



UPM-Kymmene Corporation

(incorporated with limited liability in the Republic of Finland)

EUR 3,000,000,000 Euro Medium Term Note Programme

This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as a competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of UPM-Kymmene Corporation (the "**Issuer**") nor as an endorsement of the quality of the notes (the "**Notes**") issued under this EUR 3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof. Application has been made to Euronext Dublin (as defined below) for Notes issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"). The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**EU MiFID II**").

The requirement to publish a prospectus under the EU Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the EU Prospectus Regulation. References in this Base Prospectus to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the EU Prospectus Regulation. The Central Bank has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Any website referred to in this document does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank.

As at the date of this Prospectus, the Issuer is rated Baa1 by Moody's Deutschland GmbH ("**Moody's**") and BBB by S&P Global Ratings Europe Limited ("**S&P**"). Moody's and S&P are established in the EEA and registered under Regulation (EC) No 1060/2009, (the "**EU CRA Regulation**"). Moody's and S&P appear on the latest update of the list of registered credit rating agencies (as of 31 January 2023) on the ESMA website <http://www.esma.europa.eu>. The ratings Moody's and S&P have given to the Issuer are endorsed by Moody's Investors Service Ltd and S&P Global Ratings UK Limited respectively, each of which is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**").

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

Arranger
Citigroup

Dealers

Citigroup
J.P. Morgan

BNP PARIBAS
Nordea

The date of this Base Prospectus is 9 March 2023.

IMPORTANT NOTICES

Responsibility for This Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms or (in the case of Exempt Notes) a Pricing Supplement. In the case of a Tranche of Notes which is the subject of a Pricing Supplement, each reference in this Base Prospectus to information being specified or identified in the relevant or applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant or applicable Pricing Supplement unless the context requires otherwise. The Issuer declares that, to the best of its knowledge, the information contained in this Base Prospectus is, in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Alternative Performance Measures

The Issuer presents certain performance measures of historical financial performance, financial position and cash flows, which, in accordance with guidance by the European Securities and Markets Authority ("ESMA") on alternative performance measures, are not accounting measures defined or specified in the International Financial Reporting Standards ("IFRS") and are therefore considered alternative performance measures. In the Issuer's view, the alternative performance measures provide meaningful supplemental information to management, investors and others. The Issuer presents comparable performance measures to reflect underlying business performance and to enhance comparability from period to period. The alternative performance measures should not be considered in isolation or as a substitute for measures of performance in accordance with IFRS. Further, companies do not calculate alternative performance measures in a uniform manner and, therefore, the alternative performance measures presented by the Issuer may not be comparable to similarly titled measures used by other companies.

Final Terms / Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called (i) the final terms (the "**Final Terms**"), (ii) where required, a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below or (iii) in relation to each Tranche of Exempt Notes, the pricing supplement (the "**Pricing Supplement**").

In relation to each Tranche of Notes completed by a Pricing Supplement or a Drawdown Prospectus, all references herein to "**Final Terms**" shall, unless the context requires otherwise, be deemed to be references to the Pricing Supplement specific to the relevant Tranche of Exempt Notes or the relevant Drawdown Prospectus (as applicable).

Other Relevant Information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised Information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Notes issued as Green Bonds

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as green bonds ("**Green Bonds**") or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the use or allocation of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds. CICERO Shades of Green AS ("**CICERO**") has issued an independent opinion, dated 2 November 2020, on the Issuer's Green Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Dealers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Dealers, or any other person to buy, sell or hold any Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Issuer's Green Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. The Issuer's Green Finance Framework, the Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Base Prospectus.

In the event any such Notes are, or are intended to be, listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Restrictions on Distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

In particular, the Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the EU MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms may include a legend entitled "**EU MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms (or the Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Benchmark Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not

the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Product Classification Pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore

The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "SFA"). The Issuer will make a determination and provide the appropriate written notification to "relevant persons" (as defined in section 309A(1) of the SFA) in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

Programme Limit

The maximum aggregate principal amount of Notes outstanding under the Programme will not exceed EUR 3,000,000,000 and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Certain Definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes

is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors described in this Base Prospectus:

- changes in economic and political operating environment in the markets and regions in which UPM operates;
- changes in the consumer behaviour and competitive environment;
- changes in legislation and failure to comply with regulations applicable to UPM's business;
- fluctuations in the prices of major inputs as well as changes in their availability;
- fluctuations in the foreign exchange and interest rates; and
- UPM's ability to obtain financing.

Additional factors that could cause actual results, performance or achievements to differ materially include those discussed under "*Risk Factors*". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a Supplement to the Base Prospectus, or Drawdown Prospectus, will be published.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.

The Issuer:	UPM-Kymmene Corporation
Arranger:	Citigroup Global Markets Limited
Dealers:	BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, J.P. Morgan SE, Nordea Bank Abp and any other Dealers appointed in accordance with the Dealer Agreement.
Fiscal Agent:	Citibank, N.A., London Branch
Description:	Euro Medium Term Note Programme
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus. Notes having a maturity of less than one year Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the " FSMA ") unless they are issued to a limited class of professional investors and have a denomination of at least GBP 100,000 or its equivalent, see " <i>Subscription and Sale</i> ".
Programme Size:	Up to EUR 3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on the same or different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, issue price, principal amount issued and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the relevant Final Terms.

Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant Final Terms, each as published by ISDA (or any successor) on its website (www.isda.org), on the date of issue of the first Tranche of the Notes of such Series; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service. <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p><i>Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "Subscription and Sale—Selling Restrictions Addressing Additional United Kingdom Securities Laws".</i></p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see " <i>Subscription and Sale—Selling Restrictions Addressing Additional United Kingdom Securities Laws</i> ", and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or in the United Kingdom or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under the EU Prospectus Regulation or the UK Prospectus Regulation (as defined below), as applicable, will be EUR 100,000 (or, if the Notes are

denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by or on behalf of the Republic of Finland or any political subdivision therein or any authority therein or thereof having power to tax as provided in Condition 12 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 12 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 5 (<i>Negative pledge</i>).
Payment Cross Default / Acceleration:	The terms of the Notes will contain a cross-default and cross-acceleration provision as further described in Condition 13 (<i>Events of Default</i>).
Listing and Admission to Trading:	<p>Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C, TEFRA D or TEFRA not applicable, as specified in the applicable Final Terms.
Status:	The Notes constitute senior, unsubordinated, unconditional and (subject to Condition 5 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer.
Form:	Notes may be issued in bearer form (" Bearer Notes ") or in registered form (" Registered Notes "). Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.
Rating:	<p>The Issuer is rated Baa1 by Moody's and BBB by S&P.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation.</p> <p>Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.</p> <p>The Notes to be issued under the Programme may be rated as specified in the applicable Final Terms.</p>
Governing Law:	The Notes, the Agency Agreement, the Deed of Covenant and the Dealer Agreement will be governed by English law.

Clearing Systems:	Euroclear and Clearstream, Luxembourg
Selling Restrictions:	See " <i>Subscription and Sale</i> ".
Risk Factors:	Investing in the Notes involves risks. See " <i>Risk Factors</i> ".
Financial Information:	See " <i>Information Incorporated by Reference</i> ".
Use of Proceeds:	The net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer, or in respect of any Notes which are issued as Green Bonds in accordance with the Issuer's Green Finance Framework to finance Eligible Projects and Assets (as defined in " <i>Use of Proceeds</i> "). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.
Validity of Prospectus and Prospectus Supplements	For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in Notes issued under the Programme, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including any information incorporated by reference herein and, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in any Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment.

The risk factors presented herein have been divided into four categories based on their nature. These categories are:

- *strategic risks;*
- *operational risks;*
- *financial risks; and*
- *risks relating to the Notes.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the EU Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential effect of their materialisation. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including any document incorporated by reference herein, and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.

Investors should consider carefully whether an investment in the Notes issued under the Programme is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Strategic Risks

An uncertain economic and political operating environment could have an effect on the markets and regions in which UPM operates.

The main short-term uncertainties in UPM's earnings relate to sales prices and delivery volumes of its products, as well as to changes in the main input cost items and currency exchange rates, most of which are affected by uncertainty in the global, regional or local economic and political conditions. Political developments are causing uncertainties to the global economy and increase the risks relating to the global operating environment in which UPM operates. Such uncertainties also affect UPM's customers influencing the demand for UPM's products. Examples of such developments are the trade tensions between the United States, the European Union (the "EU") and China, the policies of the U.S. presidential administration, the nature of the relationship between the EU, its members states and other trade partners and the United Kingdom as well as Russia's ongoing war in Ukraine and other geopolitical tensions that may lead to further military conflicts, direct or indirect restrictions on foreign direct investments, blockades, economic sanctions or export and/or import restrictions that could limit or prevent UPM's business in a country or area. UPM is also exposed to the impacts of certain governmental protection and trade protection measures that safeguard domestic industries and economies and other changes affecting international trade, such as restrictions on import and export and other national interests that may affect the availability or cost of necessary raw materials, and changes in the international trade agreements.

