

PROPOSAL FOR THE AMENDMENT TO THE TERMS AND CONDITIONS OF STOCK OPTIONS 2007

The Board of Directors proposes to the Annual General Meeting to be held on 7 April 2011 that the Annual General Meeting decides to amend the terms and conditions of the Company's stock options 2007 so that either new shares or existing shares held by the Company may be subscribed for based on the stock options and that each stock option entitles to one (1) new or existing share held by the Company. The Board of Directors may decide whether the subscription right related to the stock option is directed at a new share in the Company or an existing share held by the Company. According to the current terms and conditions the subscription right is directed only at a new share in the Company. The proposed amendment does not affect the maximum total number of shares that may be subscribed for or acquired based on the stock options. In the opinion of the Board of Directors the amendment would give the Company more flexibility in the issuance of shares. The Board of Directors may also decide upon the necessary technical amendments to the terms and conditions of the stock options 2007.

Based on the above the Board of Directors proposes to the Annual General Meeting that the Annual General Meeting decides to add the following provision to the terms and conditions of the stock options 2007:

“The Annual General Meeting of UPM-Kymmene Corporation has on 7 April 2011 decided to amend the terms and conditions of these stock options so that either new shares or existing shares held by the Company may be subscribed for based on the stock options and that each stock option entitles to one (1) new or existing share held by the Company.

The Board of Directors may decide, however without weakening the position of the owners of the stock options, that the subscription right related to the stock option is directed at an existing share held by the Company instead of a new share, in which case each stock option entitle to acquire one (1) existing share held by the Company. The Board of Directors may also decide upon the necessary technical amendments to the terms and conditions of the stock options 2007.”

Helsinki, 2 February 2011

BOARD OF DIRECTORS