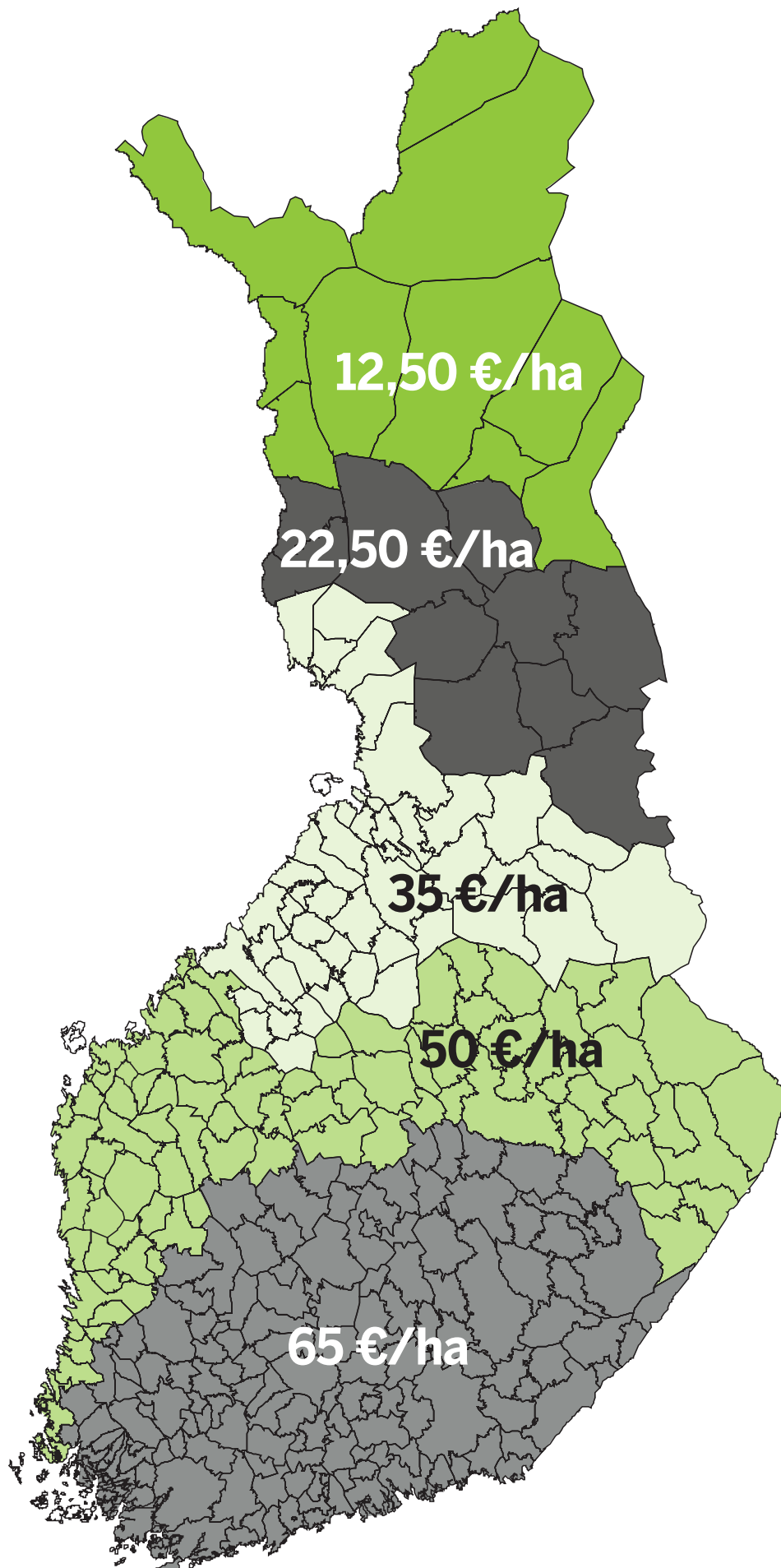
## **34 Amendments to the rules**

Unless a more rigorous procedure is provided in the Cooperatives Act, amendments to these rules shall require that a majority of at least two thirds (2/3) of the members of the Representative Council support the motion at its meeting.