Economies across Europe and globally are currently experiencing significant inflationary pressures. This has been exacerbated by the sanctions put in place as a response to the ongoing war in Ukraine, which has further increased energy, commodity and fuel prices, resulting in higher production costs (including increased cost of raw materials and transportation). Such inflationary pressures may continue in the medium term and may increase. In response to rising inflation interest rates have been increased by central banks and may be further increased. Rising inflation may also have a direct and indirect impact on demand for UPM's products given its negative impact on economic conditions. Coupled with higher interest rates which generally depress spending and encourage saving, this macro-economic environment could have a materially adverse effect on UPM's operations, earnings and financial position. Additional policies which the EU, governments and central banks are pursuing in attempting to ease the economic impacts of Russia's war in Ukraine and

reduce dependency on Russian resources, may have unintended adverse effects on global economic development and international trade, and cause further price volatility or shortages of UPM's main input cost items and have an adverse effect on demand for UPM's products.

Following Russia's invasion of Ukraine in February 2022 the United States, the EU and the United Kingdom, among others, have imposed extensive economic sanctions against Russia, the breakaway regions Donetsk and Luhansk and the oblasts of Zaporizhzhia and Kherson, and Belarus. In response, Russia imposed several counter-measures hindering non-Russian business activities in Russia, including restrictions on foreign companies repatriating dividends, loan repayments and customer payments from Russia. Russia also cut off natural gas deliveries to several European countries, including Finland where UPM has several pulp and paper mills, resulting in significant energy price increases in Europe during 2022.

The economic sanctions imposed on Russia and Russia's counter-sanctions and other retaliatory measures and the heightened tensions between Russia and the rest of Europe and the United States over events in Ukraine have had, and may continue to have, an adverse effect on global macroeconomic conditions and the economy and may accelerate a broad-based effort to decouple Russia from the global economy. Among other things, these events affect international trade and finance, the general operating environment in Russia for non-Russian companies, energy and raw material markets in Europe and the rest of the world and the overall economy, and cause currency fluctuations and inflation. The events have also affected and may continue to affect UPM's employees, operations, agreements and sales as well as raw material and energy sourcing in and from the affected countries. Russia may, for example, nationalise assets of entities of non-Russian companies.

On 3 March 2022, UPM announced that it will cease its deliveries to Russia until further notice and that the operations of UPM Raflatac's distribution terminal in the Kyiv region of Ukraine, had been closed down until further notice. On 9 March 2022, UPM announced that it would suspend the UPM Chudovo plywood mill operations in Russia following carefully the legislation in Russia and with due consideration of local employees, customers, and stakeholders. For the time being, UPM businesses have suspended deliveries to Russia as well as wood sourcing in and from Russia. Due to the significant uncertainties related to operations in Russia and Ukraine, UPM wrote-off all operating assets and uninsured receivables locating or relating to operations in these countries in the first quarter of 2022. For the year ended 31 December 2022 the impairment related to operations in Russia and Ukraine was EUR 80 million and the credit loss provision was EUR 8 million as at 31 December 2022. For the year ended 31 December 2021, Russia and Ukraine combined accounted for 2 per cent. of UPM's total sales and less than 1 per cent. for the total assets.

UPM is especially exposed to the economic and political conditions in countries in which UPM has significant production operations and ongoing investment projects, such as Finland, Uruguay and Germany. UPM also has significant production operations and sales in and to China which accounted for 10 per cent. of UPM's sales for the year ended 31 December 2022 and where UPM sees considerable potential for future sales growth. The operating environment in China represents significant uncertainty however due to the lack of transparency and predictability of the political, economic and legal systems. In addition, there have been heightening tensions between the USA and China relating to Taiwan's status, ongoing trade disputes as well as other political factors. Significant uncertainty remains as to whether resolutions to these trade and political disputes can be found and/or implemented in the near future or at all, or whether there will be a further escalation of existing tensions. Any additional trading or investment restrictions, unfavourable taxation treatment, disruptions to supply chains, economic or trade sanctions, inflation, stagflation, currency fluctuations, nationalisation of assets of Western companies operating in China or even military action that might ensue because of these tensions could materially affect UPM's overall sales profitability and have a material adverse effect on UPM's business, financial condition and results of operation.

Furthermore, economic conditions may be affected by various additional events that are beyond UPM's control, such as natural disasters and epidemics (*e.g.*, the outbreak of the coronavirus disease ("**COVID-19**")). As COVID-19 developed into a global pandemic in 2020 and continued into 2021 and 2022, it caused extensive economic turbulence leading to a deterioration of global and regional economic conditions, including in the countries where UPM operates.

Additionally, digitalisation and unbalanced economic development may accelerate inequalities in societies, and a widening digital gap and unbalanced economic development can worsen societal fractures and economic recovery from the pandemic. The longer term direct and indirect impacts of COVID-19 remain uncertain, however any resurgence of the COVID-19 pandemic, or any other large-scale outbreak of disease, including the imposition of restrictive containment measures could significantly negatively impact economic growth and business operations and may cause further disruption to UPM, its employees, production facilities, constructions sites, markets, suppliers and customers, any of which could have a material adverse effect on UPM's business, financial condition or results of operations.

Any economic downturn or slowing in economic growth, howsoever caused, whether globally or in the countries and regions in which UPM operates could have a material adverse effect on UPM's business, financial condition or results of operations.

The markets in which UPM operates are cyclical and highly competitive.

The markets in which UPM operates, particularly the pulp, paper, label, plywood, timber, energy and biofuels markets, are cyclical and highly competitive. In all these markets, the price level is determined by a combination of demand and supply and an imbalance between them could cause the prices of UPM's products to fluctuate significantly. For example, in recent cycles of chemical pulp prices between 2016 and 2022, the range in the price of pulp between the bottom of the price cycle and the peak has varied between approximately EUR 200 to EUR 400 per tonne. UPM's pulp production capacity totals 3.7 million tonnes, and UPM's net sales of pulp, after taking into account pulp consumption in UPM's two paper businesses, totals approximately 1.1 million tonnes. The pulp production capacity will increase to 5.8 million tonnes and net selling position to about 3.2 million tonnes after the UPM Paso de los Toros pulp mill is in full production. Therefore, changes in pulp prices may have a material adverse effect on UPM's business, financial condition or results of operations. Energy costs, such as for electricity or natural gas increased significantly in 2022 following Russia's invasion of Ukraine. While UPM Energy benefitted from higher electricity sales prices, other UPM businesses, especially European UPM paper mills were negatively impacted, despite hedging arrangements. Imbalances in demand and supply may be caused by factors such as decreases or increases in the end-use demand, changes in customer preferences or a new production capacity entering the market or an old production capacity being closed, all of which may affect both the volume and price level of UPM's products.

Competitor behaviour may also influence the market price development. UPM may, from time to time, experience price pressures from competitors in its main business areas and geographic market areas as well as particularly large fluctuations in operating margins due to this competitive environment. The uncertainty of these fluctuations may be amplified by the continuation or geographic escalation of Russia's war in Ukraine, resulting in unanticipated changes in supply chains and competition. The majority of UPM's revenue comes from sales of graphic and specialty papers, pulp and self-adhesive label materials, and UPM principally competes with several large multinational paper and forest product companies as well as with numerous regional or more specialised competitors. Decreases in demand or unfavourable price levels for UPM's products could have a material adverse effect on UPM's business, financial condition or results of operations.

Changes in consumer behaviour could have an adverse effect on the demand for UPM's products.

Changes in consumer behaviour may affect the demand for UPM's products. UPM's operations, for example, may be affected by the introduction of substitute or alternative products. The demand for graphic papers in the mature markets is forecast to continue to decline, due to the shift away from print media to digital media through, for example, the decrease of mailed advertising and increased use of digital communication and collaboration tools and devices. This will likely increase the pressure on UPM's graphic paper deliveries and sales prices as well as the scarcity of recycled fibre. The COVID-19 pandemic accelerated the speed of changes adopted by consumers in consuming and communicating information. Changes in demand could also cause oversupply of some product categories in which UPM competes, depressing the sales price, resulting in excess stock and impacting deliveries of such products.

UPM's ability to meet shifts in demand will depend upon its ability to anticipate changes in consumer behaviour as well as respond to changes by developing existing products and producing new products on a competitive and profitable basis. There can be no assurance that UPM will be able to adjust and meet the changes in consumer behaviour in the future, which could have a material adverse effect on UPM's business, financial condition or results of operations.

Changes in legislation may adversely affect UPM's business and UPM's competitiveness.

UPM is exposed to a wide range of laws and regulations globally. The performance of UPM's businesses, for example the paper businesses, the energy business and the biofuels business, are to a high degree dependent on the regulatory framework for these areas, and changes in regulation, direct and indirect taxation or subsidies, aid, grants or allowances could have a direct effect on UPM's performance and its relative competitiveness, and structurally restrict or exacerbate UPM's ability to compete for raw material. The policies of EU and/or national governments in order to achieve energy security and price stability following Russia's war in Ukraine may result in temporary or permanent regulatory changes which could cause further uncertainty and volatility in energy prices or usage, or taxation (such as windfall taxes) that could have a material adverse effect on UPM's sales or profitability. For more information on the effects of changes in taxation to UPM, see "—Financial Risks—UPM's tax burden could increase due to changes in tax laws or regulations or their application or interpretation, or as a result of tax audits" below.

UPM also operates in industries that are subject to extensive environmental laws and regulations governing, among other things, emissions, water quality, nature/habitat loss, energy efficiency, as well as waste handling, recycling and disposal. Environmental laws and regulations in particular have become more stringent over time and may continue to develop to be even more stringent due to various global, regional and national level regulatory initiatives. See also "—UPM is exposed to risks related to climate change" below. As these environmental laws and regulations are amended or as their application or enforcement is changed, additional costs in complying with new and more stringent regulations may be imposed on UPM. Further, UPM's operations require UPM to obtain multiple environmental permits and other licences from relevant authorities and comply with their terms and conditions. These permits and licences may be subject to modification, renewal

or, subject to certain conditions, revocation by the issuing authorities. Procedures for obtaining these permits can be long and complex and there can be no assurance that the requested permit will be granted or renewed. Violations of applicable environmental laws and regulations could result in civil and criminal penalties, revocation of permits and licences, third party claims or any combination thereof. UPM may become subject to liabilities that could be substantial for, among other things, non-compliance with environmental as well as health and safety regulations and standards.

