

TERMS AND CONDITIONS OF THE OFFERING

Background

On 28 March 2012, the Annual General Meeting of Metsä Board Oyj (the “Company”) authorised the Board of Directors of the Company to decide on the issuance of a maximum of 70,000,000 new Series B shares. On the basis of the authorisation, new Series B shares may be issued in deviation of the shareholders pre-emptive rights to subscribe for new shares, provided that there are weighty financial reasons for the Company to do so. The authorisation will be valid until 28 March 2017.

On 26 February 2015, the Board of Directors of the Company resolved, based on the above authorisation of the Annual General Meeting, to issue a maximum of 27,347,134 new Series B shares to its shareholders in proportion to their holding of existing Series A and/or Series B shares in the Company (the “Offering”) as set forth in the below terms and conditions of the Offering.

The new Series B shares to be issued in the Offering represent approximately 8.3% of the total number of Series A and Series B shares and approximately 2.7% of the total voting rights in the Company before the Offering and approximately 7.7% of the total number of Series A and Series B shares and approximately 2.6% of the total voting rights in the Company after the Offering assuming that the Offering is subscribed in full.

The largest shareholder of the Company, Metsäliitto Cooperative, has together with its subsidiary Metsäliitto Management Oy irrevocably undertaken to subscribe for new Series B shares to be issued in the Offering in proportion to their current holdings in the Company. According to their subscription undertakings, Metsäliitto Cooperative and its subsidiary will in the aggregate subscribe for 11,630,712 new Series B shares in the Offering, which represent in the aggregate approximately 42.5% of the maximum number of new Series B shares to be issued in the Offering.

Terms and conditions of the Offering

Right to subscribe

Primary subscription right

The new Series B shares (the “New Shares”) will be offered for subscription by the shareholders of the Company in proportion to their holding of existing Series A and/or Series B shares in the Company.

As the New Shares are offered to all the shareholders of the Company based on subscription rights, the Offering corresponds for all practical purposes to a rights issue, but is formally a directed share issue, as shares of only one class are offered in the Offering. The Series B shares have been historically more liquid and appealing to investors than the Series A shares wherefore the Company believes that an offering of Series B shares only will enhance the attractiveness of the Offering. Additionally, offering of Series B shares only secures a more liquid trading in the subscription rights and facilitates efficient execution and successful outcome of the Offering. The Company therefore believes that the Offering is in the best interest of the Company and all of its shareholders and that there are weighty financial reasons to deviate from the pre-emptive subscription rights of shareholders.

A shareholder who is registered in the Company’s shareholder register maintained by Euroclear Finland Ltd on the record date of 2 March 2015 of the Offering (“Record Date”) will automatically receive one (1) freely transferable subscription right (the “Subscription Right”) as a book-entry (ISIN Code FI4000148440) for each Series A and/or Series B share owned on the Record Date (the “Primary Subscription Right”).

A shareholder, or a person or an entity to whom such Subscription Rights have been transferred, is entitled to subscribe for one (1) New Share for every 12 Subscription Rights. No fractions of New Shares will be allotted, i.e. exactly 12 Subscription Rights are needed to subscribe for each New Share.

Secondary subscription

Further, a shareholder or other investor who has subscribed for New Shares based on the Primary Subscription Right, is entitled to subscribe for New Shares not subscribed for by virtue of the Primary Subscription Right (the “Secondary Subscription”).

If and to the extent the New Shares are not fully subscribed after the Secondary Subscription, the remaining New Shares may be allocated for subscription as decided by the Board of Directors.

Subscription price

The subscription price is EUR 3.66 per New Share (the “Subscription Price”). The Subscription Price will be recorded in its entirety in the invested unrestricted equity fund.

The Subscription Price includes a discount typical for rights issues compared to the closing price of the Company’s Series B share on NASDAQ OMX Helsinki Ltd (“Helsinki Stock Exchange”) on the trading day immediately preceding the decision on the Offering.

Subscription period

The subscription period will commence on 5 March 2015 and expire on 23 March 2015 at 8:00 p.m. Finnish time (the “Subscription Period”). The places of subscription will accept subscription assignments during their normal business hours.

Account operators may impose a deadline for subscription that is earlier than the expiry of the Subscription Period.

