
PROPOSAL CONCERNING THE AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AND SPECIAL RIGHTS ENTITLING TO SHARES OF THE COMPANY

The Board of Directors (the "Board") proposes to the Annual General Meeting of Shareholders of UPM-Kymmene Corporation (the "Company") to be held on 22 March 2010 that the Board be authorised to decide to issue new shares and/or transfer the Company's own shares held by the Company and/or issue special rights entitling to shares of the Company on the following terms:

Maximum Number of Shares to be issued

The maximum number of the new shares that may be issued and the Company's own shares held by the Company that may be transferred is in the aggregate 25,000,000 shares 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 Companies Act.

Shareholders' pre-emptive subscription rights and directed issue

The new shares and special rights entitling to shares of the Company may be issued and the Company's own shares held by the Company may be 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, provided that the Company has a weighty financial reason for doing so, such as financing of corporate acquisitions, investments or other business operations, or using the shares as part of the Company's incentive programmes.

Share issue without payment to the Company itself and issue of Special Rights

The Board may decide on a share issue without payment to the Company itself. In addition, the Board may issue special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive, against payment, new shares of the Company or the Company's own shares held by the Company in such a manner that the subscription price of the shares is paid in cash or by using the subscriber's receivable to set off the subscription price.

In accordance with Chapter 9, Section 20 of the Finnish Companies Act, a public company may not decide on the free of payment issue to the company itself, if the total number of the Company's own shares held by the company and its subsidiaries would then exceed one tenth (1/10) of all of the shares of the company.

Payment of shares

The new shares may be issued and the own shares held by the Company may be transferred either against payment or without of payment. The directed share issue may be without payment only in case there is an

especially weighty financial reason when taking into consideration the interests of the Company and all its shareholders.

The subscription price of the new shares and the amount payable for the Company's own shares shall be recorded in the reserve for invested unrestricted equity.

Other Terms and Validity

The Board shall decide on all other matters related to the issues and transfers of shares and special rights entitling to shares. The authorisation is valid until 22 March 2013.

In Helsinki, on 2 February 2010

BOARD OF DIRECTORS