

## **UPM-KYMMENE CORPORATION'S ANNUAL GENERAL MEETING**

**Time:** 9 April 2015 at 14:00 hrs

**Place:** Exhibition & Convention Centre, Messuaukio 1, Helsinki, Finland

**Present:** The meeting was attended by shareholders, proxy representatives and their assistants detailed in the list of votes attached hereto ([Appendix 5.1](#)). The appendix also includes proxy documents.

In addition, the members of the Board of Directors, the President and CEO, the Company's auditor in charge, members of the Company's senior management and technical personnel were present at the meeting.

### **1. OPENING OF THE MEETING**

The Chairman of the Board of Directors Björn Wahlroos opened the meeting and welcomed the shareholders to the meeting.

### **2. CALLING THE MEETING TO ORDER**

Attorney at Law Johan Aalto was elected to chair the general meeting, and he called Markus Skrabb, Group Legal Counsel, to act as the secretary of the meeting.

The chairman explained certain matters of order relating to the course of the meeting.

### **3. ELECTION OF PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES**

Christian Sandström was elected to scrutinize the minutes.

Sampo Brisk and Tuula Korhonen were elected to supervise the counting of votes.

### **4. RECORDING THE LEGALITY OF THE MEETING**

In accordance with §10 of the Articles of Association, the notice to the general meeting shall be submitted by publishing the notice of the meeting on the corporate website and in one or more newspapers appearing in Helsinki daily. Further, pursuant to §10 of the Articles of Association, the notice shall be published no earlier than three months before the record date of the general meeting, and no later than three weeks before the general meeting, but in any case at least nine days before the record date of the general meeting.

It was noted that the notice of the meeting had been published on 11 February 2015 in Helsingin Sanomat and Maaseudun Tulevaisuus. Further, the notice of the meeting had been published on 3 February 2015 as a stock exchange release and on the corporate website. The notices of the meeting were attached to the minutes ([Appendix 4](#)).

It was noted that the general meeting had been convened in accordance with the Articles of Association and the Finnish Limited Liability Companies Act and that it was legal and constituted a quorum.

**5. RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES**

It was noted that 2,607 shareholders representing 274,201,283 shares and votes were present at the meeting either in person, or through a legal or proxy representative at the start of the meeting. The list of votes was attached to the minutes (Appendix 5.1).

The chairman noted that Nordea Bank Finland Plc, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ) had prior to the general meeting submitted voting instructions from nominee-registered shareholders represented by them. According to these voting instructions, the said shareholders were either in favour of, or opposed, or abstained from voting on agenda items specified in the voting instructions. It was noted that the said shareholders did not demand a vote or make counterproposals. The chairman noted further that based on the votes given in advance, a required majority was in favour of the Board of Directors' and its committees' proposals in each agenda item. The voting instructions were attached to the minutes (Appendix 5.2).

**6. PRESENTATION OF THE FINANCIAL STATEMENTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2014**

It was noted that the Annual Report, which included the Company's Financial Statements, the Consolidated Financial Statements, the Report of the Board of Directors, and the Auditor's Report, had been available on the corporate website since 3 March 2015 and that the original financial statements documents were available at the general meeting.

The President and CEO Jussi Pesonen gave a review of the Company's operations in 2014. The Financial Statements and the President and CEO's review were discussed.

The chairman presented the audit opinion on the Financial Statements included in the Auditor's Report.

It was noted that the Company's Financial Statements, the Consolidated Financial Statements, the Report of the Board of Directors, and the Auditor's Report had been presented to the general meeting in accordance with the law and the Articles of Association.

**7. ADOPTION OF THE FINANCIAL STATEMENTS**

The general meeting resolved to adopt the Financial Statements and the Consolidated Financial Statements for the financial period of 1 January–31 December 2014 (Appendix 7).

**8. RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND**

It was noted that according to the parent company's balance sheet as per 31 December 2014, the parent company's distributable funds amounted to EUR 3,361.2 million including EUR 710.3 million profit for the period.

It was noted that the Board of Directors had proposed to the general meeting that a dividend of EUR 0.70 per share be paid excluding treasury shares and that the remaining portion of the distributable funds be retained in the Company's unrestricted shareholders' equity. According to the proposal, the dividend will be paid to a shareholder who is registered in the Company's shareholders' register held by Euroclear Finland Ltd on the dividend record date of 13 April 2015. According to the proposal, the dividend will be paid on 23 April 2015.

The general meeting resolved to approve the Board of Directors' proposal.

**9. RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO FROM LIABILITY**

The general meeting resolved to discharge the members of the Board of Directors and the President and CEO from liability for the financial period of 1 January–31 December 2014.

**10. RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the Board of Directors' Nomination and Governance Committee had proposed to the general meeting that the remuneration of the members of the Board of Directors remain unchanged and that Chairman of the Board of Directors be paid an annual fee of EUR 175,000, Deputy Chairman of the Board and Chairman of the Audit Committee EUR 120,000 and other members of the Board EUR 95,000. No annual fee shall be paid to a member of the Board of Directors belonging to the executive management of the Company. The annual fee will be paid in Company shares and cash so that 40% will be payable in Company shares to be acquired on the Board members' behalf, and the rest in cash. The Company will pay any costs and transfer tax related to the acquisition of the Company shares.

It was further noted that the committee had proposed that travel and lodging expenses incurred from meetings held elsewhere than in the place of residence of a board member will be paid against invoice.

