



**CHARTER OF
THE BOARD OF
DIRECTORS'
NOMINATION
AND GOVERNANCE
COMMITTEE**

NOMINATION AND GOVERNANCE COMMITTEE CHARTER

This Nomination and Governance Committee Charter was adopted by the Board of Directors (the “Board”) of UPM-Kymmene Corporation (the “Company”) on 31 May 2006 and has been last amended on 25 May 2023.

1 Purpose

The primary purposes of the Nomination and Governance Committee of the Board (the “Committee”) are to:

1.1 Identify individuals qualified to serve as directors and prepare the proposal regarding nominees for election or re-election to the Board and their remuneration to be approved by the general meeting of shareholders;

1.2 Identify individuals qualified to serve as the President and CEO of the Company; and

1.3 Develop and recommend to the Board a set of corporate governance principles (Board Charter and Diversity Policy of the Board) applicable to the Company and review on a regular basis the overall corporate governance of the Company.

2 Composition

2.1 Members.

The Committee shall have at least three members appointed by the Board upon the recommendation of the Committee.

2.2 Qualifications.

The members of the Committee shall meet the independence criteria applicable to committee members of publicly listed companies in Finland. The Committee shall consist of non-executive members only. The Committee members shall have the expertise and experience required for the performance of the Committee duties and responsibilities. Desirable qualifications for

Committee members include experience in corporate governance, business management, personnel or human resources management, and organisational behavior.

2.3 Chair.

The Chair of the Committee will be appointed by the Board upon the recommendation of the Committee.

2.4 Removal and Replacement.

The Committee members may be removed and replaced, and any vacancies of the Committee will be filled, by the Board.

3 Operations

3.1 Meetings.

The Committee shall establish its own schedule and meet as frequently as necessary to carry out its responsibilities under this Charter. The Chair of the Committee shall set up the agenda for each committee meeting in consultation with appropriate executives of the Company. Any Committee member may submit items to be included in the agenda. The Chair of the Committee shall supervise the conduct of the meetings and shall have other responsibilities which the Committee may designate from time to time.

The Committee members shall meet without members of the management present as necessary. The Committee meetings may be held by telephone or electronically.

3.2 Report to Board.

The Committee shall report regularly to the Board and submit to the Board the minutes of its meetings.

3.3 Review of Charter.

The Committee shall review and reassess the adequacy of this Charter periodically and propose any changes it considers necessary to the Board for approval.

3.4 Annual Evaluation.

The Committee shall conduct an annual evaluation of its performance and working methods and report to the Chair of the Board on the results of such evaluation.

4 Authority

The Committee has the authority to take appropriate actions necessary to perform its duties. Such actions may include:

4.1 Engagement of External Advisors.

Engage and dismiss any search firm to be used to identify director or President and CEO candidates and to retain independent advisors as the Committee deems appropriate with the sole authority to approve such search firm’s or advisors’ fees and other retention terms. The Chair of the Board shall be informed about the engagement of external advisors.

4.2 Subcommittees.

Form, and delegate any of its responsibilities to subcommittees which are solely comprised of one or more members of the Committee if determined to be necessary or advisable.

5 Duties and Responsibilities

The Committee shall have the following specific duties and responsibilities:



HUGO SIMBERG
1899



DAGMAR KÄRNÄ
1942



TOIVO VALKONEN
1956



ERIK BRUUN
1981



ESA OJALA
1989

5.1 Succession Planning of the President and CEO.

Prepare and at least annually review the succession plan for the President and CEO and report to the Board on succession plan.

5.2 Preparation of the appointment of the President and CEO.

Identify individuals qualified to serve as the President and CEO and make recommendations to the Board for its approval of the appointment of the President and CEO.

5.3 Service Agreement and Severance Arrangement of the President and CEO.

Make recommendations to the Board concerning the terms of service agreement with the President and CEO and any severance arrangement or retention plan or agreement in addition to or in replacement of such agreements.

5.4 Major Management Reorganisations.

Assist the Board in connection with major management reorganisations based on preparation and proposals by the President and CEO.

5.5 Annual Evaluation of Board Composition.

Review annually the structure, size, composition, diversity and successional needs of the Board as a whole including whether the Board reflects an appropriate balance of sound judgment and a diverse range of business expertise, skills, experience, independence, availability of service to the Company and other desired qualities.

5.6 Director remuneration.

Assist the Board in the preparation of the remuneration policy and annual remuneration reports together with the Remuneration Committee. In addition, the Committee shall review director remuneration annually and prepare a proposal to the General Meeting for the directors’ annual remuneration in accordance with the remuneration policy. The Committee shall also present the proposal for the director remuneration to the General Meeting.

5.7 Evaluation of Director Independence.

Assist the Board in monitoring the compliance with the independence criteria applicable to directors of publicly listed companies in Finland on an ongoing basis, and in the evaluation of the independence of the directors and director nominees. The Committee shall also assist the Board in the assessment of the directors’ ability to devote the necessary time and attention to the Company.

5.8 Evaluation and Identification of Director Candidates.

Identify candidates for election or re-election to the Board in accordance with the principles and criteria set forth in the Board Charter and in the Diversity Policy of the Board. In addition, the Committee shall evaluate proposals made by shareholders, if any. The Committee shall report to the Board periodically on such efforts.

5.9 Board Members and Chair and Deputy Chair.

Prepare annually the proposal to the General Meeting for the election or re-election of the members of the Board and present the said proposal to the General Meeting. Furthermore, the Committee shall recommend the appointment of the Chair and the Deputy Chair of the Board for Board approval.

5.10 Annual Review and Recommendation of Committees.

Review annually committee assignments and the composition of the committees. The Committee will consider the rotation of committee members with a view towards balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors. It will recommend annually to the Board nominees for each Board committee as well as chairs of the committees.

5.11 Board and Committee Assistance.

Establish criteria for and assist the Board and the committees in their annual evaluation of their performance and working methods.

5.12 Board and Committee Charters.

Review and reassess periodically with the Board the adequacy of the Board and Committee Charters.

5.13 Other Duties.

Perform any other duties or responsibilities delegated to the Committee by the Board from time to time.