

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE  
COMPANY'S OWN SHARES**

(Agenda item 16)

The Board of Directors proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 7 April 2016 that the Board be authorized to decide on the repurchase of the Company's own shares as follows:

By virtue of the authorization, the Board may decide to repurchase 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 authorization includes also 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 unrestricted shareholders' equity. The purchase price for the shares will be paid according to the applicable rules of the trading places where the shares have been repurchased.

The shares will be repurchased to be used as 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 authorization will be valid for 18 months from the date of the resolution of the Annual General Meeting. If this authorization is granted, it will revoke the repurchase authorization granted by the Annual General Meeting on 9 April 2015.

Helsinki, 2 February 2016

UPM-Kymmene Corporation

BOARD OF DIRECTORS