If the motion concerns converting Metsäliitto into a limited liability company, the motion must be supported by at least three quarters (3/4) of the members of the Representative Council at its meeting.

Approved by the meeting of the Representative Council on 25 April 2024.

## Share payment zones



## Number of shares per hectare

No.	Municipality	Shares						
020	Akaa	65	167	Joensuu	50	290	Kuhmo	35
005	Alajärvi	50	169	Jokioinen	65	291	Kuhmoinen	65
009	Alavieska	35	170	Jomala	50	295	Kumlinge	35
010	Alavus	50	171	Joroinen	65	297	Kuopio	50
016	Asikkala	65	172	Joutsa	65	300	Kuortane	50
018	Askola	65	176	Juuka	50	301	Kurikka	50
019	Aura	65	177	Juupajoki	65	304	Kustavi	50
035	Brändö	35	178	Juva	65	305	Kuusamo	22,5
043	Eckerö	50	179	Jyväskylä	65	312	Kyyjärvi	50
046	Enonkoski	65	181	Jämijärvi	50	316	Kärkölä	65
047	Enontekiö	12,5	182	Jämsä	65	317	Kärsämäki	35
049	Espoo	65	186	Järvenpää	65	318	Kökar	35
050	Eura	65	202	Kaarina	65	398	Lahti	65
051	Eurajoki	50	204	Kaavi	50	399	Laihia	50
052	Evijärvi	50	205	Kajaani	35	400	Laitila	65
060	Finström	50	208	Kalajoki	35	407	Lapinjärvi	65
061	Forssa	65	211	Kangasala	65	402	Lapinlahti	50
062	Föglö	50	213	Kangasniemi	65	403	Lappajärvi	50
065	Geta	50	214	Kankaanpää	50	405	Lappeenranta	65
069	Haapajärvi	35	216	Kannonkoski	50	408	Lapua	50
071	Haapavesi	35	217	Kannus	35	410	Laukaa	65
072	Hailuoto	35	218	Karjajoki	50	416	Lemi	65
074	Halsua	35	224	Karkkila	65	417	Lemland	50
075	Hamina	65	226	Karstula	50	418	Lempäälä	65
076	Hammarland	50	230	Karvia	50	420	Leppävirta	65
077	Hankasalmi	65	231	Kaskinen	50	421	Lestijärvi	35
078	Hanko	50	232	Kauhajoki	50	422	Lieksa	50
079	Harjavalta	65	233	Kauhava	50	423	Lieto	65
081	Hartola	65	235	Kauniainen	65	425	Liminka	35
082	Hattula	65	236	Kaustinen	35	426	Liperi	50
086	Hausjärvi	65	239	Keitele	50	444	Lohja	65
111	Heinola	65	240	Kemi	35	430	Loimaa	65
090	Heinävesi	65	320	Kemijärvi	22,5	433	Loppi	65
091	Helsinki	65	241	Keminmaa	35	434	Loviisa	65
097	Hirvensalmi	65	322	Kemiönsaari	50	435	Luhanka	65
098	Hollola	65	244	Kempele	35	436	Lumijoki	35
099	Honkajoki	50	245	Kerava	65	438	Lumparland	50
102	Huittinen	65	249	Keuruu	65	440	Luoto	50
103	Humppila	65	250	Kihniö	50	441	Luumäki	65
105	Hyrynsalmi	35	256	Kinnula	50	475	Maalahti	50
106	Hyvinkää	65	257	Kirkkonummi	65	478	Maarianhamina	50
108	Hämeenkyrö	65	260	Kitee	50	480	Marttila	65
109	Hämeenlinna	65	261	Kittilä	12,5	481	Masku	65
139	Ii	35	263	Kiuruvesi	50	483	Merijärvi	35
140	Iisalmi	50	265	Kivijärvi	50	484	Merikarvia	50
142	Iitti	65	271	Kokemäki	65	489	Miehikkälä	65
143	Ikaalinen	65	272	Kokkola	35	491	Mikkeli	65
145	Ilmajoki	50	273	Kolari	12,5	494	Muhos	35
146	Ilomantsi	50	275	Konnevesi	65	495	Multia	65
153	Imatra	65	276	Kontiolahti	50	498	Muonio	12,5
148	Inari	12,5	280	Korsnäs	50	499	Mustasaari	50
149	Inkoo	65	284	Koski Tl	65	500	Muurame	65
151	Isojoki	50	285	Kotka	65	503	Mynämäki	65
152	Isokyrö	50	286	Kouvola	65	504	Myrskylä	65
165	Janakkala	65	287	Kristiinankaupunki	50	505	Mäntsälä	65
			288	Kruunupyy	50	508	Mänttä-Vilppula	65



