

UPM-KYMMENE CORPORATION'S ANNUAL GENERAL MEETING

Time: 7 April 2016 at 14:00 EET

Place: Exhibition & Convention Centre, Conference 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 power of attorneys and proxy documents.

In addition, the members of the Board of Directors, the President and CEO, the lead audit partner, 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, Mr 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 Juha Mäkelä, General 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.

Jan Lundberg and Matti Rusanen 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 10 February 2016 in Helsingin Sanomat and Maaseudun Tulevaisuus. Further, the notice of the meeting had been published on 2 February 2016 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 at the start of the meeting, 3,039 shareholders representing 276,937,383 shares and votes were present at the meeting either in person, or through a legal or proxy representative. 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 made counterproposals. It was further recorded that based on the votes given in advance, a required majority of all shares and votes represented at the meeting 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 2015

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 1 March 2016 and that the original financial statements documents were available at the general meeting (Appendices 6.1 and 6.2).

The President and CEO Jussi Pesonen gave a review of the Company's business operations in 2015. 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 2015.

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 2015, the parent company's distributable funds amounted to EUR 3,532.8 million including EUR 545.0 million profit for the period.

It was noted that the Board of Directors had proposed to the general meeting that a dividend of EUR 0.75 per share be paid and that the remaining portion of the distributable funds be retained in the Company's unrestricted shareholders' equity. No dividend will be distributed to treasury shares. 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 11 April 2016. According to the proposal, the dividend will be paid on 21 April 2016.

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 2015.

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 the 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 board member's place of residence 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 the current ten (10).

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 ten members: Björn Wahlroos as the Chairman of the Board of Directors, Berndt Brunow as the Deputy Chairman of the Board of Directors and Henrik Ehrnrooth, Piia-Noora Kauppi, Wendy E. Lane, Jussi Pesonen, Ari Puheloinen, Veli-Matti Reinikkala, Suzanne Thoma and Kim Wahl as other members.

It was noted that the Board of Directors' Nomination and Governance Committee had proposed to the general meeting that all of the current afore mentioned board members be re-elected to the board for a term continuing until the end of the next Annual General Meeting.

The general meeting resolved, in accordance with the proposal of the Board of Directors' Nomination and Governance Committee, to re-elect the following persons as members of the Board of Directors: Berndt Brunow, Henrik Ehrnrooth, Piia-Noora Kauppi, Wendy E. Lane, Jussi Pesonen, Ari Puheloinen, Veli-Matti Reinikkala, Suzanne Thoma, Kim Wahl and Björn Wahlroos.

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, Authorized 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 Authorized Public Accountant Merja Lindh would continue as the lead audit partner.

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

15. AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AND SPECIAL RIGHTS ENTITLING TO SHARES

It was noted that the Board of Directors had proposed to the general meeting that the board be authorized to decide on the issuance of new shares, transfer of treasury shares and issuance of special rights entitling to shares totaling in aggregate 25,000,000 shares.

The new shares may be issued and the treasury shares transferred either against payment or without payment. The directed share issue may be without payment only if there is an especially weighty financial reason for doing so from the Company's point of view and taking the interests of the Company's all shareholders into

consideration. The subscription price of the new shares and the amount payable for the treasury shares shall be recorded in the reserve for invested non-restricted equity.

The authorization will be valid for three years from the date of the AGM resolution.

The general meeting resolved to authorize the Board of Directors to decide on the issuance of shares and special rights entitling to shares in accordance with the Board of Directors' proposal ([Appendix 15](#)).

16. AUTHORIZING 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 authorized to decide on the repurchase of a maximum of 50,000,000 of the Company's own shares otherwise than in proportion to the existing shareholdings of the Company's shareholders at the market price quoted at the time of purchase using the Company's unrestricted shareholders' equity. The authorization will also include the right to accept the Company's own shares as a pledge.

The authorization will be valid for 18 months from the date of the resolution of the general meeting and it will revoke the repurchase authorization granted by the general meeting on 9 April 2015.

The general meeting resolved to authorize the Board of Directors to decide on the repurchase of the Company's own shares in accordance with the Board of Directors' proposal ([Appendix 16](#)).

17. AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE RECOGNITION OF REVERSAL ENTRIES OF REVALUATIONS IN THE RESERVE FOR INVESTED NON-RESTRICTED EQUITY

It was noted that the Board of Directors had proposed to the general meeting that in connection with the planned changes in the corporate structure, the board be authorized to decide on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity to the extent they cannot potentially be fully recognised in the revaluation reserve. The maximum amount of reversal entries to be recognised in the reserve for invested non-restricted equity would be EUR 158 million.

It was recorded that the Company's auditor had issued a statement according to which the Board of Directors' proposal was in compliance with good accounting practice ([Appendix 17.1](#)).

The authorization will be valid until the next Annual General Meeting.

The general meeting resolved to authorize the Board of Directors to decide on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity in accordance with the Board of Directors' proposal ([Appendix 17.2](#)).

18. AUTHORIZING 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 authorized 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 authorization will be valid until the next Annual General Meeting.

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

It was recorded that shareholder Arvi Kekäläinen proposed that a substantial increase of the authorization be considered for the next year and that contributions be especially granted to universities and educational purposes. Shareholder Jorma Nyysönen supported the proposal.

19. 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 be available on the corporate website by 21 April 2016 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 16:10 EET.

