

PROPOSAL TO THE ANNUAL GENERAL MEETING

ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

(Agenda item 13)

The Board of Directors' Nomination and Governance Committee proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 31 March 2020 that the following incumbent directors be re-elected to the Board: Berndt Brunow, Henrik Ehrnrooth, Piia-Noora Kauppi, Marjan Oudeman, Ari Puheloinen, Veli-Matti Reinikkala, Kim Wahl and Björn Wahlroos. The Nomination and Governance Committee further proposes that Emma FitzGerald and Martin à Porta be elected as new directors to the Board. The directors will be 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.

Suzanne Thoma and Jussi Pesonen have announced that they are not available for re-election.

The new director nominee Emma FitzGerald (born 1967) is a UK citizen and holds a doctorate in surface chemistry and solid-state physics (D.Phil.) from the Oxford University and a master's degree in business administration (MBA) from the Manchester Business School. FitzGerald is the CEO of Puma Energy Ltd, a global energy company delivering energy services and associated infrastructure to business and retail customers in Africa, Central and Southern America and Asia. Prior to that, she was involved in the UK utility industry leading gas, water & waste networks for the UK National Grid and Severn Trent plc. Previously, she made over 20-year career with Shell around the world running among others, downstream retail, lubricants & LPG (liquefied petroleum gas) businesses.

FitzGerald has served on boards in both executive and non-executive director positions in Severn Trent plc, Cookson Group plc, Alent plc and DCC plc and she has also served in the audit, remuneration and nomination committees in these corporations except Severn Trent plc where she was an executive director. She is currently an advisor to the Singapore Government Prime Minister's Office and sits on the Advisory Board of Oxford Sciences Innovation.

The new director nominee Martin à Porta (born 1970) is a Swiss citizen and holds a master's degree in engineering (M.Sc.) from Swiss Federal Institute of Technology. He is now acting as Senior Advisor in the private equity market. From November 2015 until February 2019, à Porta served as the President and CEO of Pöyry Plc, an international consulting and engineering company, providing services in power generation, transmission and distribution, forest industry, biorefining and chemicals, mining and metals, infrastructure as well as water and environment. Pöyry was acquired by ÅF AB in 2018. Following the completion of the transaction, à Porta was responsible for ÅF Pöyry's Management Consulting Division until October 2019. Before Pöyry, à Porta made a long career in different leadership positions in Switzerland, China, Hong Kong and Qatar with Siemens, which he joined in 2001, latest as the CEO responsible for Siemens Building Technologies Division Europe between 2012–2015.

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

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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.

Helsinki, 30 January 2020

UPM-Kymmene Corporation

BOARD OF DIRECTORS