507 Mäntyharju	65	686 Rautalampi	65	859 Tyrnävä	35
529 Naantali	50	687 Rautavaara	50	886 Ulvila	50
531 Nakkila	50	689 Rautjärvi	65	887 Urjala	65
535 Nivala	35	691 Reisjärvi	35	889 Utajärvi	35
536 Nokia	65	694 Riihimäki	65	890 Utsjoki	12,5
538 Nousiainen	65	697 Ristijärvi	35	892 Uurainen	65
541 Nurmes	50	698 Rovaniemi	22,5	893 Uusikaarlepyy	50
543 Nurmijärvi	65	700 Ruokolahti	65	895 Uusikaupunki	50
545 Närpiö	50	702 Ruovesi	65	785 Vaala	35
560 Orimattila	65	704 Rusko	65	905 Vaasa	50
561 Oripää	65	707 Rääkkylä	50	908 Valkeakoski	65
562 Orivesi	65	729 Saarijärvi	50	911 Valtimo	50
563 Oulainen	35	732 Salla	12,5	092 Vantaa	65
564 Oulu	35	734 Salo	65	915 Varkaus	65
309 Outokumpu	50	736 Saltvik	50	918 Vehmaa	65
576 Padasjoki	65	790 Sastamala	65	921 Vesanto	50
577 Paimio	65	738 Sauvo	65	922 Vesilahti	65
578 Paltamo	35	739 Savitaipale	65	924 Veteli	35
445 Parainen	50	740 Savonlinna	65	925 Vieremä	50
580 Parikkala	65	742 Savukoski	12,5	927 Vihti	65
581 Parkano	50	743 Seinäjoki	50	931 Viitasaari	50
599 Pedersören kunta	50	746 Sievi	35	934 Vimpeli	50
583 Pelkosenniemi	12,5	747 Siikainen	50	935 Virolahti	65
854 Pello	22,5	748 Siikajoki	35	936 Virrat	65
584 Perho	35	791 Siikalatva	35	941 Vårdö	50
588 Pertunmaa	65	749 Siilinjärvi	50	946 Vöyri	50
592 Petäjävesi	65	751 Simo	35	976 Ylitornio	22,5
593 Pieksämäki	65	753 Sipoo	65	977 Ylivieska	35
595 Pielavesi	50	755 Siuntio	65	980 Ylöjärvi	65
598 Pietarsaari	50	758 Sodankylä	12,5	981 Ypäjä	65
601 Pihtipudas	50	759 Soini	50	989 Ähtäri	50
604 Pirkkala	65	761 Somero	65	992 Äänekoski	50
607 Polvijärvi	50	762 Sonkajärvi	50		
608 Pomarkku	50	765 Sotkamo	35		
609 Pori	50	766 Sottunga	35		
611 Pornainen	65	768 Sulkava	65		
638 Porvoo	65	771 Sund	50		
614 Posio	22,5	777 Suomussalmi	22,5		
615 Pudasjärvi	22,5	778 Suonenjoki	65		
616 Pukkila	65	781 Sysmä	65		
619 Punkalaidun	65	783 Säkylä	65		
620 Puolanka	35	831 Taipalsaari	65		
623 Puumala	65	832 Taivalkoski	22,5		
624 Pyhtää	65	833 Taivassalo	50		
625 Pyhäjoki	35	834 Tammela	65		
626 Pyhäjärvi	35	837 Tampere	65		
630 Pyhäntä	35	844 Tervo	50		
631 Pyhärinta	50	845 Tervola	35		
635 Pälkäne	65	846 Teuva	50		
636 Pöytyä	65	848 Tohmajärvi	50		
678 Raahe	35	849 Toholampi	35		
710 Raasepori	65	850 Toivakka	65		
680 Raisio	65	851 Tornio	35		
681 Rantasalmi	65	853 Turku	65		
683 Ranua	22,5	857 Tuusniemi	50		
684 Rauma	50	858 Tuusula	65		

