

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is given to the shareholders of UPM-Kymmene Corporation of the Annual General Meeting to be held on Thursday, 4 April 2019 starting at 14.00 (EEST) at Messukeskus, Messuaukio 1, Helsinki, Finland (Messukeskus Siipi entrance). The reception of attendees who have preregistered for the meeting and the distribution of voting tickets will commence at 13.00 (EEST).

A. Matters on the agenda of the Annual General Meeting

- 1. Opening of the meeting**
- 2. Calling the meeting to order**
- 3. Election of persons to scrutinise the minutes and to supervise the counting of votes**
- 4. Recording the legality of the meeting**
- 5. Recording the attendance at the meeting and adoption of the list of votes**
- 6. Presentation of the Financial Statements, the Report of the Board of Directors and the Auditor's Report for the year 2018**
 - Review by the President and CEO
- 7. Adoption of the Financial Statements**
- 8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

The Board of Directors proposes that a dividend of EUR 1.30 per share be paid based on the balance sheet to be adopted for the financial year ending 31 December 2018. 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. The Board of Directors proposes that the dividend be paid on 17 April 2019.

- 9. Resolution on the discharge of the members of the Board of Directors and the President and CEO from liability**
- 10. Resolution on the remuneration of the members of the Board of Directors**

The Board of Directors' Nomination and Governance Committee proposes that the remuneration of the members of the Board of Directors remain unchanged and that the 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 further proposes that the annual committee fees remain unchanged and that the members of the Board of Directors' committees be paid annual fees as follows:

- Audit Committee: Chairman EUR 35,000 and members EUR 15,000
- Remuneration Committee: Chairman EUR 20,000 and members EUR 10,000
- Nomination and Governance Committee: 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 is proposed to 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 are proposed to be paid in cash.

In addition, the Board of Directors' Nomination and Governance Committee proposes that travel and lodging expenses incurred from meetings held elsewhere than in a director's place of residence will be paid against invoice.

11. Resolution on the number of members of the Board of Directors

The Board of Directors' Nomination and Governance Committee proposes that the number of members of the Board of Directors be resolved to be the current ten (10).

12. Election of members of the Board of Directors

The Board of Directors' Nomination and Governance Committee proposes that all the incumbent directors, i.e. Berndt Brunow, Henrik Ehrnrooth, Piia-Noora Kauppi, Marjan Oudeman, Jussi Pesonen, Ari Puheloinen, Veli-Matti Reinikkala, Suzanne Thoma, Kim Wahl and Björn Wahlroos, be re-elected to the Board. The directors are elected for a one-year term and their term of office will end upon closure of the next Annual General Meeting. All director nominees have given their consent to the election. The nominees' biographical details are available on the corporate website under <http://www.upm.com/agm2019>.

The Board of Directors has assessed the director nominees' independence based on the Finnish Corporate Governance Code's independence criteria and other factors and circumstances to be taken into account in the overall evaluation from both the standpoint of the company and the nominees. The Board has also taken into account information provided by the nominees.

According to the evaluation carried out by the Board, all director nominees are independent of the Company's significant shareholders as none of the Company shareholders holds 10 percent or more of the Company's shares or votes attached thereto. In addition, according to the Board's director-specific overall evaluation, all non-executive director nominees are independent of the Company including Berndt Brunow, Veli-Matti Reinikkala and Björn Wahlroos, although they have been, if re-elected, non-executive directors for 10 consecutive years or more. Based on the Board's overall evaluation of these director nominees' independence, their independence is not compromised due to their long service history, and no other factors or circumstances have been identified that could impair their independence. As the President and CEO of the Company, Jussi

Pesonen is not independent of it. According to the Board Charter, the President and CEO may not be a member of any of the Board committees.

13. Resolution on the remuneration of auditor

Based on the proposal prepared by the Audit Committee, the Board of Directors proposes that the remuneration of the Company's auditor be paid against invoices approved by the Board of Directors' Audit Committee.

For the year 2018, the Company's auditor was paid EUR 2.4 million as audit fee, EUR 0.0 million for audit-related services, EUR 0.3 million for tax services and EUR 0.5 million for other non-audit services.

14. Election of auditor

Based on the proposal prepared by the Audit Committee, the Board of Directors proposes 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.

PricewaterhouseCoopers Oy has notified the Company that Authorised Public Accountant (KHT) Mikko Nieminen would be the lead audit partner succeeding Authorised Public Accountant (KHT) Merja Lindh.

15. Authorising the Board of Directors to decide on the issuance of shares and special rights entitling to shares

The Board of Directors proposes 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 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 authorisation will be valid for 18 months from the date of the resolution of the Annual General Meeting. If this authorisation is granted, it will revoke the share issue authorisation granted by the Annual General Meeting on 7 April 2016.