Chairman of the general meeting: JOHAN AALTO
Johan Aalto

In fidem: JUHA MÄKELÄ
Juha Mäkelä

The minutes scrutinized and approved by: CHRISTIAN SANDSTRÖM
Christian Sandström

AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AND SPECIAL RIGHTS ENTITLING TO SHARES

(Agenda item 15)

The Board of Directors proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 7 April 2016 that the Board be authorized to decide on the issuance of new shares and/or the transfer of treasury shares and/or the issuance of special rights entitling to shares as follows:

The aggregate maximum number of new shares that may be issued and treasury shares that may be transferred is 25,000,000 including also the number of shares that can be received on the basis of the special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act.

The new shares and the special rights entitling to shares may be issued and the treasury shares transferred to the Company's shareholders in proportion to their existing shareholdings in the Company, or in a directed share issue, deviating from the shareholder's pre-emptive subscription right, if there is a weighty financial reason for doing so from the Company's point of view, such as using the shares as consideration in potential mergers or acquisitions or in other business-related corporate transactions, for financing of investments, or as a part of the Company's incentive plans.

The Board of Directors may also decide on a share issue without payment to the Company itself. In addition, the Board may decide to issue special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, which carry the right to receive, against payment, new shares in the Company or treasury shares in such a manner that the subscription price of the shares is paid in cash or by using the subscriber's receivable to offset the subscription price.

The new shares may be issued and the treasury shares transferred either against payment or without payment. The directed share issue may be without payment only if there is an especially weighty financial reason for doing so from the Company's point of view and taking the interests of the Company's all shareholders into consideration.

The subscription price of the new shares and the amount payable for the treasury shares shall be recorded in the reserve for invested non-restricted equity.

The Board shall decide on all other matters related to the issuances and transfers of shares and special rights entitling to shares. The authorization will be valid for three (3) years from the date of the resolution of the Annual General Meeting.

Helsinki, 2 February 2016

UPM-Kymmene Corporation

BOARD OF DIRECTORS

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE
COMPANY'S OWN SHARES**

(Agenda item 16)

The Board of Directors proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 7 April 2016 that the Board be authorized to decide on the repurchase of the Company's own shares as follows:

By virtue of the authorization, the Board may decide to repurchase a maximum of 50,000,000 of the Company's own shares. The proposed maximum number of shares corresponds to 9.4 per cent of the Company's registered number of shares at the time of the proposal. The authorization includes also 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 certificates entitling to its shares are traded, using the Company's unrestricted shareholders' equity. The purchase price for the shares will be paid according to the applicable rules of the trading places where the shares have been repurchased.

The shares will be repurchased to be used as consideration in potential mergers or acquisitions, to finance investments or other business-related transactions, to develop the Company's capital structure, or as a part of the Company's incentive plans, 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 authorization will be valid for 18 months from the date of the resolution of the Annual General Meeting. If this authorization is granted, it will revoke the repurchase authorization granted by the Annual General Meeting on 9 April 2015.

Helsinki, 2 February 2016

UPM-Kymmene Corporation

BOARD OF DIRECTORS



Auditor's Statement (Translation)

To the Annual General Meeting of UPM-Kymmene Corporation

The Board of Directors of UPM-Kymmene Corporation has decided to propose to the Annual General Meeting to be held on 7 April 2016 that the Board be authorized to decide on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity in connection with the planned changes in the corporate structure.

The Board of Directors proposes that the Board be authorized to decide on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity to the extent they cannot potentially be fully recognised in the revaluation reserve. The maximum amount of reversal entries to be recognised in the reserve for invested non-restricted equity would be EUR 158 million.

In our opinion, the Board of Directors' proposal on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity is in compliance with good accounting practice.

Helsinki February 2, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

A handwritten signature in blue ink, appearing to read 'Merja Lindh', is written over a faint, light blue grid background.

Merja Lindh
Authorised Public Accountant

AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE RECOGNITION OF REVERSAL ENTRIES OF REVALUATIONS IN THE RESERVE FOR INVESTED NON-RESTRICTED EQUITY

(Agenda item 17)

The Board of Directors proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 7 April 2016 that the Board be authorized to decide on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity in connection with the planned changes in the corporate structure.

The Company announced on 10 December 2015 that it is planning to change its corporate structure in Finland to better match its current business structure in stages business by business. In connection with the change of the corporate structure, the Company will transfer assets to subsidiaries to be incorporated. Revaluations have been made to some of these assets by the Company's predecessor companies. According to the Finnish Accounting Act, transfer of revalued assets requires reversals of revaluations.

The revaluation reserve has been used in the 1980s for share issues without payment to shareholders. Therefore, it is possible that all reversal entries of the revaluations cannot be fully recognised in the revaluation reserve. In this case, reversal entries must be recognised either in retained earnings or in the reserve for invested non-restricted equity.

The Board of Directors proposes that the Board be authorized to decide on the recognition of reversal entries of revaluations made in the balance sheet in the reserve for invested non-restricted equity to the extent they cannot potentially be fully recognised in the revaluation reserve. The maximum amount of reversal entries to be recognised in the reserve for invested non-restricted equity would be EUR 158 million.

The authorization is proposed to be valid until the next Annual General Meeting.

The Company's auditor has issued a statement according to which the Board of Directors' proposal is in compliance with good accounting practice. The auditor's statement is attached to this resolution proposal.

Helsinki, 2 February 2016

UPM-Kymmene Corporation

BOARD OF DIRECTORS