

**AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES
AND SPECIAL RIGHTS ENTITLING TO SHARES**

(Agenda item 15)

The Board of Directors proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 4 April 2019 that the Board be authorised to decide on the issuance of new shares, transfer of treasury shares and issuance of special rights entitling to shares as follows:

The aggregate maximum number of new shares that may be issued and treasury shares that may be transferred is 25,000,000 including also the number of shares that can be received on the basis of the special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act.

The new shares and the special rights entitling to shares may be issued and the treasury shares transferred to the Company's shareholders in proportion to their existing shareholdings in the Company, or in a directed share issue, deviating from the shareholder's pre-emptive subscription right, if there is a weighty financial reason for doing so from the Company's point of view, such as using the shares as consideration in potential mergers or acquisitions or in other business-related corporate transactions, for financing of investments, or as a part of the Company's incentive plans.

The Board of Directors may also decide on a share issue without payment to the Company itself. In addition, the Board may decide to issue special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, which carry the right to receive, against payment, new shares in the Company or treasury shares in such a manner that the subscription price of the shares is paid in cash or by using the subscriber's receivable to offset the subscription price.

The new shares may be issued and the treasury shares transferred either against payment or without payment. The directed share issue may be without payment only if there is an especially weighty financial reason for doing so from the Company's point of view and taking the interests of the Company's all shareholders into consideration.

The subscription price of the new shares and the amount payable for the treasury shares shall be recorded in the reserve for invested non-restricted equity.

The Board shall decide on all other matters related to the issuances and transfers of shares and special rights entitling to shares. The authorisation will be valid for 18 months from the date of the resolution of the Annual General Meeting. If this authorisation is granted, it will revoke the share issue authorisation granted by the Annual General Meeting on 7 April 2016.

Helsinki, 31 January 2019

UPM-Kymmene Corporation

BOARD OF DIRECTORS