UPM monitors regulatory changes in order to better adapt to the effects of such changes. However, there can be no assurance that UPM will be able to maintain its competitive position if legislative changes affecting its operations occur. In addition, any failure by UPM to comply with applicable laws, regulations, permits and licences could harm UPM's reputation and result in fines and damages as well as loss of business. For more information on risks related to the compliance of applicable laws and regulations, see *“—Operational Risks—UPM's operations are subject to risks related to litigation and compliance that could result in sanctions and fines and have an adverse effect on UPM's reputation”* below. Changes in legislation may adversely affect UPM's business and UPM's competitiveness, which could have a material adverse effect on UPM's business, financial condition or results of operations.

UPM faces various risks through its shareholding.

UPM is a shareholder of Pohjolan Voima Oyj (“**PVO**”) which runs hydropower plants and thermal power plants in Finland. PVO supplies electricity to its shareholders on a cost-price principle (so called ‘Mankala-principle’) that is widely applied in the Finnish energy industry.

Under the Mankala principle, electricity and/or heat is supplied to the shareholders in proportion to their ownership and each shareholder is, pursuant to the specific stipulations of the respective Articles of Association, severally responsible for its respective share of the production costs of the energy company concerned. PVO is the majority shareholder of Teollisuuden Voima Oyj (“**TVO**”) which runs two nuclear power plant units (OL1 and OL2) and is in the process of constructing a third nuclear power plant unit, OL3 EPR, at the Olkiluoto site (“**OL3**”). When completed, OL3 will supply electricity to its shareholders on the Mankala-principle and adds significant sellable electricity volumes for UPM Energy. Originally, the commercial electricity production of the OL3 was scheduled to start in April 2009, however, the completion of the project has been significantly delayed on multiple occasions. After lengthy delays, the plant was connected to the national grid in March 2022 and TVO announced in February 2023 that regular electricity production by the plant is expected to start in April 2023. See also *“Description of the Issuer – Asset Base”* below.

Further delays to the OL3 project could have an adverse effect on PVO's business and financial position and, hence, on the fair value of UPM's energy shareholding in PVO as well as on the market price of electricity or on the cost of energy to be sourced from OL3 when completed, which could have a material adverse effect on UPM's business, financial condition or results of operations. There can be no assurance that the cost of energy sourced from OL3 at the time when it starts regular electricity production will not be higher than the market price of electricity at the time. Declines in the fair value of UPM's other shareholdings may also have a material adverse effect on UPM's business, financial condition or results of operations.

UPM is exposed to risks related to climate change.

UPM is exposed to a variety of risks related to climate change. Strategic risks related to climate change include risks concerning competition, markets, customers, products and regulation. For example, unpredictable regulation and subsidies may distort raw material, energy and final product markets and changing costs of greenhouse gas emissions may influence UPM's financial performance. Detailed new legislation that, for example, does not adequately recognise the social, ecological and economic benefits of sustainable forestry and the forest industry's role as a renewable replacement for fossil-based production and consumption value chains, may expose UPM to risks related to main input cost increases, adverse changes in end-product demand, unpredictable requirements on sustainability, increased bureaucracy and related inefficiencies. Additionally, decisive carbon removal policies may require a rapid growth in carbon removal technology solutions but could also accelerate the tendency to optimise short-term actions that could lead to restrictions on wood-use and, therefore, have an adverse effect on UPM's raw material supply. UPM believes that forest, wood-based products and low-carbon energy hold significant value creation potential with respect to renewable and recyclable products, but there can be no assurance that UPM will be successful in capturing this potential. See also *“UPM's operations are subject to risks related to litigation and compliance that could result in sanctions and fines and have an adverse effect on UPM's reputation”*.

Other risks related to climate change particularly concern UPM's supply chain as well as the availability and price of major inputs. Climate change may cause exceptional weather events, such as severe storms, floods and draughts, which could, for example, result in unpredictable hydropower availability and wood harvesting conditions. Exceptionally mild winter conditions with a reduced period of frozen soil in the Nordics could affect the harvesting and transport of wood, consequently undermining the stability of raw material supply and potentially increasing the cost of wood. These could also increase the risk of production limitations. Climate change and extreme weather conditions caused by climate change may also have an adverse effect on UPM's own forests and plantations as well as the price of electricity. See also *“—Operational Risks—UPM is exposed to risks related to its forests and plantations”* and *“—Financial Risks—UPM is*

exposed to risks related to the price of electricity” below. As a response to the reduction of energy supply from Russia to Europe and North America, the EU, USA or other national governments may impose policies that temporarily slow down the achievement of emission reductions, and thus change the trajectory of climate change. Accordingly, the above-mentioned strategic, operational and financial risks caused by climate change could have a material adverse effect on UPM’s business, financial condition, results of operations and liquidity.

Loss of major customers and industry consolidation among UPM’s customer base could have a material adverse effect on UPM.

UPM has several major customers, and the largest customer in terms of sales represented approximately 3 per cent. of UPM’s sales for the year ended 31 December 2022 (approximately 2 per cent. for the year ended 31 December 2021) and the ten largest customers represented approximately 15 per cent. for the year ended 31 December 2022 (approximately 15 per cent. for the year ended 31 December 2021). Although UPM is not dependent on any specific customer or group of customers, the loss of its major customers, if not replaced on similar terms, could have a material adverse effect on UPM’s business, financial condition or results of operations. In addition, there can be no assurance that customers in UPM’s operating industries would not consolidate, which could adversely affect UPM’s relationships with its customers. Furthermore, should the size of, and exposure to, specific customers increase in connection with industry consolidation, such customers could exert increased bargaining power on all of their suppliers, including UPM, which could have a material adverse effect on UPM’s business, financial condition or results of operations. UPM is also exposed to risks related to any deterioration of a major customer group’s financial condition which could negatively impact sales and revenues. See “—Financial Risks—UPM may not be able to collect payments for its receivables” below.

UPM may not be successful in product development and innovation and may fail to protect intellectual property rights.

The future growth and success of UPM depends on its continued ability to identify and respond to changes in industry preferences and to market products and services in changing markets. The demand for daily consumer goods and the need for packaging materials and labelling is expected to continue increasing with population growth and rising living standards. Meanwhile sustainable consumer choices are expected to create a growing demand for sustainably produced products. UPM expects that the replacement of fossil-based materials with sustainable alternatives presents value creation opportunities, which UPM aims to realise with the innovation of renewable, recyclable and low-impact alternatives. Despite research and product development being an important part of UPM’s strategy, particularly with regard to new businesses, such as wood-based biofuels, biochemicals and biomedical, there can be no assurance that UPM will be successful in developing or commercialising new products and/or solutions, or that UPM’s customers will accept such new products or solutions. The return on investment of new or enhanced existing products and solutions may, therefore, not meet targets or improve UPM’s competitiveness, which could have a material adverse effect on the demand for UPM’s products and services and, thus, on UPM’s business, financial condition or results of operations.

UPM has a broad patent portfolio that provides value creation potential in the future, however, it also exposes UPM to risks related to the protection and management of intellectual property, including patents and trademarks. If UPM is unable to protect its intellectual property rights (“IPR”), such failure could have a material adverse effect its business, financial condition or results of operations. See also “—Operational Risks—Certain technologies used by UPM are subject to the intellectual property rights of third parties” below.

Corporate acquisitions and divestments expose UPM to a number of risks.

UPM’s strategy is to grow its businesses with strong long-term fundamentals and sustainable competitive advantage. This may result in acquisitions of new businesses or divestments of existing businesses or parts thereof. Carrying out corporate mergers, acquisitions and divestments involves risks relating to the successful implementation of a divestment and the ability to integrate and manage acquired businesses, systems, culture and personnel successfully. In addition, the cost of an acquisition may prove high and/or the anticipated economies of scale or synergies may not materialise. Hidden liabilities of an acquired company (e.g., competition law liabilities) may also constitute significant risk in relation to potential acquisitions. UPM may not be able to identify attractive acquisition or merger opportunities or ensure the strategic fit, right valuation and effective integration of acquisitions despite its acquisition preparations and stakeholder engagement, which could have a material adverse effect on UPM’s business, financial condition or results of operations. Regulation of merger or acquisition activity by competition authorities may also limit UPM’s ability to make future acquisitions or mergers.

UPM may also divest operations or assets to focus on strategic areas. Any future divestments may be affected by many factors that are beyond UPM’s control, such as the availability of financing to potential buyers, interest rates and acquirers’ capacity, regulatory approval processes, and divestments may also expose UPM to indemnity claims. Furthermore, divestments may involve additional costs due to historical and unaccounted liabilities. There can be no assurance that UPM will be able to divest assets in a profitable way, or that such divestments will be possible on acceptable terms, or at all. The profitability of corporate acquisitions and divestments may differ from UPM’s expectations, which could have a material adverse effect on UPM’s business, financial condition or results of operations. Large corporate transactions may also

require extensive management attention and cause reputational issues, which would divert the attention of UPM's management away from UPM's everyday business.

