



**CHARTER OF  
THE BOARD OF  
DIRECTORS'  
REMUNERATION  
COMMITTEE**

## REMUNERATION COMMITTEE CHARTER

This Remuneration 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 Remuneration Committee of the Board (the “Committee”) are to:

**1.1** Assist the Board with its responsibilities relating to the preparation of the Company’s remuneration principles and practices including remuneration schemes and plans;

**1.2** Assist the Board in the preparation and review of the remuneration policy and annual remuneration reports together with the Nomination and Governance Committee;

**1.3** Assist the Board with its responsibilities relating to the performance and remuneration of the President and CEO and other members of the senior management who report directly to the President and CEO (the “CEO Reports”); and

**1.4** Review appropriate succession planning procedures for the senior management.

### 2 Composition

#### 2.1 Members.

The Committee shall have at least three members appointed by the Board upon the recommendation of the Nomination and Governance 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 business management, executive remuneration and employee benefits.

#### 2.3 Chair.

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

#### 2.4 Removal and Replacement.

The members of the Committee may be removed or replaced and any vacancies of the Committee will be filled by the Board upon the recommendation of the Nomination and Governance Committee.

### 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 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 Nomination and Governance Committee 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.

Obtain advice and assistance from internal or external advisors. The Chair of the Board or the President and CEO shall be informed about the engagement of external advisors.

#### 4.2 Information Requests.

Seek any information it requires from employees or external parties. Employees and external parties will be directed to co-operate and comply with the Committee’s requests.

#### 4.3 Meetings with Auditors and Executives.

Meet with the senior internal auditor, Company executives and/or auditors, as necessary.

#### 4.4 Meetings without Executives.

Meet without members of the executive management present at least once a year.

#### 4.5 Subcommittees.

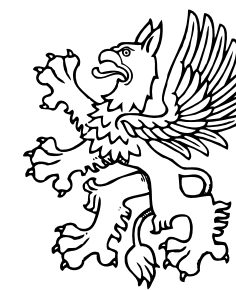
Form and delegate any of its responsibilities to subcommittees which are solely comprised of one or more members of the Committee, if determined to be necessary or advisable.



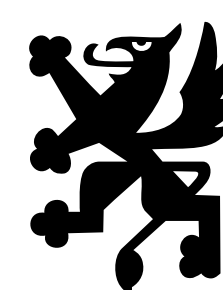
HUGO SIMBERG  
1899



DAGMAR KÄRNÄ  
1942



TOIVO VALKONEN  
1956



ERIK BRUUN  
1981



ESA OJALA  
1989

### 5 Duties and Responsibilities

Among its specific duties and responsibilities, the Committee shall:

#### 5.1 Remuneration Policy.

Prepare the remuneration policy for the Board approval and review its appropriateness at least annually. Present the remuneration policy to shareholders at the annual general meeting.

#### 5.2 Remuneration Report.

Prepare remuneration report for the Board approval annually. Present the remuneration report to shareholders at the annual general meeting.

#### 5.3 Remuneration Schemes and Plans.

Review and make recommendations to the Board with respect to the Company’s remuneration schemes and annually commencing plans, including short-term incentive plans, long-term incentive plans, and pension plans.

#### 5.4 Performance Measures.

Review and make recommendations to the Board with regard to short- and long-term performance measures and related targets and weightings relevant to the remuneration of the Company’s President and CEO and CEO Reports.

#### 5.5 Performance and Remuneration of the President and CEO.

At least annually evaluate the President and CEO’s performance in light of the set targets, and, based on such evaluation and achievement of the set targets, recommend to the

Board for approval the remuneration of the President and CEO, including salary, short-term incentives and long-term incentives as well as other financial benefits, if any.

In recommending the long-term incentive component of the President and CEO’s remuneration, the Committee will consider the Company’s performance and total shareholder return, the compensation of chief executive officers in peer companies, previous rewards given to the President and CEO, the President and CEO’s overall performance and any such other factors as the Committee deems appropriate.

#### 5.6 Performance and Remuneration of CEO Reports.

At least annually, review the performance of the CEO Reports based on the evaluation and proposal of the President and CEO, and recommend to the Board for approval the remuneration of such CEO Reports, including salary, short-term incentives and long-term incentives as well as other financial benefits, if any.

In reviewing the proposals of the President and CEO, the Committee shall take account of the individual’s reported performance in the light of the set short- and long-term targets. Further, the Committee shall take account of the Company’s overall performance and comparable compensation paid to executives in similar positions in peer companies.

#### 5.7 Service Agreements and Severance Arrangements.

Make recommendations to the Board concerning the terms of service

agreements with any CEO Report and any severance arrangements or retention plans or agreements in addition to or in replacement of such contracts.

#### 5.8 Administration of Plans.

Oversee the administration of the Company’s short- and long-term incentive plans and any other plans adopted by the Board that contemplate oversight by the Committee.

The Committee shall annually review the Company’s share ownership recommendations to determine whether the recommendations meet the stated objectives of each plan and to what extent the recommendations have been followed. If deemed appropriate, the Committee shall propose modifications to the recommendations.

#### 5.9 Succession Planning.

At least annually review the procedures and development strategies for senior level positions and succession plans for the CEO Reports and report to the Board on such matters.

#### 5.10 Oversee Regulatory Compliance.

In consultation with appropriate executives of the Company, oversee regulatory compliance with respect to remuneration matters.

#### 5.11 Other Delegated Duties and Responsibilities.

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