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REMUNERATION POLICY

Metsä Board's Remuneration Policy

This Remuneration Policy of Metsä Board Corporation will be presented to the Annual General Meeting convened on 26 March 2024 in accordance with Chapter 5, section 3a of the Limited Liability Companies Act (624/2006). The decision of the Annual General Meeting is advisory. The policy has been approved by the company's Board of Directors and prepared in accordance with the Corporate Governance Code 2020 and does not include changes to the Remuneration Policy approved by the Annual General Meeting on 11 June 2020.

The Remuneration Policy includes a description of the remuneration principles applicable to company's statutory governing bodies, the Board of Directors and the CEO, and of the decision-making process concerning remuneration as well as of the conditions for temporary deviating from the policy in exceptional circumstances.

The Remuneration Policy is presented to the General Meeting at minimum every four years and whenever it has been subject to material changes. Should the General Meeting not endorse the Remuneration Policy, a revised policy would be presented at the following Annual General Meeting. The Board of Directors' Nomination and HR Committee monitors and assesses the policy's application and the implementation of the remuneration plans based on the policy. When necessary, the committee also makes proposals to the Board of Directors to update the policy.

This Remuneration Policy has been published as a stock exchange release on 22 February 2024 in connection with the financial statements, and is available on the company's website https://www.metsagroup.com/metsaboard/investors/.

Metsä Board's remuneration is based on the following main principles, which are applicable to the statutory governing bodies of company as well as all those employed by Metsä Board:

Ensuring sustainable and responsible business operations
Our remuneration supports the achievement of the company's vision, strategic and operational goals as well as the goals of sustainable development. We encourage activities in line with the company's values and interests – responsible profitability, reliability, renewal and cooperation.

Ensuring performance and profitable growth
With remuneration, we encourage excellent performance and results in both short and long term. We remunerate our people for achieving and exceeding targets, and for profitable growth and the increase of shareholder and stakeholder value**.**

Supporting competence development and renewal
With remuneration we support competence development and the commitment of talent. We encourage continuous improvement, renewal and the creation of conditions needed for future success. In addition to monetary remuneration, we develop personnel's competencies and offer opportunities for career development. Our leadership is of a high quality and we encourage personnel's participation.

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Consistency, competitiveness and transparency
The remuneration is fair and based on clear principles and structures. We offer competitive overall remuneration. We communicate and report on remuneration transparently and according to the requirements.

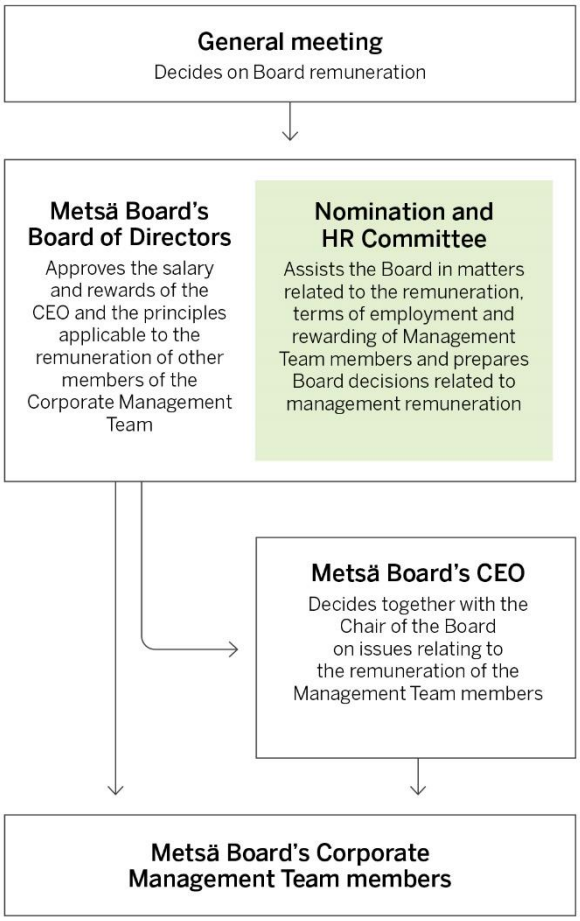
Remuneration decision-making order

BOARD OF DIRECTORS

The General Meeting decides on the remuneration of the Board of Directors. The Board of Directors' Nomination and HR Committee presents to the Annual General Meeting proposals on the Board of Directors' remuneration, taking into account this policy, the company's current financial standing at the time as well as the level of remuneration in other comparable companies, among other things. When necessary, the committee consults the company's majority shareholder, which exercises a controlling interest at the General Meeting with regard to Board remuneration. The following graph presents a general description of the decision-making process.

CEO

The Board of Directors decides on the remuneration of the company's CEO in accordance with the principles of this Remuneration Policy. The Board of Directors approves also the structure, target groups and principles of the company's remuneration plans, as well as selects the performance indicators used and sets related target values. The Board of Directors' Nomination and HR Committee assists the Board in matters related to the remuneration, terms of employment and rewarding of Corporate Management Team members and prepares Board decisions concerning the CEO's remuneration.