# Election procedure for the representative council of Metsäliitto

## 1 Election procedure

As provided in its rules, the members of the Representative Council of Metsäliitto shall be elected by electoral district, using proportional representation. The election shall be conducted by post. The election can also be conducted, in part or in full, using a data communication connection or other technical auxiliary device. In such cases, the provisions of this election procedure shall be applied as far as applicable. The Electoral Committee must also pay particular attention to ensuring the members' right to nominate candidates and exercise their voting right and to ensuring their right to secrecy.

## 2 Election time

The election shall be conducted every four (4) years between 1 February and 30 June.

## 3 Election Committee

The Supervisory Board shall appoint an Election Committee to conduct the election. The Election Committee shall consist of a Chair, a Vice-Chair and five (5) members. The Election Committee shall constitute a quorum when the Chair or the Vice-Chair and three other members are present.

## 4 Electoral districts

The Supervisory Board shall confirm the division of the country into electoral districts. As far as possible, the electoral districts shall be determined in accordance with Metsäliitto's districts. The number of representatives elected from each electoral district shall be equal to the number of complete and incomplete multiples of 2,300 Metsäliitto members recorded on its electoral roll as eligible voters on 1 January of the election year. The Election Committee shall confirm the number of representatives by electoral district.

## 5 List of voters

The Election Committee shall confirm a list of voters for each electoral district. The list of voters consists of all Metsäliitto members who are included in Metsäliitto's list of members on 1 January of the election year. A member is entitled to vote in the district where their place of residence is located. Instead of the electoral district determined based on their place of residence, a member may vote in the district determined on the basis of the municipality where their forest holding is located by notifying Metsäliitto's member registrar thereof by the end of the calendar year preceding the election year. A member may stand for election only in the electoral district where they are entered in the list of voters. Claims for corrections concerning the list of voters shall be resolved by the Election Committee.

## 6 Provision of information to members

The Election Committee shall inform the members about the election in the manner determined by the Supervisory Board by the end of January of the election year. The notification must provide the following information:

1. Time of the election
2. Borders of the electoral districts
3. Number of representatives by electoral district
4. Names of the persons to whom the charters of foundation and the list of candidates of the constituency associations must be submitted and the time they must be submitted by.

## 7 Constituency associations and lists of candidates

A constituency association may be established by a minimum of six (6) members who are entitled to vote in the same electoral district. The members of a constituency association must sign the charter of foundation of their constituency association in their own hand and include their membership number. The charter of foundation must include the date and authorise one of the members of the constituency association to serve as its representative and another member to serve as their deputy.

The list of candidates of the constituency association may include no more than twice the number of candidates, who are eligible in accordance with section 16 of these rules, that will be elected from the district. A candidate must not be a member of their constituency association or the candidate of another constituency association. Metsäliitto members may join only one constituency association. Otherwise, the Election Committee must remove the member's signature from all of the charters of foundation of the constituency associations.

The list of candidates shall indicate the name, personal identity code, profession or position, place of residence and, if available, email address of each candidate, as well as the membership number of the candidate or the organisation they represent in Metsäliitto. The list of candidates must not include any symbols or similar markings. The constituency association must verifiably submit its list of candidates and charter of foundation to the Election Committee by the end of February of the election year.

## 8 Reviewing documents submitted by constituency associations

The Election Committee must review the documents submitted by the constituency associations within fourteen (14) days of the last day for submission of papers. The lists of candidates must be marked with running numbers in their order of submission to the Election Committee.

