

**RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS AND
ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS**

(Agenda items 11 and 12)

The Board of Directors' Nomination and Governance Committee proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 8 April 2014 that the number of members of the Board of Directors be resolved to be nine (9) instead of current ten (10).

In addition, the Board of Directors' Nomination and Governance Committee proposes that the current Board members Matti Alahuhta, Berndt Brunow, Piia-Noora Kauppi, Wendy E. Lane, Jussi Pesonen, Veli-Matti Reinikkala, Kim Wahl and Björn Wahlroos be re-elected and that Ari Puheloinen be elected as a new Board member for a term continuing until the end of the next Annual General Meeting. Said Director nominees have given their consents to the election.

Karl Grotenfelt has informed that he will not stand for re-election having reached the age of 70 at the beginning of the year. Ursula Ranin has informed that she is no longer available for re-election.

The new Director candidate General Ari Puheloinen (born 1951) is the Commander of the Finnish Defence Forces. In his consent General Puheloinen has announced that due to his current obligations he will be able to participate in the Board work as of 1 August 2014. General Puheloinen's term of office as the Commander of the Defence Forces will end on 31 July 2014. The Nomination and Governance Committee proposes that General Puheloinen be entitled to the Director's fee only for the period he will participate in the Board work, i.e. in this case 2/3 of the annual fee.

The Board of Directors' Nomination and Governance Committee has assessed the independence of the Director nominees on the basis of the independence criteria of the Finnish Corporate Governance Code. According to the Committee's assessment, the Director nominees are independent of both the Company and its significant shareholders with the exception of Jussi Pesonen who as the President and CEO of the Company is not independent of the Company.

Helsinki, 30 January 2014

UPM-Kymmene Corporation

NOMINATION AND GOVERNANCE COMMITTEE
OF
THE BOARD OF DIRECTORS