

PROPOSAL TO THE ANNUAL GENERAL MEETING

**RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**  
(Agenda item 11)

The Board of Directors' Nomination and Governance Committee proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 31 March 2020 that the remuneration of the members of the Board of Directors remain unchanged and that the Chair of the Board of Directors be paid an annual base fee of EUR 190,000, Deputy Chair of the Board EUR 135,000 and other members of the Board EUR 110,000.

The Nomination and Governance Committee further proposes that the annual committee fees remain unchanged and that the members of the Board of Directors' committees be paid annual fees as follows:

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

The annual base fee is proposed to be paid in Company shares and cash so that approximately 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. If the term of a member of the Board of Directors terminates before the Annual General Meeting of 2021, the Board has a right to decide upon potential reclaim of the annual fees as it deems appropriate.

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, 30 January 2020

UPM-Kymmene Corporation

BOARD OF DIRECTORS