Subscription for New Shares pursuant to the Primary Subscription Right and payments

A holder of Subscription Rights may participate in the Offering by subscribing for New Shares pursuant to the Subscription Rights registered on his or her book-entry account and by paying the Subscription Price. Each 12 Subscription Rights entitle their holder to subscribe for one (1) New Share. Fractional New Shares cannot be subscribed. In order to participate in the Offering, a holder of Subscription Rights must submit a subscription assignment in accordance with the instructions given by Nordea Bank Finland Plc (the “Lead Manager”) or the relevant custodian or account operator. A holder of Subscription Rights who does not receive instructions for subscription from his or her account operator, can contact the Lead Manager.

If an existing share entitling to a Subscription Right is pledged or subject to any other restrictions, the Subscription Right may not necessarily be exercised without the consent of the pledgee or holder of any other relevant right.

Subscription orders can be submitted in the following subscription places:

- at the branch offices of Nordea Bank Finland Plc and Nordea Private Banking units during their normal business hours;
- via Nordea Customer Service by telephone with bank identifier codes from Monday to Friday from 8:00 a.m. to 8:00 p.m. Finnish time in Finnish at +358 200 3000 (local network charge/mobile phone charge apply), in Swedish at +358 200 5000 (local network charge/mobile phone charge apply), or in English from Monday to Friday from 10:00 a.m. to 4:30 p.m. Finnish time at +358 200 70000 (local network charge/mobile phone charge apply). Customers subscribing through the call service need a personal network service agreement with Nordea Bank Finland Plc. When subscribing through the call service, the identification of the shareholder will be confirmed by network identification codes. Corporations cannot give subscription assignments by telephone through Nordea Customer Service. The Nordea Customer Service calls are recorded. Subscriptions cannot be effected through the Nordea net bank service; and

- with account operators and custodians who have an authorized representative agreement with the Lead Manager regarding receipt of subscriptions.

The Subscription Price of the New Shares subscribed for in the Offering shall be paid in full at the time of submitting the subscription assignment in accordance with the instructions given by the Lead Manager or the relevant custodian or account operator.

Shareholders and other investors participating in the Offering whose shares or Subscription Rights are held through a nominee must submit their subscription assignments in accordance with the instructions given by their custodial nominee account holder.

Incomplete or erroneous subscription assignments may be rejected. A subscription assignment may be rejected if the subscription payment is not made according to these terms and conditions or if such payment is not made in full. In these situations, the subscription payment will be refunded to the subscriber. No interest will be paid on the refunded amount.

Any exercise of the Primary Subscription Right is irrevocable and may not be modified or cancelled otherwise than as stated in section "*Cancellation of subscriptions under certain circumstances*" in these terms and conditions.

Any Subscription Rights remaining unexercised at the end of the Subscription Period on 23 March 2015 will expire without any compensation.

Subscription of New Shares pursuant to the Secondary Subscription and payments

A shareholder or other investor who has subscribed for New Shares based on the Primary Subscription Right (the "Subscriber") is entitled to subscribe for New Shares in the Secondary Subscription.

The subscription of the New Shares pursuant to the Secondary Subscription will take place by submitting a subscription assignment and at the same time paying the Subscription Price in accordance with the instructions given by the relevant custodian or account operator or, in the case of nominee registered investors, by the nominee.

Incomplete or erroneous subscription assignments may be rejected. A subscription assignment may be rejected if the subscription payment is not made according to these terms and conditions or if such payment is not made in full. In these situations, the subscription payment will be refunded to the Subscriber. No interest will be paid on the refunded amount.

Any Secondary Subscription is irrevocable and may not be modified or cancelled otherwise than as stated in section "*Cancellation of subscriptions under certain circumstances*" in these terms and conditions.

The Company will confirm the acceptance or rejection of the subscriptions of New Shares to Subscribers who have submitted a Secondary Subscription.

Cancellation of subscriptions under certain circumstances

If the offering circular for the Offering (the "Offering Circular") is supplemented or corrected due to a mistake or inaccuracy or material new information which could be of material relevance to the investors, any Subscribers who have already agreed to subscribe for New Shares before the related supplement is published, shall have the right to withdraw their subscription in accordance with the Finnish Securities Market Act (746/2012, as amended). The Subscribers have a right to withdraw their subscription within two (2) banking days after the supplement has been published. The cancellation right requires that the mistake, inaccuracy or material new information has emerged before the trading in the interim shares representing the New Shares has begun or, in case of Secondary Subscription, before the New Shares have been delivered to the Subscribers. The withdrawal of a subscription applies to the subscription to be withdrawn as a whole. The right to withdraw and the procedure for such withdrawal right will be announced together with any such possible supplement to the Offering Circular through a stock exchange

release. If the holder of a Subscription Right has sold or otherwise transferred the Subscription Right, such sale or transfer cannot be cancelled.

