

RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

(Agenda item 10)

The Board of Directors' Nomination and Governance Committee proposes that the remuneration of the Board of Directors be raised, as it has remained unchanged since 2007, and that Chairman of the Board of Directors be paid an annual base fee of EUR 190,000 (previously EUR 175,000), Deputy Chairman of the Board EUR 135,000 (previously EUR 120,000) and other members of the Board EUR 110,000 (previously EUR 95,000).

The Nomination and Governance Committee further proposes that the following annual committee fees be paid to the members of the committees of the Board of Directors:

- Nomination and Governance Committee: Chairman EUR 20,000 and members EUR 10,000
- Audit Committee: Chairman EUR 35,000 and members EUR 15,000
- Remuneration Committee: Chairman EUR 20,000 and members EUR 10,000.

No annual fees shall be paid to a member of the Board of Directors belonging to the executive management of the Company.

The annual base fee is proposed to be paid in Company shares and cash so that 40% will be payable in the Company shares to be purchased on the Board members' behalf, and the rest in cash. The Company will pay any costs and transfer tax related to the purchase of the Company shares. Shares thus purchased may not be transferred within two years from the purchase date or until the director's membership in the Board has ended, whichever occurs first. The annual committee fees are proposed to be paid in cash.

In addition, the Board of Directors' Nomination and Governance Committee proposes that travel and lodging expenses incurred from meetings held elsewhere than in a director's place of residence will be paid against invoice.

Helsinki, 31 January 2017

UPM-Kymmene Corporation

NOMINATION AND GOVERNANCE COMMITTEE
OF
THE BOARD OF DIRECTORS