



UPM-Kymmene Corporation

PROPOSAL TO THE ANNUAL GENERAL MEETING

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

(Agenda item 17)

The Board proposes to the Annual General Meeting of UPM-Kymmene Corporation to be held on 12 April 2023 that the Board be authorised to resolve 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 proposed maximum number of shares corresponds to approximately 4.7 per cent of the Company's registered number of shares at the time of the proposal.

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 a consideration in potential mergers or acquisitions, to finance investments or other business-related transactions, to develop the Company's capital structure, or as a part of the Company's incentive plans.

The Board may also resolve on a share issue without payment to the Company itself. In addition, the Board may resolve 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 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 resolve 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 authorisation to resolve on the issuance of shares and special rights entitling to shares which was granted to the Board by the Annual General Meeting on 29 March 2022.

Helsinki, 2 February 2023

UPM-Kymmene Corporation

BOARD OF DIRECTORS