

**PROPOSAL OF THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS FOR THE REMUNERATION OF THE MEMBERS OF
THE BOARD OF DIRECTORS**

The Nomination and Corporate Governance Committee of the Board of Directors proposes to the Annual General Meeting of shareholders of UPM-Kymmene Corporation to be held on 7 April 2011 that the fees of the Board members shall remain unchanged i.e. the annual fees for the Board members, who do not belong to the operative management, will be the following: EUR 175,000 to the Chairman of the Board, EUR 120,000 to the Deputy Chairman of the Board and to the Chairman of the Audit Committee and EUR 95,000 to the other members.

In addition, expenses incurred from travel and lodging when the meeting is held outside the place of residence of a Board member will be payable against invoice. Of the annual fee, 60% will be payable in cash and 40% in the Company's shares to be purchased on the Board member's behalf. The shares would be purchased within two (2) weeks after the announcement of the Company's Interim Report for the period of 1 January – 31 March 2011.

Helsinki, 2 February 2011

**NOMINATION AND CORPORATE GOVERNANCE COMMITTEE OF
THE BOARD OF DIRECTORS**