Operational Risks

Fluctuations in the prices of major inputs, as well as changes in their availability could have a material adverse effect on UPM's results of operations.

The main inputs required in the manufacturing of UPM's products are wood, fibre, energy, chemicals and water. The prices for many of these major production inputs have been volatile in the recent years and are expected to remain volatile for the foreseeable future, which may have an adverse effect on the general profitability of the industries in which UPM operates.

Governmental protection and trade protection measures, amplified by Russia's war in Ukraine, geopolitical tensions, sanctions or trade restrictions, could also have an effect on the price and availability of raw materials as, for example, further export ban policies may be enacted to protect forests or to bolster domestic industries, which could have a material adverse effect on the cost and availability of raw materials and utilities for UPM. See also "—*Strategic Risks—An uncertain economic and political operating environment could have an effect on the markets and regions in which UPM operates*" above. It is also uncertain how the EU energy policies may affect the availability and costs of fibre and energy. See also "—*Financial Risks—UPM is exposed to risks related to the price of electricity*" below. Climate change may contribute to the increased price volatility of UPM's major production inputs. For example, exceptionally mild winter conditions could potentially increase the price of wood as described in "—*Strategic Risks—UPM is exposed to risks related to climate change*" above. Also, any adverse changes in the current forestry practices and level of harvesting due to negative public opinion towards harvesting could have an adverse effect on the raw material supply and may increase the cost of wood.

For the years ended 31 December 2022 and 2021, the costs and expenses for raw materials, consumables and goods accounted for 66 per cent. and 67 per cent. of UPM's operating expenses, respectively. Significant increases in the prices of UPM's major inputs could increase UPM's operating expenses and, thus, have an adverse effect on the profitability of UPM's operations. Despite UPM's efforts to mitigate possible risks related to price fluctuations of raw materials and energy, there can be no assurance that increases in the prices of raw materials and/or energy will not occur. For example, energy costs in Europe increased rapidly during the second half of 2021. The war in Ukraine and the resulting reduction of energy supply from Russia has further exacerbated the price volatility and cost increase of energy. Due to existing customer contracts or prevailing market conditions, UPM may not be able to adjust product prices at the same pace in order to pass these cost increases on to customers and maintain its margins, which may have an adverse effect on the profitability of UPM. This could have a material adverse effect on UPM's business, financial condition or results of operations.

UPM's operations may be interrupted due to risks associated with its supplier and subcontractor network and raw materials procurement.

UPM's business operations depend on a large number of suppliers and contractors. The majority of UPM's need for wood is covered by suppliers, and other production inputs, such as chemicals, fillers and recovered paper, are fully obtained from suppliers. Disruptions in the supply of key inputs or transportation services could have a significant effect on manufacturing operations. This could, for example, result in interruption or downscaling of production, consolidation of suppliers, change in the product mix or increased costs resulting from price increases for critical inputs or transportation services as well as shifts in the availability and price of wood, which could have a material adverse effect on UPM's business, financial condition or results of operations.

Due to Russia's war in Ukraine, the EU has imposed bans on wood product exports as well as imports and prohibitions on Russian transportation operators entering the EU. The affected forest industry companies have developed alternative sources of wood with new and/or longer transportation routes as well as making changes to production processes. These developments have caused changes in the delivery price of wood and therefore pressured the profitability of end products. Since March 2022, UPM businesses have suspended deliveries to Russia as well as wood sourcing in and from Russia. The continuation of Russia's war in Ukraine or new countries or regions becoming excluded from major forest certification systems could have a material adverse effect on UPM's business, financial condition or results of operations. Supplier consolidation or the ripple effects of Russia's war in Ukraine could also limit the number of suppliers from which UPM is able to source its production inputs and could materially affect the prices paid by UPM for these inputs, which could negatively impact UPM's margins and its results of operations.

The UPM Supplier and Third Party Code defines the minimum level of performance that UPM requires from its suppliers and third-party intermediaries. UPM carries out supplier risk assessments on, for example, operational, financial, quality and responsibility perspectives. Based on the risk assessment, selected suppliers' activities are evaluated in more detail through annual surveys, supplier audits and joint development plans. If any non-conformities are discovered, the supplier is required to take corrective measures, which UPM follows up on. Some contracts may also be discontinued due to the seriousness of the finding or insufficient corrective measures. However, there can be no assurances that UPM is successful in ensuring that all applicable laws and regulations or corporate policies in the supply chain are fully complied with, which

could lead to interruptions in UPM's operations as well as legal processes or serious reputational damages impacting the value of UPM, which could have a material adverse effect on UPM's business, financial condition or results of operations.

UPM is subject to risks relating to the management and execution of large investment projects.

Investment projects in UPM's businesses such as pulp, biochemicals, biofuels, energy or specialty paper are often large and take one or more years to complete. Participation in large projects involves risks, such as cost overruns, shortage of man-power, financial distress of suppliers, accidents or delays, as well as non-achievement of the economic targets set for the investment. Currently, UPM's largest ongoing investment project is the construction of a new world-class pulp mill in Uruguay, which also includes other related investments (port, Free Trade Zone infra and housing). For more information on the project, see "*Description of the Issuer—Business Strategy—UPM Biofore – Beyond Fossils—Spearheads for Growth—Fibres*". Particular to this project is its size, complexity with a number of interconnected sub-projects as well as the level of cooperation with permit and other authorities. Additionally, the second largest ongoing project is the construction of a biochemicals refinery in Germany. This project involves the development of new business concepts and technologies. For more information on the project, see "*Description of the Issuer—Business Strategy—Spearheads for Growth—Biorefining*". See also "*—Strategic Risks—UPM may not be successful in product development and innovation and may fail to protect intellectual property rights*" above.

UPM is responsible for many projects in several of its countries of operation at any given time. All projects involve technical and operational risks, and projects require continuous operational planning, steering and supervision, quality control, input procurement, scheduling as well as resource and cost monitoring. Managing several projects requires that UPM has sufficient resources and efficient processes, so that several overlapping internal teams and supplier networks can be managed simultaneously. In addition, persistent port congestion issues, transportation bottlenecks, and rising logistics costs, all of which could be resulting from external events or market conditions beyond UPM's control, may have an adverse effect on the execution or profitability of investment projects. UPM's transformative pulp project in Uruguay and biochemicals project in Germany are proceeding, but despite these efforts, some changes to the detailed timelines of the projects may occur due to COVID-19 and related containment measures or infections affecting project workers, suppliers or infrastructure (for example in China), or due to limitations and bottlenecks in global logistics and supply chains, which may have an adverse effect on the projects. Although UPM has experience in large projects in various businesses and locations around the world, any problems related to the management and execution of large projects, could have a material adverse effect on UPM's business, financial condition or results of operations.

Unavailability of information systems as well as cybersecurity breaches could adversely affect UPM's operations.

UPM's production and business operations depend on the availability of supporting information systems and network services. Unplanned interruptions in UPM's or suppliers' critical information system services, loss of critical, financial or personal data due to reasons beyond UPM's or its suppliers' control, such as power cuts, software or telecommunication errors or major disasters, such as fires or natural disasters, as well as user errors by UPM's own personnel or suppliers, can potentially cause major damage to UPM's businesses and disruptions to the continuity of operations. Furthermore, UPM's and its suppliers' information systems may be exposed to various cybersecurity risks. Malicious cyber intrusion could cause leakage of sensitive information, violation of data privacy regulations, theft of intellectual property, production outages at UPM or its suppliers and damage to UPM's reputation. Cybersecurity risk is generally heightened in times of conflict and political tension for example there has been increased malicious activity originating in Russia following Russia's war in Ukraine or Finland's and Sweden's NATO application process. UPM has protective administrative and technical controls to mitigate cybersecurity risks, but there can be no assurance that UPM's existing and planned cybersecurity controls are successful, and the materialisation of such risks could damage UPM's reputation, result in loss of business and have a material adverse effect on UPM's business, financial condition or results of operations.

UPM's operations are subject to risks related to litigation and compliance that could result in sanctions and fines and have an adverse effect on UPM's reputation.

UPM operates globally in a large number of jurisdictions and is subject to multiple regulatory frameworks at a time of stricter and more complex legislation and increased enforcement activity and initiatives worldwide in areas such as competition law, export control and sanctions, data privacy, anti-corruption, human rights, climate change and health and safety regulations. Recent years have also seen an increase in investor and regulatory attention to environmental, social and governance ("ESG") matters. A lack of harmonisation globally in relation to ESG reform and the different pace at which legislators and regulators across the globe operate adds further complexity to the regulatory environment. UPM may from time to time be involved in litigation and other similar proceedings or it could become subject to various claims and actions based on various grounds. For example, the economic sanctions imposed on Russia and Russia's countersanctions or other retaliatory measures may increase the risk of litigation and claims in Russia or investigations from the EU, USA or UK in relation to potential violations of sanctions imposed as a result of Russia's war in Ukraine. There can be no assurance that ongoing or future litigation, claims and disagreements involving UPM will not result in material expenses for UPM or harm its reputation and thus, have a material adverse effect on UPM's business, results of operations and financial condition.

On a global scale, enforcement activities and jurisdictional reach regarding competition issues and anticorruption have increased. The Renewable Energy Sources Act (EEG) related lawsuits in Germany for alleged non-payment of EEG based surcharges may have an adverse impact on UPM, albeit UPM is not currently a party to any such lawsuits. UPM has significant manufacturing operations or sourcing in several developing countries, some of which are perceived as highly corrupt or corrupt according to Transparency International. In these countries, there is an increased risk of corruption, for example in relation to interaction with government officials and in the use of intermediaries when applying for permits and licences requiring governmental approval.

