



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 12 April 2023 that the following incumbent directors be re-elected to the Board: Henrik Ehrnrooth, Emma FitzGerald, Jari Gustafsson, Piia-Noora Kauppi, Topi Manner, Marjan Oudeman, Martin à Porta and Kim Wahl. The Nomination and Governance Committee further proposes that Pia Aaltonen-Forsell be elected as a new director 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.

Björn Wahlroos has announced that he is not available for re-election.

The new director nominee Pia Aaltonen-Forsell (born 1974) is a Finnish citizen and holds a Master's degree in Social Science (Economics) from University of Helsinki and a Master's degree in Business and Administration (MBA) from University of Reading, Henley Business School. Aaltonen-Forsell has been the Chief Financial Officer of Outokumpu Oyj and member of Outokumpu Leadership team since 2019. Previously she has worked as Executive Vice President and Chief Financial Officer of Ahlström-Munksjö Oyj 2015-2019, Chief Financial Officer of Vacon Ltd 2013-2015, and in various Senior Vice President, Group Controller and other finance and managerial positions at Stora Enso Oyj 2000-2013. She has also been a member of Uponor Corporation's Board of Directors since 2017. Ms Aaltonen-Forsell has informed the Company that she will not be available for re-election to Uponor Corporation's Board of Directors in Uponor Corporation's Annual General Meeting 2023.

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 and concluded that all director nominees are independent of the Company's significant shareholders, and that all director nominees are non-executive and independent of the Company. Kim Wahl and Piia-Noora Kauppi, if re-elected, would be non-executive directors for more than 10 consecutive years. However, their independence is not compromised due to their service history, and no other factors or circumstances have been identified that could impair their independence. Mr Wahl has been a member of the Company's Board of directors since 2012 and Ms Kauppi since 2013.

If the Annual General Meeting resolves to elect the Board members in accordance with this proposal, the Board is planning to resolve in its constitutive meeting that Mr Ehrnrooth be appointed as the Board Chairman. Based on the preparations of the Nomination and Governance Committee and having taken into account also the needs for continuity as well as Mr. Ehrnrooth's time commitments, the Board considers Mr Ehrnrooth to have such ability and professional experience that together with his knowledge of UPM and its businesses form a solid standing for him to lead the Company's Board and act as the Board Chairman. Given that Mr. Ehrnrooth is the President and CEO of KONE Corporation, the Board was aware of the need to analyse Mr. Ehrnrooth's capacity to dedicate sufficient time to the responsibilities of the Chair. Board wants to take this opportunity to expound on the rationale of its conclusion.

Continuity

The Company's long-standing Board Chairman, Mr Wahlroos, announced that the term that commenced on 29 March 2022 will be his last as Chairman (Stock Exchange Release on 29 March 2022). In addition, UPM's long-standing President and CEO Jussi Pesonen announced that he

will exercise his right to retire from UPM during 2024 (Stock Exchange Release on 18 October 2022).

Considering the current status of the ongoing strategic projects, growth opportunities and the positive development of the Company, the incumbent Board of Directors considers it essential that the Board Chairman be a longstanding member of UPM's Board of Directors, with extensive and versatile experience from the Company's businesses. The Board expects that Mr. Ehrnrooth's appointment would contribute positively to the continuous effectiveness of the Board.

Time commitments

As regards Mr Ehrnrooth's commitment to the Company, the Board has noted first that Mr Ehrnrooth has attended all of the Board and Committee meetings in 2022. He was first elected to the Board in 2015, and during his entire seven-year term he has only been absent from 5 out of 80 meetings (attendance rate 94%). Mr Ehrnrooth has reviewed with the Nomination and Governance Committee his detailed time commitments and his ability to dedicate sufficient time to both his role as the President and CEO of KONE Corporation as well as the anticipated role as the Chairman of UPM. His role as the President and CEO provides deep insight into development of the economic and business environment, which is critical for the role of the Chairman. Furthermore, working closely with Mr Wahlroos as Deputy Chairman at UPM, Mr Ehrnrooth has become acquainted with the workload and requirements of the Chairman. Mr Ehrnrooth has confirmed that he will not accept any new mandates as long as he would hold the role of CEO of KONE and his potential Chairmanship in UPM.

Based on the information received from Mr Ehrnrooth and the assessment of the Nomination and Governance Committee, the Board of Directors has concluded that Mr Ehrnrooth has sufficient time for the Chairman role in UPM's Board.

As a conclusion, the Board of Directors has assessed that Mr Ehrnrooth is the best candidate to be appointed for the Company's Chairman role, if elected to the Board of Directors in the Annual General Meeting 2023.

The biographical details of all director nominees are available at upm.com/agm2023.

Helsinki, 2 February 2023

UPM-Kymmene Corporation

BOARD OF DIRECTORS