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Description of remuneration

THE BOARD OF DIRECTORS

The General Meeting decides on the remuneration of the Board of Directors. Based on a decision by the General Meeting, each member of the Board can be paid a fixed annual or monthly remuneration and a meeting fee for attending meetings of the Board and its committees. An increased fee can be paid to the Chair and Vice Chair of the Board as well as to the Chair of the Audit Committee. Part of and annual remuneration can be paid in cash and part in shares. The remuneration paid of Board work can accumulate pension benefits. The members of the Board of Directors are entitled to travel allowance pursuant to Metsä Board's travel policy. The members of the Board cannot participate in Metsä Board's short or long-term incentive systems, unless otherwise expressly decided by the General Meeting. The preparation of proposals to the General Meeting is described in section "Decision-making process concerning remuneration" above.

CEO

The Board of Directors appoints and discharges the CEO and decides on the CEO's remuneration and the other terms and conditions of the CEO's engagement within the framework of this Remuneration Policy. By decision of the Board of Directors, the CEO is paid a fixed base salary, which is a compensation for the CEO's responsibilities and is based on the requirements of the position, the CEO's individual competence and performance as well as prevailing market practice. The Board of Directors decides on the CEO's participation in the company's short and long-term incentive systems, the terms and conditions thereof and on the maximum rewards. Short-term incentive system rewards cannot exceed the CEO's annual base salary whereas long-term incentive system rewards cannot exceed the CEO's annual base salary multiplied by three. In addition to the statutory employment pension benefits, the CEO may be entitled to a supplementary pension insurance, whether a defined benefit or a defined contribution.

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Summary of the remuneration of Metsä Board's CEO

Part of remuneration	Purpose	Description and criteria for determination
Basic salary	To compensate for the requirements of the position, CEO's individual competence and performance as well as prevailing market practice	A fixed monthly salary, which may include a company housing and company car benefit and other minor fringe benefits.
Supplementary pension	To offer a pension benefit supplementing statutory pensions	The CEO's retirement age may be lower than the retirement age pursuant to the Employees Pensions Act. The CEO may be entitled to a supplementary pension insurance, whether a defined benefit or a defined contribution.
Short-term incentive plans	To support the implementation of Metsä Board's strategy and annual targets as well as to remunerate for good performance and for achieving organisational and individual targets	The performance period of the short-term incentive plan is principally one year. The reward cannot exceed the CEO's annual base salary. The Board of Directors decides annually on the targets and performance indicators of the CEO's incentive plan. The rewards can be based on the achievement of Metsä Board's financial targets and other targets supporting strategy implementation. The rewards are approved by Metsä Board's Board of Directors.
Long-term incentive plans	To align the objectives of the shareholders and the executives in order to increase the value of the Group in the long term, to commit the executives to perform the Metsä Board's strategy, and to offer the executives a competitive reward plan	The performance period of long-term incentive plan is principally five years including the performance and the restriction periods. The reward cannot exceed the CEO's annual base salary multiplied by three. At the beginning of each performance period the Board of Directors decides on the targets and performance indicators of the incentive plan. The rewards can be based on the achievement of Metsä Board's financial and other possible strategic targets. The rewards are approved by Metsä Board's Board of Directors.
Special rewards	To enable remuneration in special situations	Special rewards may involve for example the recruitment of a new CEO or corporate arrangements. Special rewards must be in accordance with this Remuneration Policy in terms of their value, time frame and performance requirements, and they must be approved by the Board of Directors.
Insurances	To offer insurance coverage in line with market practice	The CEO may have insurance benefits in line with market practice.
Terms and conditions of service contract	To ensure clear contractual terms and conditions	The service terms and conditions are specified in a written CEO contract and are approved by the Board of Directors. The term of notice pursuant to the contract is primarily up to six months. When the service contract is terminated by the company, the CEO is entitled to severance pay corresponding to a maximum of CEO's 12 month salary. No severance compensation is paid if the contract is terminated by the CEO.
The company's rights and clawback terms	To ensure the rewards are based on achievements and results	The Board of Directors may in its discretion amend present targets during a particular period for a justified reason. The Board of Directors also has the right to postpone or cancel payments related to the short and long-term incentive plans or apply clawback terms in exceptional circumstances, such as a result of misconduct or faulty reporting of financial results.

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Principles concerning temporary deviation from policy

The Remuneration Policy may temporarily be deviated from in exceptional circumstances where the operating conditions of Metsä Board change due to corporate arrangements or regulatory changes or when the company's interests otherwise so require, and the prevailing Remuneration Policy is no longer deemed appropriate in such changed circumstances. Any deviation must be necessary to safeguard Metsä Board's long-term interests such as Metsä Board's long-term financial success, viability, competitiveness or the development of its shareholder value.

The deviation may apply to a part of the Remuneration Policy or to all of it, depending on the exceptional circumstances. Any deviation is decided by the Board of Directors based on a proposal by the Nomination and HR Committee. Any deviation is reported in the Remuneration Report to be published for the relevant financial period. If a deviation from the Remuneration Policy continues other than temporarily, the Remuneration Policy shall be updated to accommodate the new situation and shall be presented at the next Annual General Meeting.