In October 2021, the European Commission conducted an unannounced inspection at UPM's premises. According to the European Commission's press release on 12 October 2021, the European Commission had concerns that the inspected companies in the wood pulp sector may have violated EU antitrust rules that prohibit cartels and restrictive business practices. European Commission stated that the unannounced inspections were a preliminary step in an investigation into suspected anti-competitive practices, and the fact that the European Commission carried out such inspections did not mean that the companies were guilty of anti-competitive behaviour nor did it prejudice the outcome of the investigation itself.

As at the date of this Base Prospectus, UPM is not aware of any significant claim or demand for compensation against any UPM employee, officer, director or entity. However, there can be no assurance that UPM's internal control measures will detect and prevent misbehaviour by individual employees, suppliers or third-party intermediaries as well as violations at UPM's partners and other companies in which UPM has an interest. Breaches of applicable laws and regulations or corporate policies by UPM employees may lead to legal processes, sanctions and fines as well as reputational damages affecting UPM's operations, which could have a material adverse effect on UPM's business, financial condition or results of operations.

UPM may face industrial actions that could adversely affect UPM's operations.

UPM is subject to the risk of industrial actions, which could disrupt its business operations (or the business operations of its stakeholders) and adversely affect UPM's business, financial condition or results of operations. UPM has experienced work stoppages in the past, for example, an industry-wide strike in Finland affected UPM's operations in the beginning of 2020. Uncertainty may increase in the Finnish labour market following the announcement by the Finnish Forest Industries Federation transfer collective bargaining to companies. In the beginning of 2022, members of the Paperworkers' Union, the Finnish Electrical Workers' Union and the Trade Union Pro started strikes at UPM mills in Jämsänkoski, Kouvola, Lappeenranta, Pietarsaari, Rauma, Tampere and Valkeakoski, Finland. On 22 April 2022, UPM announced that UPM and the Paperworkers' Union had agreed on business-specific collective labour agreements and the strike ended at UPM mills in Finland. The strike in Finland affected production and delivery volumes especially in the pulp, paper and biofuels businesses. UPM estimates that these strikes affected its first quarter 2022 results by approximately EUR 180-220 million, taking into account the lost sales, lower fixed costs and various dynamic impacts. Any future strikes or other industrial actions in UPM's operations or in related sectors (such as transport), could have a material adverse effect on UPM's business operations. Additionally, public dissatisfaction with UPM's labour-related decisions may, in extreme cases, lead to unanticipated boycotts or disruptions at its facilities or construction sites. Any future industrial actions and/or adverse employee relations that could have a material adverse effect on UPM's business, financial condition or results of operations in the future.

Natural disaster, fire, accident or other calamity at UPM's production facilities could have a material adverse effect on UPM.

UPM operates a significant number of production facilities globally that are exposed to risks related to environment, fires, natural events, machinery breakdowns, military actions, nationalisation of assets, site security and occupational health and safety. If UPM's production facilities were to experience a major accident or were forced to shut down or curtail production due to such unforeseen events, such as a leak or spill due to malfunction or human error, this could cause major interruptions in UPM's operations and result in significant costs in order to clean up and repair any potential damages to the production plant and the surrounding areas, which could have a material adverse effect on UPM's business, financial condition or results of operations. Any failure to maintain high levels of safety management could also result in physical injury, sickness (including COVID-19 infection of UPM's employees) or liability to UPM's employees, contractors or third parties, which could, in turn, result in liability towards employees or third parties, impairment of UPM's reputation or inability to attract and retain skilled employees. These risks are managed through established management procedures, health and safety precautions and loss prevention programmes, but there can be no assurance that such procedures and programmes are effective in avoiding the realisation of such risks.

UPM's insurance programme provides coverage for insurable hazard risks, subject to insurance terms and conditions, but despite UPM's efforts for continuous safety improvements and risk management procedures, there can be no assurances that UPM's efforts will be successful in preventing all accidents or other calamities at its production facilities, or that UPM's insurance coverage would adequately cover all or any of such costs, if such an incident were to occur. This could have a material adverse effect on the efficiency of UPM's production facilities, its reputation, business, financial condition or results of operations.

UPM is exposed to risks related to its forests and plantations.

Currently, UPM owns forest and plantation land in Finland, Uruguay and the United States. As at 31 December 2022, UPM owned 522,000 hectares of forest land in Finland, making it one of the largest private owners of forest land in Finland, and 76,000 hectares of forest land in the United States. In addition, UPM had 305,000 hectares of own plantation land and 167,000 hectares of leased plantation land in Uruguay. The value of UPM's forest assets (*i.e.*, standing trees) amounted to EUR 2,442 million as at 31 December 2022 (EUR 2,328 million as at 31 December 2021). UPM's plantations and forests may be affected by the impacts of climate change, which include more frequent and severe extreme weather conditions such as heavy rainfall, storms, floods and drought. Climate change is expected to have the biggest physical effect on UPM's forest lands in Finland, where temperatures are expected to rise more significantly and rapidly compared with other countries where UPM owns forest. Although forest growth will likely accelerate, particularly in Finland, due to the longer growing season, extreme weather conditions will intensify, presenting new risks. The increase of droughts and forest fires are estimated to pose the most significant risks for UPM's business arising from forests or plantations. Damage caused by insects and tree diseases is also becoming increasingly common, which could also have an adverse effect on the value of UPM's forest assets. Should these risks materialise, they could harm UPM's forests and plantations resulting in production interruption and additional costs, which could have a material adverse effect on UPM's business, financial condition or results of operations.

UPM is exposed to risks relating to its strategic partners.

UPM currently collaborates with many partners. For example, product development in the biofuels, bioenergy or biochemicals increases the importance of partnerships in the search for new products and businesses or higher efficiency. Partnerships may, however, create risks to UPM's profitability, for example, through changes occurring within the partner entity or changes in how the partnership operates. UPM is also subject to the risk that its strategic partners do not comply with UPM's Code of Conduct and, thereby, damage UPM's reputation. This risk relates particularly to partners not complying with applicable law and regulation relating to anti-corruption, competition, HR practices, human rights, responsible sourcing and environmental matters. See also "*—UPM's operations are subject to risks related to litigation and compliance that could result in sanctions and fines and have an adverse effect on UPM's reputation*" above.

Partnership arrangements may also be too rigid to enable timely changes required, for example, in connection with changes in the market conditions or the economy. Furthermore, UPM's partners may have different targets with respect to the business of the partnerships and there can be no assurance that, in such situations, UPM will be able to reach an agreement with its partners. As UPM may not have sole control over strategic direction and operational output of these entities, its partners may have the right to make certain decisions on key business matters with which UPM does not agree. In some cases, strategic partners may choose not to continue partnerships that they have with UPM. Russia's war in Ukraine caused price increases and supply chain constraints including shortages of raw materials, and contributed to inflationary pressures globally, which may cause financial distress for UPM's key partners and trigger various negotiation, such as renegotiation of existing agreements, and other processes that may lead to delays or cost increases for UPM. Any of these factors could affect UPM's ability to pursue its strategies with respect to such entities, which may have an adverse effect on UPM's business, financial condition or results of operations.

Certain technologies used by UPM are subject to the intellectual property rights of third parties.

Molecular bioproducts form one of UPM's three strategic focus areas for growth. Initiatives within this strategic focus area are technology-intensive and require increasing investments in such technologies either through internal development or through third party licences or technological partnerships. In addition to UPM's own IPR portfolio, UPM licences certain technologies developed by third parties. Evaluating the rights related to the third-party technologies UPM uses or intends to use is increasingly challenging. Licensing third party technology exposes UPM to such risks as the increase of overall licensing costs, loss of negotiation power, the validity of such licensing arrangements and potential infringement claims, which could restrict UPM's ability to use certain technologies, prevent the delivery of UPM's products and/or result in costly and time-consuming litigation, which could have a material adverse effect on UPM's business, financial condition or results of operations. Risk related to IPR claims and disputes relating to technological partnerships have been assessed to increase and a successful IPR infringement claim or other similar proceeding against UPM could have a material adverse effect on UPM's development of solutions and services and, thus, also on UPM's competitiveness, business, financial condition or results of operations.

UPM may be unable to recruit or retain diversely skilled personnel.

The success of UPM's business largely depends on the ability to attract and retain a skilled and diverse workforce and build the necessary new capabilities required for future growth. UPM is continuously developing its employee experience, leadership culture, evaluating its recruitment, compensation policies and career development opportunities and taking measures to attract and retain diversely skilled personnel and individuals with rare and pivotal specialist skills in order to avoid shortages of appropriately competent and diverse personnel in the future. As UPM believes developing products, services, processes and technical solutions is key to improving resource efficiency, sustainability and competitiveness, it

must hire and retain an increasing number of employees with different skills and professional expectations. See “—*Strategic Risks—UPM may not be successful in product development and innovation and may fail to protect intellectual property rights*” above. Should UPM fail to attract, retain, develop, train and motivate qualified, engaged and diverse employees at all levels, it could have an adverse effect on UPM’s long-term profitability and value creation, competitiveness and development of its business operations, which could have a material adverse effect on UPM’s business, financial condition or results of operations.

Financial Risks

Fluctuations in foreign exchange and interest rates could have a material adverse effect on UPM.