Public trading in the Subscription Rights

The holders of Subscription Rights may sell their Subscription Rights any time before the public trading in Subscription Rights ends. The Subscription Rights are subject to public trading on the Helsinki Stock Exchange between 5 March 2015 at 9:30 a.m. Finnish time and 17 March 2015 at 6:30 p.m. Finnish time. Subscription Rights may be sold or purchased by giving a sell or purchase assignment to one's own book-entry account operator or to any securities broker.

Approval of the subscriptions

The Board of Directors of the Company will approve all subscriptions pursuant to the Primary Subscription Right made in accordance with these terms and conditions of the Offering and applicable laws and regulations.

If all New Shares to be issued in the Offering have not been subscribed for by virtue of the Primary Subscription Right, the Board of Directors of the Company will resolve to allocate such unsubscribed New Shares among the Subscribers having made a Secondary Subscription. In case of over-subscription by virtue of Secondary Subscription, the allocation among Subscribers will be determined per book-entry account in proportion to the number of Subscription Rights exercised by Subscribers in accordance with the Primary Subscription Right and, where this is not possible, by drawing of lots. If several subscription assignments are given concerning a certain book-entry account, these subscription assignments are combined as one subscription assignment concerning a certain book-entry account. Should the Subscriber not receive all New Shares subscribed for by virtue of the Secondary Subscription, the subscription price for the New Shares not received by the Subscriber will be repaid to the Subscriber no later than on or about 7 April 2015. No interest will be paid for the repayable funds.

If all New Shares to be issued in the Offering have not been subscribed after the Secondary Subscription and the Board of Directors of the Company has allocated such unsubscribed New Shares for subscription, such subscriptions will be approved as decided by the Board of Directors of the Company.

The Company's Board of Directors will decide on the approval of the subscriptions on or about 30 March 2015. The Company will publish the final result of the Offering through a stock exchange release on or about 30 March 2015.

Registration of the New Shares to the book-entry accounts

The New Shares subscribed for in the Offering by virtue of the Primary Subscription Right will be recorded on the Subscriber's book-entry account after the registration of the subscription as interim shares (ISIN Code FI4000148457) corresponding to the New Shares. The interim shares are combined with the existing Series B shares of the Company (ISIN Code FI0009000665) on or about 1 April 2015. The New Shares subscribed for and approved by virtue of the Secondary Subscription will be recorded on the Subscriber's book-entry account after the registration of New Shares in the Trade Register, on or about 1 April 2015.

Shareholder rights

The New Shares will entitle their holders to full dividend and other distribution of funds declared by the Company, if any, and to other shareholder rights in the Company when the New Shares have been registered in the Trade Register and in the Company's shareholder register, on or about 31 March 2015. The Board of Directors of the Company has proposed that for the financial year ended 31 December 2014, the Company pays a dividend of EUR 0.12 per share. The Annual General Meeting of Shareholders of the Company deciding on the distribution of dividend is scheduled to be held on 25 March 2015. The record date for the 2014 dividend distribution is 27 March 2015 and the dividend is expected to be paid on or about 8 April 2015. Thus, the New Shares subscribed for in the Offering do not entitle to the dividend for the financial year 2014.

Fees and expenses

No transfer tax or service charges are payable for the subscription of the New Shares. Custodians, account operators and brokers may charge a commission for trading in the Subscription Rights in accordance with their own price lists. Each custodian and account operator will charge fees in accordance with its own price list for maintaining the book-entry account and for the custody of the shares.

Information

Documents mentioned in Chapter 5, Section 21 of the Finnish Companies Act are available for review as of the commencement of the Subscription Period at the Company's website at www.metsaboard.com.

Applicable law and dispute resolution

The Offering and the New Shares shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of jurisdiction in Finland.

In case of any discrepancies between the original Finnish language version and the English language translation of these terms and conditions, the Finnish language version shall prevail.

Other issues

Other issues and practical matters relating to the Offering will be resolved by the Board of Directors of the Company.