

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

**Time:** 5 April 2018 at 14:00 EET

**Place:** Messukeskus, Kokoustamo, Messuaukio 1, Helsinki, Finland

**Present:** Shareholders present or represented at the meeting and their representatives and assistants are listed 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 Company's Board of Directors except one, the new director nominee, 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**

Lagman 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 matters of order relating to the course of the meeting.

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

Rami Vehmas was elected to scrutinise the minutes.

Christer Holmström and Kristian Gerkman were elected to supervise the counting of votes.

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

In accordance with the article 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 the article 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 14 February 2018 in Helsingin Sanomat and Maaseudun Tulevaisuus. Further, the notice of the meeting had been published on 31 January 2018 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 compliance with the Articles of Association and the Finnish Limited Liability Companies Act and that it was legally convened and constituted a quorum.

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

It was noted that at the beginning of the meeting, 3,386 shareholders representing 278,510,407 shares and votes were present at the meeting either in person, or through a legal or a proxy representative. The list of votes was attached to the minutes ([Appendix 5.1](#)).

The chairman noted that Nordea Bank AB (publ), Finnish Branch, Skandinaviska Enskilda Banken AB (publ), Helsinki Branch and Svenska Handelsbanken AB (publ), Branch Operation in Finland 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 any counterproposals. It was further recorded that based on advance votes, in each agenda item, a required majority of all the shares and votes represented at the meeting was in favour of the Board of Directors' and its committees' proposals. 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 2017**

It was noted that the Annual Report, which includes the Company's Financial Statements, the Report of the Board of Directors, and the Auditor's Report, had been available on the corporate website since 28 February 2018 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 reviewed the corporate operations in 2017.

Thereafter, the lead audit partner Merja Lindh, Authorised Public Accountant from the audit firm PricewaterhouseCoopers Oy, reviewed the Auditor's Report including the key audit matters and presented the Auditor's opinions included in the Auditor's Report.

The Financial Statements, the President and CEO's review and the Auditor's Report were discussed.

It was noted that the Company's 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 for the financial period of 1 January–31 December 2017.

**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 2017, the parent company's distributable funds amounted to EUR 3,739.6 million including EUR 859.2 million profit for the period.

It was noted that the Board of Directors had proposed to the general meeting that a dividend of EUR 1.15 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 9 April 2018. According to the proposal, the dividend will be paid on 19 April 2018.

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 2017.

**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 base fee of EUR 190,000, Deputy Chairman of the Board EUR 135,000 and other members of the Board EUR 110,000.

The Nomination and Governance Committee had further proposed that the annual committee fees remain unchanged and that the members of the Board of Directors' committees be paid the following annual fees:

- the Audit Committee's Chairman EUR 35,000 and members EUR 15,000, and
- the Remuneration Committee's Chairman EUR 20,000 and members EUR 10,000, and
- the Nomination and Governance Committee's Chairman EUR 20,000 and members EUR 10,000.

No annual fees shall be paid to a member of the Board of Directors belonging to the executive management of the Company. The annual base fee will be paid in Company shares and cash so that 40% will be payable in the Company shares to be purchased on the Board members' behalf, and the rest in cash. The Company will pay any costs and transfer tax related to the purchase of the Company shares. Shares thus purchased may not be transferred within two years from the purchase date or until the director's membership in the board has ended, whichever occurs first. The annual committee fees will be paid in cash.

It was further noted that the committee had proposed that travel and lodging expenses incurred from meetings held elsewhere than in a director's place of residence will be paid against invoice. It was also announced that a purchase order, subject to the resolution of the general meeting, had been issued so that the shares will be purchased within two (2) weeks following the release of the Company's Interim Report for the period 1 January–31 March 2018 on 26 April 2018.

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 the article 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 directors are elected for a one-year term and their term of office will end upon closure of the next Annual General Meeting.

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 further noted that Wendy E. Lane was not standing for re-election.

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

Björn Wahlroos, the Chairman of the Board of Directors and its Nomination and Governance Committee, presented the new director nominee Maria (Marjan) Oudeman.

