

## **Appointment of Shareholders' Nomination Board**

The Shareholders' Nomination Board proposes that the AGM appoints a Shareholders' Nomination Board to exist until otherwise decided and to annually prepare proposals to the shareholders' meeting regarding the composition of the Board of Directors, the remuneration of the Board members as well as the remuneration of the members of the Board committees.

The Shareholders' Nomination Board shall consist of the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors and two other members appointed by the two largest shareholders as of 31 August each year, appointing one each as set out in the Charter of the Shareholders' Nomination Board.

The Chairman of the Board of Directors shall convene the Shareholders' Nomination Board, which shall at the latest on 31 January each year present its proposals to the Board of Directors. The Shareholders' Nomination Board shall appoint a Chairman from among its members. The Chairman may not be a member of the Board of Directors. Members of the Shareholders' Nomination Board shall not receive separate compensation.

The Shareholders' Nomination Board further proposes that the AGM adopts the Charter of the Shareholders' Nomination Board, which will be available as from 17 February 2016 on the company's website at [www.storaenso.com/agm](http://www.storaenso.com/agm).

## **SHAREHOLDERS' NOMINATION BOARD Charter**

### **1. Overall Purpose**

- 1.1 The Annual General Meeting of Stora Enso Oyj has constituted and established a Shareholders' Nomination Board (the "Nomination Board") with the authority, responsibility and specified duties as described in this Charter.
- 1.2 The main task of the Nomination Board is to annually give a proposal to the shareholders' meeting regarding the composition of the Board of Directors and the remuneration of the Board members as well as the remuneration of the members of Board committees.
- 1.3 The aim of the Nomination Board is to secure that the the composition of the Board of Directors reflects the requirements set by the Company operations and development stage. A person elected as a director must have the competence required by the position and the possibility to devote sufficient amount of time to attending the duties. The number of directors and the composition of the Board shall enable the Board to see to its duties efficiently.

Both genders shall be represented on the Board of Directors and the Nomination Board shall pay attention to achieving a good and balanced gender distribution and diversity balance on the Board of Directors considering the competence and composition of the Board of Directors as a whole. The Nomination Board shall in its work consider the principles set out in the Company's Board Diversity Policy.

### **2. Organisation**

- 2.1 The Nomination Board shall comprise four members:
- a) Chairman of the Board of Directors,
  - b) Vice Chairman of the Board of Directors, and
  - c) two other members appointed by the two largest shareholders (one each) according to the register of shareholders on 31 August each year.

The largest shareholders are determined on the basis of their shareholdings registered subject to a shareholder who, under the Finnish Securities Markets Act, has an obligation to disclose (shareholder subject to disclosure notification) certain changes in ownership notifying the company's Board of Directors in writing of this request by 31 August each year. Holders of nominee registered shares shall be taken into account in the appointment process. Should a shareholder not wish to use its nomination right, the right transfers to the next largest shareholder who would otherwise not have a nomination right.

The Nomination Board has been established to exist until otherwise decided by the shareholders' meeting. The members of the Nomination Board shall be nominated annually and their term of office shall end when new members are nominated to replace them.

The representative nominated by a shareholder is obliged to resign from the Nomination Board if the shareholder concerned later transfers more than half of the shares it held on 31 August and as a result is no longer among the Company's ten largest shareholders. In such case the Nomination Board shall decide to request the nomination of a new member by a shareholder as determined on the basis of the ownership information in the Company's shareholders' register on the day of the request.

A shareholder may change its representative appointed to the Nomination Board for significant reasons.

2.2 The Nomination Board shall elect a Chairman from among its members. The Chairman of the Nomination Board shall not be the Chairman or the Vice Chairman of the Board of Directors.

2.3 A Legal Counsel appointed by the Company shall act as the Secretary of the Nomination Board.

### **3. Powers and Duties**

3.1 The Nomination Board shall have the power and authority to perform the following duties and to fulfil the following responsibilities:

- a) to prepare and present to the shareholders' meeting a proposal regarding:
  - i. the number of the members of the Board of Directors within the limits of the articles of association,
  - ii. the members of the Board of Directors, and
  - iii. the remuneration of the Chairman, Vice Chairman and members of the Board of Directors;
- b) to prepare and make proposals regarding the remuneration of the Chairman and members of the committees of the Board of Directors; and
- c) to seek prospective successor candidates for the members of the Board of Directors.

The Nomination Board shall receive the results of the yearly evaluation of the Board of Directors as well as the assessment of each director's independence of the Company and of significant shareholders. The Nomination Board shall take the results of the Board evaluation and the requirements relating to director independence into account in its work.

The Nomination Board shall comply with applicable laws and regulations, such as stock exchange rules and the Finnish Corporate Governance Code.

### **4. Meetings**

4.1 The Chairman of the Board of Directors shall convene the Nomination Board to its first meeting and the Nomination Board shall meet at times determined by its Chairman.

4.2 The Chairman of the Nomination Board shall ensure that the agenda to the meeting is circulated in good time prior to each meeting. No decision shall be made unless all

members have been reserved the possibility to consider the matter and participate in the meeting.

4.3 The language of the proceedings is English.

4.4 The written minutes of each meeting shall be prepared and they shall be signed by all the Nomination Board members present at the meeting.

## **5. Quorum**

A majority of the members of the Nomination Board shall constitute a quorum. The decisions by the Nomination Board shall be made unanimously. If consensus cannot be reached, the Nomination Board shall inform the Company's Board of Directors that it is unable to make a proposal for the shareholders' meeting.

## **6. Proposals and Reporting**

6.1 The Nomination Board shall present its proposals in good time before 31 January each year. Should a matter that is to be prepared by the Nomination Board come up for decision-making at an extraordinary shareholders' meeting, the Nomination Board shall submit its proposal in sufficient time for it to be included in the notice to the shareholders' meeting.

6.2 The Chairman of the Board of Directors shall inform the Board of Directors regularly of significant developments in the course of performing the above responsibilities and duties, including proposals to the shareholders' meeting.

6.3 The Chairman of the Nomination Board shall present its proposals at the shareholders' meeting. Information on the Nomination Board's work shall be published on the Company's website and in the Company's corporate governance statement.

## **7. Confidentiality**

The members of the Nomination Board and the shareholders they represent shall keep the information regarding the proposals to the shareholders' meeting as well as any information received in connection with performing the duties of the Nomination Board confidential for as long as such information has not been disclosed by the Company.

## **8. Management Support**

Management will assist the Nomination Board to fulfil its duties by providing the information and recommendations the Nomination Board requests.

## **9. External Consultants**

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

**10. Remuneration**

The members of the Nomination Board shall not be entitled to remuneration from the Company on the basis of their membership unless otherwise decided by the shareholders' meeting.

**11. Costs and Expenses**

All reasonable costs and expenses related to the Nomination Board shall be borne by the Company.

**11. Amendments to the Charter**

The Nomination Board shall review this Charter annually and propose possible changes to the shareholders' meeting for adoption if needed. The Nomination Board is authorized to make technical updates and amendments to the Charter. Any changes concerning the process for electing the members and the Chairman of the Nomination Board, as well as the composition and the duties of the Nomination Board shall always be brought to be decided upon by the shareholders' meeting.