The general meeting resolved to approve the proposal of the Board of Directors' Nomination and Governance Committee.

**11. RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that according to §4 of the Articles of Association, the Board of Directors consists of no fewer than five (5) and no more than twelve (12) members. The term of office of the board members shall end at the conclusion of the next Annual General Meeting following the election.

It was noted that the Board of Directors' Nomination and Governance Committee had proposed to the general meeting that the number of members of the Board of Directors be resolved to be ten (10) instead of the previous nine (9).

The general meeting resolved, in accordance with the proposal of the Board of Directors' Nomination and Governance Committee, that the number of members of the Board of Directors be ten (10).

## **12. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the Board of Directors comprises of the following nine members: Björn Wahlroos as the Chairman of the Board of Directors, Berndt Brunow as the Deputy Chairman of the Board of Directors and Matti Alahuhta, Piia-Noora Kauppi, Wendy E. Lane, Jussi Pesonen, Ari Puheloinen, Veli-Matti Reinikkala and Kim Wahl as other members, of which Matti Alahuhta had announced that he was no longer available for re-election.

It was noted that the Board of Directors' Nomination and Governance Committee had proposed to the general meeting that the current board members Berndt Brunow, Piia-Noora Kauppi, Wendy E. Lane, Jussi Pesonen, Ari Puheloinen, Veli-Matti Reinikkala, Kim Wahl and Björn Wahlroos be re-elected and that Henrik Ehrnrooth and Suzanne Thoma be elected as new members to the board for a term continuing until the end of the next Annual General Meeting.

Björn Wahlroos, the Chairman of the Board of Directors and its Nomination and Governance Committee, expressed the Company's and the Board of Directors' great gratitude to Matti Alahuhta, who was leaving the board, and wished him luck and success in upcoming challenges. Then, Mr Wahlroos presented the new director candidates Henrik Ehrnrooth and Suzanne Thoma.

It was noted that all director candidates had given their consent to the election.

The general meeting resolved, in accordance with the proposal of the Board of Directors' Nomination and Governance Committee, to elect the aforementioned persons as members of the Board of Directors.

## **13. RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

It was noted that the Board of Directors' Audit Committee had proposed to the general meeting that the remuneration of the Company's auditor be paid against invoices approved by the Board of Directors' Audit Committee.

The general meeting resolved to approve the proposal of the Board of Directors' Audit Committee.

## **14. ELECTION OF AUDITOR**

It was noted that the Board of Directors' Audit Committee had proposed to the general meeting that PricewaterhouseCoopers Oy, Authorised Public Accountants, be re-elected as the Company's auditor for a term that will continue until the end of the next Annual General Meeting. It was recorded that PricewaterhouseCoopers Oy had notified the Company that Authorised Public Accountant Merja Lindh would continue as the auditor in charge.

The general meeting resolved, in accordance with the proposal of the Board of Directors' Audit Committee, to elect PricewaterhouseCoopers Oy, Authorised Public Accountants, as the Company's auditor.

**15. AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES**

It was noted that the Board of Directors had proposed to the general meeting that the Board be authorised to decide on the repurchase of the Company's own shares as follows:

The maximum number of shares that can be repurchased amounts to 50,000,000 shares. The authorisation will also include the right to accept the Company's own shares as a pledge.

The Company's own shares will be repurchased in public trading otherwise than in proportion to the existing shareholdings of the Company's shareholders at the market price quoted at the time of purchase on the trading places where the Company's shares or the certificates entitling to its shares are traded, using the Company's unrestricted shareholders' equity.

The shares will be repurchased to be used as consideration in potential corporate acquisitions, investments or other business-related transactions, to develop the Company's capital structure, or as a part of the Company's incentive programmes, or to be retained by the Company as treasury shares, transferred or cancelled.

The board shall decide on all other matters related to the repurchase of the Company's own shares. The authorisation will be valid for 18 months from the date of the resolution of the general meeting and it will revoke the repurchase authorisation granted by the general meeting on 8 April 2014.

It was recorded that shareholder Heikki Railo presented that own shares could not be acquired for cancellation but did not demand a vote.

The general meeting resolved to authorise the Board of Directors to decide on the repurchase of the Company's own shares in accordance with the Board of Directors' proposal ([Appendix 15](#)).

**16. AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON CHARITABLE CONTRIBUTIONS**

It was noted that the Board of Directors had proposed to the general meeting that the board be authorised to decide on contributions not exceeding a total of EUR 250,000 for charitable or corresponding purposes, and to decide on the recipients, purposes and other terms and conditions of the contributions. The authorisation is proposed to be valid for 12 months from the date of the resolution of the general meeting.

The general meeting resolved to authorise the Board of Directors to decide on contributions for charitable purposes in accordance with the Board of Directors' proposal.

**17. CLOSING OF THE MEETING**

The chairman noted that all the matters on the agenda of the general meeting had been dealt with and that the minutes of the meeting would be available on the corporate website by 23 April 2015 at the latest.

It was recorded that all resolutions were made unanimously unless stated otherwise in the minutes.

The chairman thanked the shareholders and the corporate management and declared the meeting closed at 16:25 hrs.

Chairman of the general meeting:            **JOHAN AALTO**  
Johan Aalto

In fidem:    **MARKUS SKRABB**  
Markus Skrabb

The minutes scrutinized and approved by:            **CHRISTIAN SANDSTRÖM**  
Christian Sandström