As a consequence of the global nature of its business, UPM is exposed to risks associated with changes in exchange rates, primarily with respect to the U.S. dollar, British pound sterling and Uruguayan peso. Foreign exchange risk arises from contracted and expected commercial future payment flows (transaction exposure), changes in value of recognised assets and liabilities denominated in foreign currency and changes in the value of assets and liabilities in foreign subsidiaries (translation exposure).

UPM has several currency denominated assets and liabilities on its balance sheet such as foreign currency bonds, loans and deposits, group internal loans and cash in other currencies than functional currencies. UPM aims to fully hedge this balance sheet translation exposure, however, UPM may have unhedged balance sheet exposures within the limits set in UPM’s treasury policy. UPM also has accounts receivable and payable balances denominated in foreign currencies and UPM aims to fully hedge the net exposure in main currencies. UPM’s net investments in foreign subsidiaries are also subject to foreign currency translation differences and are accumulated as a separate component of equity in the translation reserve, relating mainly to U.S. dollar, Chinese Yuan Renminbi and British pound sterling. Currency exposure arising from the net investment in foreign subsidiaries is generally not hedged. Derivatives used for hedging translation risks include external forward contracts, cross currency swaps and currency options.

In addition to the direct effect that these risks could have on UPM’s earnings and cash flow, fluctuating exchange rates can also have indirect effects, such as change in UPM’s relative competitiveness between currency regions. Materialisation of any of these risks could have a material adverse effect on UPM’s business, financial condition or results of operations, and there can be no assurance that the hedging of such risks will be sufficient.

Further, interest-bearing liabilities and assets expose UPM to risks related to interest rates, namely the repricing and fair value interest rate risks caused by movements in interest rates. As a result of Russia’s war in Ukraine and the resulting sanctions and energy crisis, inflation in 2022 accelerated well beyond pre-pandemic levels, central banks responding with tightened monetary policies particularly in Europe and USA (See also “—*Strategic Risks—An uncertain economic and political operating environment could have an effect on the markets and regions in which UPM operates*” above). Although UPM manages its interest rate exposure, there can be no assurance that interest rate fluctuations will not have a material adverse effect on UPM’s business, financial condition or results of operations.

UPM could encounter difficulties in refinancing its debt and financing its operations.

Under all circumstances, UPM seeks to maintain adequate liquidity, which depends on a number of factors, such as the availability of cash flows from operations and access to additional debt and equity financing. UPM aims to ensure sufficient liquidity by means of efficient cash management and restricting financial investments to investment types that can readily be converted into cash and by keeping a sufficient amount of unused committed credit lines and/or cash as a reserve. UPM aims to minimise refinancing risks by ensuring a balanced loan portfolio maturing schedule and sufficiently long maturities. UPM’s average loan maturity as at 31 December 2022 was 4.6 years (7.3 years in 2021).

There can be no assurance that UPM will be able to obtain, on a timely basis or at all, sufficient funds on acceptable terms to provide adequate liquidity if cash flows from operations, unused committed credit lines and cash reserves prove to be insufficient. Failure to generate additional funds, whether from operations or additional debt or equity financings, may, for example, require UPM to delay or abandon some or all of its strategy initiatives, including ongoing investment projects, or to modify its business strategy, which could have a material adverse effect on UPM’s business, financial condition or results of operations. In addition, any future adverse developments, such as deterioration in the financial markets and a worsening of general economic conditions, may adversely affect UPM’s ability to borrow additional funds as well as the cost and other terms of the funding. Global financial markets have experienced, and may continue to experience, volatility and liquidity disruptions due to Russia’s war in Ukraine and COVID 19. For example, during 2022 UPM’s net debt increased due to cash flow impacts of energy hedging driven by the increase in energy futures prices and volatility in the energy markets due to impacts of Russia’s war in Ukraine. These factors may adversely affect UPM’s funding costs and access to funding and ultimately affect UPM’s ability to finance its operations, which could have a material adverse effect on UPM’s business, financial condition or results of operations.

UPM is exposed to risks related to the price of electricity.

Electricity prices rely on weather, fossil fuel and emission allowance prices as well as the balance of supply and demand. As the share of intermittent renewable energy sources grows in the energy system, the volatility in the electricity market increases. UPM's sensitivity to the electricity market price is dependent on the electricity production and consumption levels as well as UPM's hedging levels, all of which may be exposed to further uncertainties caused by Russia's war in Ukraine or other factors. Following Russia's war in Ukraine, gas and electricity prices reached record levels in 2022. In addition, the EU countries have agreed on various actions and measures to respond on the surge in energy prices and implement the REPowerEU plan which states EU's intention to phase out its dependency on Russian energy, outlining a series of measures to deliver on this ambition. These measures include a set of actions to save energy, diversify supplies and replace fossil fuels by accelerating the roll-out of renewable energy. EU member states have also agreed upon a price cap on gas price which will be implemented in member states with different mechanisms and a revenue cap on inframarginal power producers. (see also "*UPM's tax burden could increase due to changes in tax laws or regulations or their application or interpretation, or as a result of tax audits*"). This energy market environment in Europe has increased electricity price levels and volatility which has increased costs for UPM's electricity consuming businesses but also profits for UPM Energy. At the group level, UPM generates more electricity than it consumes. However, there are geographical differences, as UPM is a net seller in Finland and a net buyer in Central Europe. UPM's hedging objective is to reduce the earnings volatility that arises from the volatile electricity prices.

Despite UPM hedging both sales of power production and power purchases, such hedging levels may not be sufficient in reducing the earning volatility that arises from electricity prices, which could have a material adverse effect on UPM's business, financial condition or results of operations. Adverse developments in the price of electricity may also have an effect on the value of UPM's energy shareholdings and derivatives.

During the period of elevated electricity prices and increased volatility in 2022, the margining requirements from UPM's electricity hedging arrangements concluded via exchanges increased significantly. An inability to meet any such margin payment obligations due to a lack of liquidity may negatively impact UPM's ability to fulfil its obligations under the Notes issued under the Programme and could have material adverse effects on UPM's business and cash flow, financial condition and results of operations (see also "*Financial Risks - UPM could encounter difficulties in refinancing its debt and financing its operations*").

UPM's tax burden could increase due to changes in tax laws or regulations or their application or interpretation, or as a result of tax audits.

Due to the international nature of UPM's business, its tax burden is dependent on specific aspects of tax laws and regulations in several jurisdictions, in particular with regard to transfer pricing rules. Related companies and permanent establishments must conduct any inter-company transactions on an arm's length basis and provide appropriate documentation thereof, subject to applicable rules of the relevant jurisdiction.

The government of Uruguay has granted many free trade zone permits for domestic and foreign investments, including the permit to UPM's pulp mill to operate in a free trade zone, whereby taxes in Uruguay consist mainly of property tax and annual tax-like charges paid to the government for the development of the zone. The new pulp mill in Uruguay is also located in a similar free-trade zone. In China, UPM, as a paper producer, qualifies as a high-tech enterprise with a reduced corporate income tax rate. Also, in countries where UPM's companies are using tax losses from previous years to offset tax liability of the year in question, such as Germany, no or only limited corporate income taxes are paid. UPM is also a significant energy consumer, and most of the energy used in the productions processes is subject to energy taxes. Within the EU, energy taxation laws allow member states to compensate for the energy taxes paid or apply lower tax rates to industrial production. There can be no assurance that UPM will be able benefit from tax reliefs in the future. As a result of Russia's war in Ukraine and the consequent rises in energy prices, the Finnish government has proposed a temporary tax law which was approved by the Finnish Parliament on 27 February 2023 (though still to be approved by the President) on profits generated by Finnish electricity companies, such as UPM Energy. The proposed law would, among other things, impose an additional 30 per cent. tax on electricity business profits exceeding an annual return of 10 per cent. on the shareholders' equity in fiscal year 2023, which could have an adverse effect on the energy market and/or on UPM Energy's (and consequently on UPM's) earnings. Changes in tax laws or regulations, such as the OECD/G20 statement on global tax reform (Pillar One and Pillar Two), or their interpretation or application could significantly increase UPM's tax burden, which could have a material adverse effect on UPM's business, financial condition or results of operations.

The tax authorities may also challenge views taken by UPM and, consequently, order additional taxes or reject tax refund claims. UPM is, from time to time, subject to general tax audits or other review actions by the national tax and other authorities. As a result of such audits or other review actions, additional taxes (including, for example, income taxes, withholding taxes, real estate taxes, capital taxes, transfer taxes and value added taxes) could be assessed, for example, due to different interpretations of the local legislation and double tax treaties.

Failure to effectively manage credit and counterparty risk could have a material adverse effect on UPM's financial condition and results of operations.

UPM is exposed to operational credit risk, that is, the risk of UPM not being able to collect the payments for its receivables. Russia's war in Ukraine and possible weakening of the economy may increase UPM's credit risk, but potential concentrations of credit risk with respect to trade and other receivables are, however, limited due to the large number and the geographic dispersion of UPM's customers, and consequently, UPM does not have a significant concentration of customer credit risk. The ten largest customers accounted for approximately 17 per cent. of UPM's trade receivables as at 31 December 2022 and 15 per cent. as at 31 December 2021, amounting to approximately EUR 269 million, and approximately EUR 200 million, respectively.

UPM has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Customer credit limits are established and monitored, and ongoing evaluations of their financial condition is performed. Measures to reduce credit risk include also trade credit insurances, letter of credits, prepayments and bank guarantees. However, there can be no assurance that these measures will be successful in preventing the realisation of customer credit risk that could have a material adverse effect on UPM's business, financial condition or results of operations.