If it is discovered that a constituency association has not been legally established or that a candidate is not eligible to stand for election, or if other errors are detected in a list of candidates or a related document, the representative must verifiably be informed about the rejection of the list of candidates without delay and must also be informed about the grounds for the rejection. The representative shall be entitled to amend the items that caused the list of candidates to be rejected within six (6) days of having been informed about the decision of the

Election Committee. If the representative fails to do this, the list of candidates shall be definitively rejected. Amendments may not be made if the charter of foundation of the constituency association has not been signed by a sufficient number of members who are entitled to vote or if the list of candidates was not submitted to the Election Committee within the time limit. In such cases, the list of candidates shall be definitively rejected.

If a candidate dies or otherwise becomes ineligible to stand for election after the establishment of the constituency association, the representative shall be entitled to replace the candidate with another eligible candidate from the same constituency association if notice of this is submitted to the Election Committee within the time limit for submitting lists of candidates.

## 9 Combinations of lists of candidates

The Election Committee shall prepare a combination of approved lists of candidates by electoral district. The order of the lists of candidates for the combination of lists of candidates for each electoral district shall be decided by drawing lots. Each list of candidates shall be issued a letter serving as its symbol, beginning with the letter A. After this, each candidate shall be issued with a running number, beginning with the number 2 for the first candidate in the list for electoral district A and ending with the last candidate on the last list of candidates for the last electoral district. The combination of lists of candidates must clearly indicate the electoral district, the symbol of the list of candidates and the number of each candidate, as well as their name, place of residence and profession or position. In addition to this information, the combination of lists of candidates must not include any other information than the common symbol indicating the election for which the combination was prepared. The combination of lists of candidates must be sent to the representatives of the constituency associations of the electoral district in question without delay.

## 10 Removing a candidate of a constituency association

If it is discovered before preparing a combination of lists of candidates that a list includes a candidate who has not given permission for their inclusion in that list, the Election Committee must remove their name from the list upon request.

## 11 Appointing representatives with out an election

If the total number of candidates included in the lists of candidates approved for an electoral district is not larger than the number of representatives to be elected from the electoral district or if only one list of candidates has been submitted, no ballot shall be conducted; instead, the Election Committee shall appoint the candidates included in the lists of candidates as representatives.

## 12 Ballot paper

Ballot papers shall be used in a postal ballot. A ballot paper must include a heading

that indicates the election for which the paper is being used, as well as the name and number of the electoral district. In order for voters to mark the number of their chosen candidate, the ballot paper must have a circle, with the text "No. \_\_\_\_\_" clearly marked inside the circle. When using a data communication connection or other technical auxiliary device, the Election Committee must ensure that the requirements concerning the ballot paper are followed as applicable.

### **13 Voting**

The ballot shall be conducted by post and/or using a data communication connection or other technical auxiliary device in a manner that ensures the voters' right to secrecy. The combination of lists of candidates for the electoral district, the ballot paper, the return envelope and the instructions for using a data communication connection or other technical auxiliary device for voting must be sent in a closed envelope to each member with the right to vote who is included in the list of voters to the address recorded in Metsäliitto's list of members. However, the voting materials will not be sent to members included in the list of voters who have announced in writing before the beginning of the process of mailing the election envelopes that they are resigning from Metsäliitto.

The Election Committee shall determine the date by which the voting materials shall be submitted to the members. The Election Committee shall also determine the last date for returning the ballot papers. If a member proves before the end of the time limit for returning the ballot paper that they did not receive a ballot paper or received the wrong ballot paper because the address recorded for them in the list of members has changed or the ballot paper is lost or damaged, the Election Committee shall provide them with a new ballot paper on request.

A member shall be entitled to vote only for candidates included in the lists of candidates for their electoral district. In a postal ballot, voters write the number of their chosen candidate inside the circle in their ballot paper. The voter must choose a candidate from the combination of lists of candidates for their electoral district. A voter must not make any other markings on the ballot paper. The ballot paper must be submitted in the closed return envelope by post, in person or by courier in a manner that enables the Election Committee to receive it no later than the last date for submission announced by the Election Committee. When using a data communication connection or other technical auxiliary device, the Election Committee shall provide instructions that secure the right to vote and ensure the accuracy of vote counting. If a member has voted by post and using a data communication connection or other technical auxiliary device, the vote given using a data communication connection or other technical auxiliary device shall remain in force.

