

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

**Time:** 4 April 2019 at 14.00 EEST

**Place:** Messukeskus, Siipi, 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, 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 Saara-Maria Helminen, Group Legal 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**

Christer Holmström was elected to scrutinise the minutes.

Jussi Laitinen and Kai Ollikainen were elected to supervise the counting of votes.

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

In accordance with Article 10 of the Articles of Association, the notice of the general meeting of shareholders shall be submitted by publishing the notice of the meeting on the corporate website. Further, pursuant to Article 10 of the Articles of Association, the notice shall be published no earlier than three months prior to the record date of the general meeting, and no later than three weeks prior to the general meeting, but in any case at least nine days prior to the record date of the general meeting.

It was noted that the notice of the meeting had been published as a stock exchange release and on the corporate website on 31 January 2019. 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 its convocation had been lawful and that it 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, 3,561 shareholders representing 267,750,041 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 Abp, Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, Svenska Handelsbanken AB (publ), Branch Operation in Finland and Euroclear Bank SA/NV 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' 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 2018**

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 2019 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 2018.

Thereafter, the lead audit partner Merja Lindh, Authorised Public Accountant from the audit firm PricewaterhouseCoopers Oy, 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 2018.

**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 2018, the parent company's distributable funds amounted to EUR 3,906.3 million including EUR 780.4 million profit for the period.

It was noted that the Board of Directors had proposed to the general meeting that a dividend of EUR 1.30 per share be distributed and that the remaining portion of the distributable funds be retained in the Company's non-restricted 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 8 April 2019. According to the proposal, the dividend will be paid on 17 April 2019.

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 2018.

**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 fees of the members of the Board of Directors' committees 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 approximately 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.

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 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 continue until the end 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' Nomination and Governance Committee had proposed to the general meeting that all incumbent directors be re-elected to the Board.

The general meeting resolved, in accordance with the proposal of the Board of Directors' Nomination and Governance Committee, to re-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 to the Board for a one-year term which will end upon the closure of the next Annual General Meeting.

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

It was noted that the Board of Directors 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 Board of Directors' proposal.

**14. ELECTION OF AUDITOR**

It was noted that the Board of Directors 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) Mikko Nieminen would serve as the lead audit partner.

The general meeting resolved, in accordance with the Board of Directors' proposal, 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 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 authorised to decide on the issuance of new shares, transfer of treasury shares and issuance of special rights entitling to shares totalling a maximum of 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 authorisation is proposed to be valid for 18 months from the date of the resolution if the general meeting and it would revoke share issue authorisation granted by the general meeting on 7 April 2016.

The general meeting resolved to authorise 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. 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 also includes 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 5 April 2019.

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 16](#)).

**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.