The financial instruments UPM has agreed with financial institutions contain an element of risk of the counterparties being unable to meet their obligations, which could have a material adverse effect on UPM's business, financial condition or results of operations. According to UPM's treasury policy, derivative instruments and investments of cash funds may be made only with counterparties meeting certain creditworthiness criteria, and UPM also tries to minimise counterparty risk by using a number of major financial institutions. UPM's ability to effectively manage its financial counterparty-related risks depends on a number of factors, including market conditions affecting its financial counterparties, and its ability to mitigate exposure with acceptable terms.

Risk Relating to the Notes

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmark Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(n) (*Benchmark Replacement—Independent Adviser*)) or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "*Terms and Conditions of the Notes*" provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

The use of risk-free rates – including those such as the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**") and €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history.

Risk-free rates may differ from The London Interbank Offered Rate ("**LIBOR**") and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element

based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 13 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index.

The Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

Notes issued as Green Bonds with a specific use of proceeds, may not meet investor expectations or requirements.

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply the proceeds of those Notes for projects that promote climate-friendly and other environmental purposes in accordance with the Issuer's Green Finance Framework (the "**Green Finance Framework**"). A prospective investor should have regard to the information set out, or referred to, in the Green Finance Framework and determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

No assurance is given by the Issuer, the Arranger or the Dealers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Finance Framework.

No assurance can be given that Eligible Projects and Assets will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should have regard to the factors described in the Green Finance Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest. The Issuer's Green Finance Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. The Issuer's Green Finance Framework does not form part of, nor is incorporated by reference, in this Base Prospectus.

While it is the intention of the Issuer to apply the proceeds of any Notes issued as Green Bonds for Eligible Projects and Assets, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects and Assets will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects and Assets as intended. In addition, there can be no assurance that Eligible Projects and Assets will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise)

originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes issued as Green Bonds or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds or the failure of the Notes issued as Green Bonds to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will constitute an Event of Default or breach of contract with respect to any of the Notes issued as Green Bonds.

A failure of the Notes issued as Green Bonds to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for Eligible Projects and Assets, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bonds

CICERO has issued the Second Party Opinion. The Second Party Opinion provides an opinion on certain environmental and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. The Second Party Opinion and any such opinion or certification is not intended to address any credit, market or other aspects of any investment in any Note, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. Any such opinion or certification is not a recommendation by the Issuer, the Arranger, the Dealer or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Base Prospectus.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealer or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arranger, the Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

There is no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If a market does develop, it may not be very liquid. Therefore, we cannot assure you as to the liquidity of any market in the Notes; a holder of the Notes' ability to sell their Notes or the prices at which they would be able to sell their Notes.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on holders of either series of the Notes, regardless of the Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although application has been made for the Notes to be admitted to listing on Euronext Dublin there can be no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

Exchange rates and exchange controls.

The Issuer will pay principal and interest on the Notes in the currency as stated in the relevant Notes (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a holder of the Notes' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

The Notes may be redeemed prior to maturity.

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances a holder of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and may only be able to do so at a significantly lower rate. This optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, holders of the Notes will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Notes issued with a minimum denomination.

Notes may be issued with a minimum denomination. The Final Terms of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or other relevant clearing system) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs and the

Notes become due and payable or (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

The Final Terms may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. A holder who holds less than the minimum denomination in principal amount of the Notes in its account with a relevant clearing system would not receive a definitive Note and would need to purchase additional Notes such that it holds at least a principal amount of the minimum denomination in order to receive its Notes in definitive form. Any remaining principal amount of Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and any holder of such Notes in its account at a relevant clearing system would not be able to receive a Definitive Note and would need to purchase additional Notes such that it holds at least a principal amount of the minimum denomination in order to receive its Notes in definitive form. Any remaining principal amount of Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

The value of the Notes may be adversely affected by a negative change to an applicable credit rating.

The long-term senior debt of the Issuer has been assigned a rating of "Baa1" by Moody's and "BBB" by S&P. Notes issued under the Programme may or may not be assigned an individual credit rating. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit rating to the issue of Notes. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

English law judgments may not be enforceable in Finland.

The United Kingdom left the EU on 31 January 2020 ("**Brexit**") and the transitional period agreed in the withdrawal agreement expired on 31 December 2020 during which EU law continued to apply to the United Kingdom. As a result, the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012)) has ceased to apply to the United Kingdom (and English court judgments). Further, the UK is no longer a party to the Lugano Convention under which judgments from the courts of contracting states (currently the EU Member States, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states, and as at the date of this Base Prospectus, the UK's application to accede to the Lugano Convention has been blocked by the European Commission.

Under the Terms and Conditions of the Notes, the courts of England have exclusive jurisdiction to settle any dispute. Based on the communication by the European Commission dated 27 August 2020, Finnish courts would likely give effect to the Hague Convention as the applicable source of law in respect of exclusive choice of court agreements concluded after 1 January 2021, which would include Notes issued under this Base Prospectus.

However under the terms of the Deed of Covenant, the courts of England have non-exclusive jurisdiction to settle any disputes. As regards (i) non-exclusive choice of court agreements and (ii) exclusive choice of court agreements concluded prior to 1 January 2021, a judgment rendered by an English court would not be enforceable nor recognised in Finland by operation of the Hague Convention and, as a result, it is possible that a judgment entered against the Issuer in a United Kingdom court would not be recognised or enforceable in Finland as a matter of law without a re-trial on its merits (but would be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Finland).

INFORMATION INCORPORATED BY REFERENCE

The following documents have been filed with the Central Bank and Euronext Dublin and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of UPM in respect of the year ended 31 December 2021 (set out on pages 151 to 224 of the 2021 Annual Report of the Issuer) (the "**2021 Financial Statements**") as well as certain other financial information of UPM (set out on pages 225 to 227 of the 2021 Annual Report of the Issuer);
- (b) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of UPM in respect of the year ended 31 December 2022 (set out on pages 158 to 234 of the 2022 Annual Report of the Issuer) (the "**2022 Financial Statements**") as well as certain other financial information of UPM (set out on pages 235 to 237 of the 2022 Annual Report of the Issuer);
- (c) the terms and conditions set out on pages 30 to 55 (inclusive) of the base prospectus dated 5 November 2020 relating to the Programme under the heading "*Terms and Conditions of the Notes*";
- (d) the terms and conditions set out on pages 32 to 57 (inclusive) of the base prospectus dated 5 March 2021 relating to the Programme under the heading "*Terms and Conditions of the Notes*"; and
- (e) the terms and conditions set out on pages 34 to 69 (inclusive) of the base prospectus dated 7 March 2022 relating to the Programme under the heading "*Terms and Conditions of the Notes*".

The documents specified above as containing information incorporated by reference in this Base Prospectus are also available on the Issuer's website:

- The 2021 Financial Statements and certain other financial information from the 2021 Annual Report specified in (a) above:
www.upm.com/siteassets/asset/investors/2021/upm-annual-report-2021.pdf
- The 2022 Financial Statements and certain other financial information from the 2022 Annual Report specified in (b) above:
<https://www.upm.com/siteassets/asset/investors/2022/upm-annual-report-2022.pdf>
- The terms and conditions set out in the base prospectus dated 5 November 2020:
www.upm.com/siteassets/asset/investors/debt/upm-kymmene-corporation---base-prospectus.pdf
- The terms and conditions set out in the base prospectus dated 5 March 2021:
www.upm.com/siteassets/asset/investors/debt/upm-kymmene-u21---base-prospectus.pdf
- The terms and conditions set out in the base prospectus dated 7 March 2022:
<https://www.upm.com/siteassets/asset/investors/debt/emtn-programme-march-2022.pdf>

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

Supplements

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the EU Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to supersede statements contained in this Base Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as completed to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

FORM OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will indicate whether such Bearer Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) ("**TEFRA C**") or United States Treasury Regulation §1.163 5(c)(2)(i)(D) ("**TEFRA D**") is applicable in relation to the Notes or, if the Notes do not have a maturity of more than one year, that TEFRA is not applicable.