16. Authorising the Board of Directors to decide on the repurchase of the Company's own shares

The Board of Directors proposes that the Board be authorised to decide on the repurchase of 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 authorisation would 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 certificates entitling to its shares are traded, using the Company's non-restricted shareholders' equity.

The shares will be repurchased to be used as a 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 authorisation is proposed to be valid for 18 months from the date of the resolution of the Annual General Meeting. If this authorisation is granted, it will revoke the repurchase authorisation granted by the Annual General Meeting on 5 April 2018.

17. Authorising the Board of Directors to decide on charitable contributions

The Board of Directors proposes that the Board be authorised to decide on contributions not exceeding a total of EUR 500,000 for charitable or corresponding purposes and that the Board be authorised 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.

18. Closing of the meeting

B. Documents of the Annual General Meeting

The proposals for the resolutions on the matters on the agenda of the Annual General Meeting as well as this notice are available on UPM-Kymmene Corporation's website at www.upm.com/agm2019. The Annual Report of UPM-Kymmene Corporation, including the

Company's Financial Statements, the Report of the Board of Directors and the Auditor's Report, is available on the above-mentioned website as of 28 February 2019. The proposals for the resolutions and the Financial Statements are also available at the venue of the Annual General Meeting. The minutes of the Annual General Meeting will be available on the above-mentioned website as of 18 April 2019 at the latest.

C. Instructions for the participants of the Annual General Meeting

1. The right to participate and registration

Each shareholder, who is registered on 25 March 2019 in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the shareholders' register of the Company.

A shareholder, who is registered in the shareholders' register of the Company and who wishes to participate in the Annual General Meeting, shall preregister for the meeting no later than 28 March 2019 by 16.00 (EET) by giving a prior notice of attendance, which shall be received by the Company no later than on the above-mentioned date and time.

Such notice can be given:

- a) on the corporate website www.upm.com/agm2019;
- b) by telephone +358 (0)20 770 6861 from Monday to Friday from 9.00 to 16.00 (EET) or
- c) by ordinary mail to UPM-Kymmene Corporation, Legal Function, PO Box 380 (Alvar Aallon katu 1), FI-00101 Helsinki.

In connection with the prior notice of attendance, a shareholder shall notify his/her name, personal/business identification number, address, telephone number, the name of a possible assistant and the name and personal identification number of a possible proxy representative. The personal data is used only in connection with the Annual General Meeting and processing of related registrations.

2. Holders of nominee registered shares

A holder of nominee registered shares has the right to participate in the Annual General Meeting by virtue of such shares, based on which he/she on the record date of the Annual General Meeting, i.e. on 25 March 2019, would be entitled to be registered in the shareholders' register of the Company held by Euroclear Finland Ltd. The right to participate in the Annual General Meeting requires, in addition, that the shareholder on the basis of such shares has been temporarily preregistered in the shareholders' register held by Euroclear Finland Ltd by 10.00 (EEST) on 1 April 2019 at the latest. As regards nominee registered shares, this constitutes a due registration for the Annual General Meeting.

A holder of nominee registered shares is advised to request without delay necessary instructions regarding the temporary registration in the shareholders' register of the Company, the issuing of proxy documents and preregistration for the Annual General Meeting from his/her custodian bank. The account manager of the custodian bank has to register a holder of nominee registered shares, who wishes to participate in the Annual General Meeting, temporarily in the shareholders' register of the Company by the time stated above at the latest.

3. Proxy representative and powers of attorney

A shareholder may participate in the Annual General Meeting and exercise his/her rights at the meeting by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Annual General Meeting.

Holders of ADRs may authorise the ADR depository bank, Citibank N.A., to act as a proxy representative and exercise their rights according to the shares represented by their respective ADRs.

When a shareholder participates in the Annual General Meeting by means of several proxy representatives representing the shareholder with shares at different book-entry accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the Annual General Meeting.

Possible proxy documents should be submitted in originals to UPM-Kymmene Corporation, Legal Function, PO Box 380 (Alvar Aallon katu 1), FI-00101 Helsinki, Finland, prior to the end of the preregistration period.

4. Other information

Pursuant to Chapter 5, Section 25 of the Finnish Limited Liability Companies Act, a shareholder who is present at the Annual General Meeting has the right to request information with respect to the matters to be considered at the meeting.

On the date of the notice of the Annual General Meeting, 31 January 2019, the Company has 533,735,699 shares representing the same number of votes.

Helsinki, 31 January 2019

UPM-KYMMENE CORPORATION

BOARD OF DIRECTORS