

Financial and Audit Committee

Charter

1. Overall Purpose

- 1.1 The Board of Directors (Board) of Stora Enso Oyj (Stora Enso) has constituted and established a Financial and Audit Committee (Committee) with the authority, responsibility and specified duties as described in this Charter, as approved by the Board and, in addition as separately instructed from time to time by the Board.
- 1.2 The main task of the Committee is to support the Board in maintaining the integrity of Stora Enso's financial reporting and the Board's control functions.
- 1.3 To fulfil its task the Committee regularly reviews the system of internal control, management and reporting of financial risks and the audit process. It makes recommendations regarding the appointment of external auditors for the parent company and the main subsidiaries.

2. Organisation

- 2.1 The Committee comprises three to five Board members who are nominated annually by the Board. The Chairman of the Committee is nominated by the Board as well. The members shall be independent and not affiliated with Stora Enso. At least one Committee member must be a financial expert who has significant knowledge and experience in accounting and accounting principles applicable to Stora Enso, book-keeping or auditing.
- 2.2 A member of the Committee is not permitted to accept any consulting, advisory or compensatory fee from Stora Enso other than in his or her capacity as a member of the Committee, the Board or any other Board committee, as annually decided by the shareholders at the Annual General Meeting.
- 2.3 The regular participants in the Committee's meetings are the Head of Group Internal Audit, the external auditors, the Chief Financial Officer (CFO) and the Assistant General Counsel acting as secretary to the Committee. Further the Chairman of the Committee may invite other persons (such as Chief Executive Officer (CEO), SVP, Head of Group Treasury, General Counsel, SVP, Enterprise, Risk Management, SVP, Group Controlling) to participate in the Committee's meetings.
- 2.4 The Committee shall meet regularly, at least four times a year - in the beginning of each calendar half and before announcing the quarterly results. In addition, the Committee shall meet when required.
- 2.5 The Committee shall have a non-management session at each physical meeting, where the members can discuss with the external and internal auditors separately without the Stora Enso management participating.
- 2.6 The Committee shall decide on a working order covering practical matters relating to the Committee's work.

3 Powers and duties

The Committee shall have the power and authority to perform the following duties and to fulfil the following monitoring responsibilities:

3.1 Internal control

- a. monitor the performance of Stora Enso's internal controls

3.2 Financial reporting

- a. general review of (together with management, internal and external auditors):
 - i. management of major financial risks and
 - ii. significant accounting and reporting issues and principles
- b. discuss risk assessment and prepare risk management policy proposals for the Board's approval
- c. review the annual corporate governance statement including the description of the main features of the internal control and risk management systems pertaining to the financial reporting process
- d. review the annual financial statements, including:
 - i. significant transactions and
 - ii. valuation of assets and liabilities
- e. receive announcements, interim financial statements and analyst briefings, including:
 - i. comparisons to the budget and
 - ii. financial ratios
- f. discuss earnings press releases and earnings guidance provided for analysts relating to all annual and quarterly financial statements
- g. discuss annual financial statements with the management and the external auditor
- h. discuss and review litigations and other legal proceedings which may have a material effect
- i. monitor the processes and risks related to IT security
- j. monitor and review tax reporting

3.3 Internal Audit

- a. review the internal auditors' activities, the organisation and its effectiveness (including the Committee's approval of the CEO's recommendation regarding the appointment of SVP, Internal Audit)
- b. discuss with internal auditors about their audit findings and any other significant audit related matters
- c. follow up on execution of material recommendations made by internal auditors

3.4 External Audit

- a. review external auditors' audit scope, approach, performance and independence
- b. annually make proposals to the Board and further to the shareholders meeting regarding the appointment of external auditors for the parent company and major subsidiaries
- c. oversee the audit tender procedure and ensure adherence to related legal requirements
- d. discuss with external auditors their audit findings and any other significant audit related matters
- e. regularly review with the external auditors any audit problems and management's response
- f. approval of any permitted non-audit services provided by the external auditors (including limited authority for the CFO to approve such services) as well as the monitoring and review of the fees for any such services
- g. evaluate the independence of the external auditor
- h. obtain a report from the external auditor annually at least describing
 - i. the Company's internal quality control procedures,

- ii. any material issues raised by the most recent internal quality control review, or peer review of the Company, or by any governmental or professional authorities within the preceding five years, and
- iii. all relationships between the external auditor and the Company

3.5 Risk Management

- a. review and monitor the efficiency of the company's risk management systems

3.6 Compliance

- a. oversee the performance of the Company's ethics and compliance programme, and ensure that the Company maintains procedures for
 - i. receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, audit-related matters or other misconduct as defined in the Company's internal guidelines
 - ii. confidential, anonymous submissions by employees of the Company about concerns regarding questionable accounting or audit-related matters
- b. be informed of principal or major issues relating to non-compliance and compliance investigations

3.7 Reporting responsibilities and material

- a. the Chairman of the Committee shall regularly report to the Board:
 - i. all significant issues handled or presented at the Committee's meeting and
 - ii. recommendations to the Board made by the Committee
- b. Committee material shall be made available to all Board members

3.8 Other issues

- a. the Committee evaluates its own performance annually

4. Quorum

A majority of the members of the Committee shall constitute a quorum. Decisions shall be made with a simple majority, the Chairman having the casting vote.

5. Management support

To assist the Committee in fulfilling its duties, management will provide the Committee with information and recommendations as needed and requested.

6. External consultants

The Committee is allowed to use external consultants and experts whenever deemed necessary.

7. Assessment of Charter

The Committee shall review this charter on a yearly basis. The charter and any amendments to it shall be approved by the Board of Directors.

Approved by the Board of Directors on: 8 February 2018