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BOARD CHARTER

1. Duties of the Board

The duties of the Board and those of the CEO are defined in the Finnish laws and regulations, Metso's Articles of Association, Finnish Corporate Governance Code and Metso's Corporate Governance and in the Charters of the Board, Audit Committee and Remuneration and HR Committee. Metso's Corporate Governance, Board and Board Committee Charters are complementary (in case of conflict the charters prevail in the order of above listing).

The Board makes its decisions as a collegial body at Board meetings. Minutes of Board meetings must be kept and signed by the Chairman and by at least one member elected by the Board. Any Board member and the CEO shall have the right to have their dissenting opinion recorded in the minutes.

The Board shall have a quorum when more than half of the members are present and one of these is the Chairman or the Vice Chairman. A decision of the Board shall be carried by a majority of those present or, in case of a tie, the Chairman shall have the casting vote.

The Board may not undertake action or such measure that is likely to result in an unjust benefit to a shareholder or any other person at the cost of the company or another shareholder.

2. Independence of Board members

The majority of all Board members shall be independent of the company. In addition, at least two of the Board members representing this majority shall be independent of significant shareholders of the company.

The Board shall evaluate the independence of the Board members based on regulations set forth in the Finnish Corporate Governance Code (Recommendation 10) and report which Board members it determines to be independent of the company and which Board members it determines to be independent of significant shareholders. Each Board member shall provide the Board with sufficient information that will allow the Board to evaluate his or her qualifications and independence and notify the Board of any changes in such information.

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3. Duty of care of the Board

The Board shall diligently promote the interests of the company. This refers to the principle of fidelity towards the company and, through this, also towards all the shareholders. Acting in the best interest of the company means working in accordance with the purpose of the company. Acting purely in the direct interests of a particular owner or group of owners is not allowed. Acting contrary to the duty of care leads to liability for damages towards the company.

4. Instructions and orders of the Board

Duties of the Board include giving instructions concerning the management and the proper arrangement of the operations of the company. The instructions and orders shall be addressed to the CEO, who shall be responsible for their execution.

Principles of corporate governance require that an individual Board member shall address his/her possible requests for information to the CEO or to the Chairman of the Board, who shall then ensure that the information requested is brought, to the extent necessary, to the knowledge of the entire Board and the CEO. A Board member is not entitled to address his/her requests directly to the organization of the company or to an individual member of the company's personnel.

5. Prohibition to disclose insider information

Insider information refers to any information relating to securities of a company, information which is precise in nature and has not been published or otherwise available in the market and which is likely to have a significant effect on the value of the said securities.

A Board member may not use insider information 1) by acquiring or conveying, on his own behalf or on behalf of another, directly or indirectly, a security to which the information pertains (trading ban), or 2) give advice directly or indirectly to another in a transaction relating to such security (consultation ban). Insider information may neither 3) be disclosed to a party who is not an insider in the matter (disclosure ban).

In acquiring and conveying Metso's securities, the companies controlled by a Board member (controlled companies) have to comply with the same insider regulations as the Board member has to comply with. In companies in which a Board member exercises

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influence, the Board member shall refrain from all discussion, decision and preparation of decisions with regard to Metso securities.

Punishment for abuse of insider information willfully or through gross negligence in order to gain material benefit is governed by the Finnish Criminal Code. In pettier cases, sanctions in the form of public admonition or public warning can be imposed by the Finnish Financial Supervision Authority.

6. Position and competence of an individual member

An individual Board member does not have, by the virtue of law, a general right based on his/her position to actively represent the company or on his/her own initiative to take any actions belonging to the Board. Accordingly, the Board members shall refrain from all statements to the media concerning Metso. The CEO represents the company and maintains contact with the media, unless the Board decides otherwise for a special reason.

7. Disqualification

A Board member may not participate in the handling of a contract between himself/herself and the company or participate in the handling of a contract between the company and a third party if he/she may thereby receive material benefit which may be in contradiction with the interests of the company.

8. Obligation of confidentiality

A Board member is obligated to maintain confidential all information considered as the company's business secrets. A Board member shall take into account the provision enacted in section 4, paragraph 2 of the Finnish Unfair Business Practices Act, according to which, a person who obtains information regarding a business secret while in the service of an entrepreneur may not unjustifiably use or disclose it while still in service for their own personal gain, for the gain of another, or in order to harm another.

