

## **PROPOSALS BY THE SHAREHOLDERS' NOMINATION BOARD FOR THE STORA ENSO AGM 2018**

Stora Enso Shareholders' Nomination Board has been appointed by the AGM 2016 to annually prepare proposals concerning the election of Chairman, Vice Chairman and other members of the Board as well as the remuneration for the Chairman, Vice chairman and members of the Board and its committees.

The Shareholders' Nomination Board in 2017 comprised four members: Jorma Eloranta (Chairman of the Board), Hans Stråberg (Vice Chairman of the Board) and two other members appointed by the two largest shareholders, Harri Sailas (Solidium Oy) and Marcus Wallenberg (FAM AB). Marcus Wallenberg was elected Chairman of the Shareholders' Nomination Board. Prior to the AGM 2017, Gunnar Brock Chairman of the Board, acted as member of the Shareholders' Nomination Board and Kari Järvinen as member appointed by Solidium Oy and also as the Chairman of the Shareholders' Nomination Board.

The Shareholders' Nomination Board during its working period 2017 - 2018 convened 5 times and each member of the Shareholders' Nomination Board attended all the meetings.

The Shareholders Nomination Board makes the following proposals to the Stora Enso AGM 2018:

### **Remuneration for the members of the Board of Directors**

The Shareholders' Nomination Board proposes to the AGM that the annual remuneration for the members of the Board of Directors be increased by approximately 3 percent and be paid as follows: Chairman EUR 175 000 (2017: 170 000), Vice Chairman EUR 103 000 (2017: 100 000) and members EUR 72 000 (2017: 70 000).

The Shareholders' Nomination Board also proposes that the annual remuneration for the members of the Board of Directors be paid in Company shares and cash so that 40% will be paid in Stora Enso R shares to be purchased on the Board members' behalf from the market at a price determined in public trading. The shares will be purchased within two weeks from the publication of the interim review for the period 1 January 2018 – 31 March 2018, or as soon as possible in accordance with applicable legislation. The Company will pay any costs and transfer tax related to the purchase of Company shares.

It is further proposed that the annual remuneration for the members of the Financial and Audit Committee, the Remuneration Committee and the Sustainability and Ethics Committee be correspondingly increased by approximately 3 percent and be paid as follows: Chairman of Financial and Audit Committee EUR 20 600 (2017: 20 000), members of Financial and Audit Committee EUR 14 400 (2017: 14 000), Chairman of Remuneration Committee and Sustainability and Ethics Committee EUR 10 300 (2017: 10 000) and members of Remuneration Committee and Sustainability and Ethics Committee EUR 6 200 (2017: 6 000).

### **Number of members of the Board of Directors**

The Shareholders' Nomination Board proposes to the AGM that the Board of Directors shall have nine (9) members.

## **Election of Chairman, Vice Chairman and other members of the Board of Directors**

The Shareholders' Nomination Board proposes to the AGM that of the current members of the Board of Directors Anne Brunila, Jorma Eloranta, Elisabeth Fleuriot, Hock Goh, Christiane Kuehne, Richard Nilsson, Göran Sandberg and Hans Stråberg be re-elected members of the Board of Directors until the end of the following AGM and that Antti Mäkinen be elected new member of the Board of Directors for the same term of office.

Mikael Mäkinen has announced that he is not available for re-election to the Board of Directors.

The Shareholders' Nomination Board proposes that Jorma Eloranta be elected Chairman and Hans Stråberg be elected Vice Chairman of the Board of Directors.

Antti Mäkinen, LL.M., born 1961, Finnish citizen, has a strong business background in the banking and financial sector and since May 2017 acts as the CEO of Solidium Oy. Previous working experience includes several leading management positions within Nordea Corporate & Investment Banking, most notably as Head of Corporate Finance in Finland, Head of Strategic Coverage unit and as Co-Head for Corporate & Investment Banking, Finland (2010 – 2017). Prior to this Mäkinen acted as CEO of eQ Corporation and its main subsidiary eQ Bank Ltd. (2005 – 2009). Mäkinen is a Board member of Rake Oy and acts as chairman or a member of the shareholders' nomination boards of several listed companies. He is independent of the company, but not independent of the company's significant shareholders due to his position as the CEO of Solidium Oy.

The Shareholders' Nomination Board has received and reviewed the results of the evaluation of the proposed Board members independence as well as the results of the annual Board performance evaluation. The Board performance evaluation material has also included a report on Board member interviews by the Chairman of the Board of Directors. The Shareholders' Nomination Board has taken these as well as the Company's Board Diversity Policy into account in its work when preparing the above proposal.

The Shareholders' Nomination Board has in 2017 considered its previous evaluation of competencies that may be further strengthened in the long term Board succession planning as well as the aim to take action to further strive towards a good and balanced gender distribution. In its proposal for the AGM 2018 the Shareholders' Nomination Board has proposed a Board composition that includes three women and six men in the age range of 47 years to 67 years and representing a total of five different nationalities.

The Shareholders' Nomination Board finds that the proposed composition of the Board reflects diversity and a good variety of skills and experiences among the Board members following the principles set out in the Company's Board Diversity Policy.

The aim of the Shareholders' Nomination Board going forward is to continuously evaluate the long-term competencies that would benefit the Board work as well as ensure that a Diversity of Thought is maintained on the Board. The aim is further to maintain or strengthen a good and balanced gender distribution.