### **14 Counting votes and determining the result of the election**

If a member proves before the end of the time limit for returning the ballot paper that they did not receive a ballot paper or

received the wrong ballot paper because the address recorded for them in the list of members has changed or the ballot paper is lost or damaged, the Election Committee shall provide them with a new ballot paper on request. A ballot paper shall be annulled for any of the following reasons:

- More than one candidate has been indicated on the ballot paper.
- The candidate's number marked on the ballot paper is unclear and its meaning cannot be established beyond doubt.
- A ballot paper is returned in an envelope other than the designated return envelope that was sent to the member.
- A return envelope contains more than one ballot paper.
- A ballot paper contains an inappropriate marking.
- A paper other than the ballot paper sent by the Election Committee has been used as the ballot paper.
- A ballot paper is submitted after the time limit has expired.
- Decisions on rejecting votes given using a data communication connection or other technical auxiliary device shall be made in accordance with the principles concerning the rejection of ballot papers, as applicable. The Election Committee ultimately decides on rejecting votes.

All the votes given to the same candidate shall constitute their number of votes.

The candidates on the same list of candidates shall be given priority according to the number of votes that each has received. In the event of a tie, their order of priority shall be decided by drawing lots. After this, the candidate with the largest number of votes on the list of candidates shall be assigned a comparative index that is equal to the total number of votes for the entire list of candidates. The candidate with the second largest number of votes shall be assigned a comparative index that is equal to half the total number of votes. The candidate with the third largest number of votes shall be assigned a comparative index that is equal to one third of the total number of votes. Correspondingly, each candidate shall be assigned a comparative index in accordance with their place in the order of priority determined in accordance with their personal number of votes.

Once all the candidates in each electoral district have been assigned a comparative index, the Election Committee shall announce the result of the election based on the highest comparative indices of the candidates. In the event of a tie in terms of comparative indices, the order of the candidates shall be decided based on the number of votes that each has received. In the event of a tie in terms of both the personal number of votes and the comparative indices, the order of candidates shall be decided by drawing lots.

The Election Committee shall appoint deputy representatives from among the candidates who were not elected, in their

order of comparative indices, from the same lists of candidates from which the representatives were elected.

Minutes shall be kept of the counting of the result of the election. The minutes must include the names of the candidates who were elected from each electoral district, as well as the names of their deputies.

### **15 Announcing the result of the election**

The Election Committee shall confirm the result of the election and announce the names of the candidates who were elected by 1 July. The Election Committee shall also provide each elected member of the Representative Council with a power of attorney indicating their name and term of office.

### **16 Invalidity of election**

A member who believes that the rules or election procedure of Metsäliitto were violated during the implementation of an election may submit their case to be resolved by the Election Committee. Complaints concerning the nomination of candidates must be submitted to the Election Committee by the end of March, and complaints concerning the conduct of a postal ballot for the election of the members of the Representative Council must be submitted by the end of June. If the Election Committee deems the Cooperatives Act or the rules or election procedure of Metsäliitto to have been violated during the implementation of an election, it may order the election to be conducted again in the extent that it deems necessary.

### **17 Other provisions**

The Election Committee may provide more detailed instructions concerning the application of this election procedure. By decision of the Election Committee, the candidates may be offered an equal opportunity to publish presentations about themselves on a website established for an election of the members of the Representative Council. The presentations shall be prepared using a template determined by the Election Committee. The presentations to be published must be compliant with the law and good practice.

If any of the time limits provided for procedures in this election procedure coincide with a Sunday or a public holiday or the day preceding a Sunday or a public holiday, the weekday immediately following the date provided in this election procedure shall be regarded as the time limit. The Supervisory Board of Metsäliitto may order any of the procedures stipulated in this election procedure to be conducted within a time limit or by a date different than what is provided in this election procedure.

If a force majeure event prevents an election from being held before the end of the electoral period, the representatives whose term of office is ending shall be entitled to hold their positions until the election has been conducted and the term of office of the elected representatives has begun. Election documents must be submitted to the archives of Metsäliitto.