In addition, the Board members undertake not to convey unpublicized verbal or written information concerning the company to anyone outside the company, shareholders included. In order to fulfill their obligation of confidentiality, the Board members, notwithstanding the ordinary connections of the Chairman, further undertake not to be in touch with any individual shareholders in matters concerning the company or to

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discuss with them matters concerning the company, unless the Board decides separately otherwise for a special reason.

Punishment for violating the obligation of confidentiality is governed by chapter 30, section 5, paragraph 1 of the Finnish Criminal Code.

When accepting their post, the Board members sign a separate Non-Disclosure Agreement.

9. Board Committees

The Board has two permanent committees, the Audit Committee and the Remuneration and HR Committee. The Board supervises the activities of these committees. The committees shall regularly report on its work to the Board.

The composition the Board committees and the qualifications of the committee members are set forth in Metso's Corporate Governance.

10. Board Meetings

The Board meets regularly, ten times a year on average, according to a schedule decided in advance.

Special Board meetings shall, if requested by a Board member or the CEO, be held within three days of the date of request or earlier if convenient to all Board members.

The Chairman of the Board, the CEO, and the secretary to the Board prepare the matters on the agenda of the Board, if not otherwise decided by the Board.

The agenda for Board meetings with all attached material shall be sent to the Board members at least five days before the meeting (except for quarterly financial reports which shall be sent at least three days before the meeting), unless the Board decides otherwise.

11. Matters to be handled at Board meetings

Report by the CEO on Metso's operations, including Metso's financial, competition and market situation.

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Reports of the Audit Committee and the Remuneration and HR Committee by the Chairmen of the respective committees.

Organization and Personnel

- Appointment and dismissal of the CEO
- Monitoring and evaluation of the performance of the CEO
- Compensation of the CEO
- Approval of the appointment and dismissal of the Presidents of the Reporting segments and other members of Metso Executive Team (MET)
- Approval of the appointment and dismissal of CFO and Deputy to CEO
- Approval of the main principles of incentive systems
- Appointment of Board Committees, including chairmen
- Supervision of the activities of Board Committees

Investments, acquisitions and divestments

- Approval of major investments (over EUR 10 million, over EUR 20 in equity investments in Metso subsidiaries)
- Approval of acquisitions
- Approval of major divestments (enterprise value, including all liabilities such as pension liabilities and environmental liabilities, over EUR 10 million or loss relative to book value worth over EUR one million)
- Approval of major credits and equity investments relating to joint ventures (over EUR 5 million)

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Economic and financial matters

- Approval of loans taken and giving financial guarantees by Metso Corporation as separately defined by the Board
- Ensuring that supervision of the bookkeeping and the financial matters is properly organized
- Ensuring the adequacy and functioning of planning, information and control systems intended for financial reporting and risk management
- Ensuring the proper preparation of the interim and the yearly financial statements

Corporate governance, strategy, annual plans and policies in key management areas

- Approval of Vision, Strategy and Financial Targets
- Approval of Annual Plan (and other major plans)
- Approval of Corporate Governance, Charters of the Board of Directors, the Audit Committee and the Remuneration and HR Committee, as well as the Internal Audit Charter
- Approval of Diversity Policy of the Board of Directors
- Approval of Code of Conduct
- Approval of Enterprise Risk Management Policy
- Approval of Treasury Policy
- Approval of Disclosure Policy
- Approval of Internal Control Policy
- Approval Anti-Corruption Policy
- Approval of Competition Policy

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- Approval of Donations and Sponsorship Policy
- Approval of Pre-Approval Policy for the Provision of Non-Audit Services by the External Auditor

Matters submitted by a Board member or the CEO.

Matters specified by the Finnish Companies Act.

Other matters

- The CEO prepares agendas of the Board meetings for the approval of the Chairman of the Board.
- The CEO is responsible of preparation of all materials and proposals to the Board.
- The CEO shall immediately inform the Chairman of the Board of significant events concerning the company. After communication about the matter, the Chairman of the Board and the CEO decide whether the Board has to be convened or informed.
- The Board may decide to delegate its decision-making authority on specifically defined matters to the CEO, who shall have a reporting obligation to the Board on how such delegated decision making authority has been used by the CEO.
- The CEO is entitled to decide on all matters if not governed as a decision for the Board in accordance with the Companies Act, Corporate Governance principles or this Board Charter.
- The Board has apply the Guidelines for Insiders published by NASDAQ Helsinki, as in effect.
- The Board has decided on April 3, 2007 that the company shall apply Helsinki Take-over Code.
- The Board shall conduct an annual self-assessment of its work and performance.