The general meeting resolved, in accordance with the proposal of the Board of Directors' Nomination and Governance Committee, to elect Berndt Brunow, Henrik Ehrnrooth, Piia-Noora Kauppi, Maria (Marjan) Oudeman, Jussi Pesonen, Ari Puheloinen, Veli-Matti Reinikkala, Suzanne Thoma, Kim Wahl and Björn Wahlroos as the 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, a firm of 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 (KHT) 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, a firm of 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 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 authorisation will also include the right to accept the Company's own shares as a pledge.

The authorisation is proposed to be valid for 18 months from the date of the resolution of the general meeting and it would revoke the repurchase authorisation granted by the general meeting on 29 March 2017.

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. RESOLUTIONS ON THE PARTIAL AMENDMENT OF THE ARTICLES OF ASSOCIATION**

**16.1 Resolution on amendments to the article 2 of the Articles of Association**

It was noted that the Board of Directors had proposed to the general meeting that the article 2 (Field of Activity) of the Articles of Association be amended to reflect the Company's businesses more closely.

The general meeting resolved, in accordance with the proposal of the Board of Directors, to amend the article 2 of the Articles of Association to read as follows:

“§2 FIELD OF ACTIVITY

The Company's field of activity is directly, or through its subsidiaries or affiliated companies, to engage in forestry and forest, packaging, chemical and energy industries, to provide related services and to engage in other related business activities, to own, possess and trade in real estate, commodities, shares and other securities and to engage in other investment activities."

#### **16.2 Resolution on amendments to the article 8 of the Articles of Association**

It was noted that the Board of Directors had proposed to the general meeting that the article 8 (Auditor) of the Articles of Association be amended to correspond to the responsibility for the auditor oversight stipulated in the amended Finnish Auditing Act (1141/2015).

The general meeting resolved, in accordance with the proposal of the Board of Directors, to amend the article 8 of the Articles of Association to read as follows:

"§8 AUDITOR

The Annual General Meeting shall elect one (1) Auditor to examine the administration and accounts of the Company. The Auditor shall be a firm of authorised public accountants, whose lead audit partner is an authorised public accountant (KHT).

The term of office of the Auditor shall end at the end of the first Annual General Meeting following the election."

#### **16.3 Resolution on amendments to the article 10 of the Articles of Association**

It was noted that the Board of Directors had proposed to the general meeting that the article 10 (Notice of the General Meeting of Shareholders) of the Articles of Association be amended to the effect that the entire notice of the General Meeting will be published only on the corporate website in line with the prevailing market practice and that the reference to the repealed Chapter 4 of the Finnish Limited Liability Companies Act be removed.

The general meeting resolved, in accordance with the proposal of the Board of Directors, to amend the article 10 of the Articles of Association to read as follows:

"§10 NOTICE OF THE GENERAL MEETING OF SHAREHOLDERS

The notice of the General Meeting of Shareholders shall be published on the Company's website no earlier than three (3) months prior to the closing date referred to in §9 and no later than three (3) weeks prior to the General Meeting of Shareholders, but in any case at the latest nine (9) days before the record date referred to in the Finnish Limited Liability Companies Act."

#### **16.4 Resolution on the removal of the article 12 of the Articles of Association**

It was noted that the Board of Directors had proposed to the general meeting that the article 12 (Obligation to redeem shares in different voting right situations) be removed from the Articles of Association as obsolete and difficult to apply in practice.

The general meeting resolved, in accordance with the proposal of the Board of Directors, to remove the article 12 from the Articles of Association.

**17. 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 500,000 for charitable or corresponding purposes, and to decide on the recipients, purposes and other terms and conditions of the contributions.

Contributions would be primarily granted under the Company's Biofore Share and Care programme whose focus areas are reading and learning, engaging with communities, responsible water use and bioinnovations.

The authorisation is proposed to be valid until the next Annual 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.

**18. 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 19 April 2018 at the latest.

It was recorded that all resolutions were unanimous unless stated otherwise in these minutes or its appendices.

The chairman thanked the shareholders and the corporate management and declared the meeting closed at 16:00 EET.

Chairman of the general meeting: JOHAN AALTO  
Johan Aalto

In fidem: JUHA MÄKELÄ  
Juha Mäkelä

The minutes scrutinised and approved by: RAMI VEHMAS  
Rami Vehmas