Temporary Global Note Exchangeable for Permanent Global Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either

case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**");

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business;
 - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs and the Notes become due and payable; or
 - (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note Exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that TEFRA C is applicable or that TEFRA is not applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that TEFRA D is applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note Exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business;
 - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs and the Notes become due and payable; or
 - (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions Applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Legend Concerning United States Persons

In the case of any Tranche of Bearer Notes having a maturity of more than one year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

- (i) individual Note Certificates in registered form ("**Individual Note Certificates**"); or
- (ii) one or more global note certificates ("**Global Registered Note(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S,

in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The relevant Final Terms will indicate whether such Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Each Note represented by a Global Registered Note will either be: (a) in the case of a Certificate which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Note represented by a Global Registered Note will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Registered Note Exchangeable for Individual Note Certificates

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Registered Notes each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then:
 - (a) in the case of any Global Registered Note, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) in any case, if any of the circumstances described in Condition 13 (*Events of Default*) occurs and the Notes become due and payable.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, each person having an interest in a Global Registered Note must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions Applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State of the European Economic Area or on a regulated market in the United Kingdom, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* UPM-Kymmene Corporation (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**") provided that in the case of a Tranche of Exempt Notes which is the subject of a pricing supplement (a "**Pricing Supplement**"), each reference to Final Terms or to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to the Pricing Supplement or to such information being specified or identified in the relevant Pricing Supplement, unless the context requires otherwise. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 5 November 2020 (the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citigroup Global Markets Europe AG as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). The Notes are constituted by a deed of covenant dated 5 November 2020 (the "**Deed of Covenant**") entered into by the Issuer.
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing during normal business hours at Alvar Aallon katu 1, FI-00100 Helsinki, Finland and www.upm.com.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"2021 ISDA Definitions" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

"Accrual Yield" has the meaning given in the relevant Final Terms;

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Business Day" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Call Option" means the option of the Issuer to redeem the Notes pursuant to Condition 9(c) (*Redemption at the option of the Issuer*);

"Coupon Sheet" means, in respect of a Note in definitive form, a coupon sheet relating to the Note;

"DA Selected Bond" means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the Remaining Term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the same currency as the Notes and with a comparable remaining maturity to the Remaining Term of the Notes;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
 - (iii) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (iv) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (v) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
 - (vi) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means an independent adviser, investment bank or financial institution of recognised standing selected by the Issuer;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield to maturity (or if a Par Call Commencement Period is specified in the relevant Final Terms, to the Par Call Commencement Period) on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places)) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

"**Group**" means the Issuer and its consolidated Subsidiaries taken as a whole;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;

- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and IFRS, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 120 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing and/or which would, in accordance with IFRS, be treated as a borrowing;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor);

"ISDA Definitions" has the meaning given in the relevant Final Terms;

"Issue Date" has the meaning given in the relevant Final Terms;

"Make Whole Redemption Price" has the meaning given in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Minimum Rate of Interest" for any Interest Period has the meaning given in the Final Terms but shall never be less than zero, including any relevant margin;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Non-Sterling Make Whole Redemption Amount" has the meaning given in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*);

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Par Call Commencement Period" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Permitted Security Interest" means:

- (a) a Security Interest on the undertaking or assets of any Person existing at the time such Person is acquired by and becomes a Subsidiary of the Issuer, provided such Security Interest was not created in contemplation of such acquisition and the principal amount secured has not been increased in contemplation of or since such acquisition;
- (b) a Security Interest arising in relation to any Project Finance Debt; and
- (c) a Security Interest created for the purposes of any securitisation or similar asset-backed off balance sheet financing arrangement;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union or the United Kingdom as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Principal Subsidiary" means at any time, any Subsidiary of the Issuer:

- (a) whose total assets (consolidated in the case of a company which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated total assets of the Group taken as a whole (all as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated financial statements of the Group); or
- (b) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Principal Subsidiary pursuant to paragraph (a) above (and, thereafter, subject to the provisions of paragraph (a) above).

"Project Finance Debt" means any indebtedness incurred in relation to any asset solely for purposes of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset where the financial institutions to whom such indebtedness is owed have recourse solely to the applicable project borrower (where such project borrower is formed solely or principally for the purpose of the relevant project) and/or to such asset (or any derivative asset thereto) or any other similar non-recourse indebtedness which is properly regarded as project finance debt.

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Quotation Time" has the meaning given in the relevant Final Terms;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Redemption Margin" means the figure specified in the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"Reference Bond" means the bond specified in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"Reference Bond Price" means, with respect to any Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, (ii) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, (c) if only one such Reference Government Bond Dealer Quotation is received, such quotation so obtained, or (d) if no Reference Government Bond Dealer Quotations are provided, the price determined by the Determination Agent (or failing which the Issuer, in consultation with the Determination Agent), acting in good faith and in a commercially reasonable manner, at such time and by reference to such sources as it deems appropriate;

"Reference Bond Rate" means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"Reference Date" means the date falling three London Business Days prior to the Optional Redemption Date (Call);

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" means EURIBOR/STIBOR/SONIA/SOFR/€STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Remaining Term" means the term to maturity or, if a Par Call Commencement Period is specified in the relevant Final Terms, to such Par Call Commencement Period;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Sterling Make Whole Redemption Amount" has the meaning given in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*);

"**STIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently the Swedish Financial Benchmark Facility) in accordance with the requirements from time to time of the Swedish Financial Benchmark Facility (or any other Person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor);

"**Subsidiary**" means any subsidiary of the Issuer whose financial statements are, in accordance with IFRS, consolidated with those of the Issuer;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor or replacement for that system;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) Interpretation: In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms give no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. Form, Denomination and Title

- (a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "Holder" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. Status

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. Negative Pledge

So long as any Note remains outstanding, the Issuer shall not and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. Fixed Rate Note Provisions

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Final Terms for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents and the Noteholders in accordance with Condition 19 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.
- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. Floating Rate Note Provisions

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder

and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) or (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) provide such quotations to the Calculation Agent who shall determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, requested and selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such

Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent, provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee, under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i)

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (B) the Designated Maturity (as defined in the ISDA Definitions), if applicable, is a period specified in the relevant Final Terms;
- (C) the relevant Reset Date (as defined in the ISDA Definitions), unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions; and
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate; and

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:
 - (1) Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms;
 - (2) Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
 - (3) Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms, (a) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final

Terms, and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:

- (1) Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) as specified in relevant Final Terms;
- (2) Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
- (3) Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms, (a) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(G) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift (as defined in the ISDA Definitions) shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;

(ii) references in the ISDA definitions to:

- (A) "**Confirmation**" shall be references to the relevant Final Terms;
- (B) "**Calculation Period**" shall be references to the relevant Interest Period;
- (C) "**Termination Date**" shall be references to the final Interest Period End Date;
- (D) "**Effective Date**" shall be references to the Interest Commencement Date; and
- (E) "**Administrator/Benchmark Event**" in the 2021 ISDA Definitions shall be disappplied; and

(iii) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(e) *Interest – Floating Rate Notes referencing SONIA*

- (i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being "SONIA".
- (ii) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

- (iii) For the purposes of this Condition 7(e):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-pBLD} \times n_i}{365} \right) \right] \times \frac{365}{d}$$

"**d**" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**d₀**" means the number of London Banking Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**i**" means a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling **p** London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling **p** London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" for any London Banking Day "**i**", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "**i**" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "**p**" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is **p** London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling **p** London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("SONIA") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is

published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"SONIA_i" means the SONIA Reference Rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms; the relevant London Banking Day "i";

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), be:

- (A) the Bank of England's Bank Rate (the "Bank Rate") prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) *Interest – Floating Rate Notes referencing SOFR*

- (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being "SOFR".
- (ii) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

- (iii) For the purposes of this Condition 7(f):

"Benchmark" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(f).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(f)(iv) below will apply.

"Business Day" means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"Compounded SOFR" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

"d" is the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"d₀" is the number of U.S. Government Securities Business Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"i" is a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

"Interest Determination Date" means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

"**n**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

"**Observation Period**" in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (ii) Subject to Condition 7(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR_i**" means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and

- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

"Benchmark" means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination,

the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(f)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f); and

(B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

(vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) *Interest – Floating Rate Notes referencing €STR*

(i) This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being "€STR".

(ii) Where "€STR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 7(g):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"**d₀**" means the number of TARGET Settlement Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("€STR") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published

by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"€STR_i" means the €STR reference rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "i".

"i" is a series of whole numbers from one to "d_o", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

"n_i" for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

"**Observation Period**" means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the final Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

"p" for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms.

- (iv) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 7(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(g)(v), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(h) *Interest – SONIA Compounded Index and SOFR Compounded Index*

Where "Index Determination" is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"Compounded Index" shall mean either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Final Terms;

"d" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"End" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"Index Days" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"Numerator" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"Relevant Decimal Place" shall, unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.00000005 being rounded upwards); and

"Relevant Number" is as specified in the applicable Final Terms, but, unless otherwise specified shall be five.

"SONIA Compounded Index" means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"SOFR Compounded Index" means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

"Start" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 7(e) or Condition 7(f), as applicable) had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Final Terms, and where the Observation Shift Period for the purposes of that definition in Condition 7(e) or Condition 7(f) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the relevant Compounded Index, the provisions of Condition 7(n) (*Benchmark Discontinuation (Independent Adviser)*) shall apply.

- (i) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

- (j) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose, a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Benchmark Discontinuation:* If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(m)) and, in either case, an Adjustment Spread (in accordance with Condition 7(m)(ii)) and any Benchmark Amendments (in accordance with Condition 7(m)(iv)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, Agents or the Noteholders for any determination made by it pursuant to this Condition 7(m).

- (i) If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(m) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(m) (*Benchmark Discontinuation*) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(m).
- (ii) If the Independent Adviser determines in its discretion that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(m)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(m) in the event of a further Benchmark Event affecting the Successor Rate; or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(m)(iii)) subsequently be used in place of the

Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(m) in the event of a further Benchmark Event affecting the Alternative Rate.

- (iii) The Independent Adviser shall determine in its discretion (A) an Adjustment Spread required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, and such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (iv) If any relevant Successor Rate, Alternative Rate and/or Adjustment Spread is determined in accordance with this Condition 7(m) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(m)(iv), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(m)).
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(m) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) the relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(m); and
 - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, any other Paying Agents and the Noteholders.
- (n) As used in this Condition 7(n):

"**Adjustment Spread**" means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

- (C) (if no such determination has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(n) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines is most comparable to the relevant Reference Rate.

"Benchmark Amendments" has the meaning given to it in Condition 7(m)(iv).

"Benchmark Event" means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **"Specified Future Date"**); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the **"Specified Future Date"**), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the **"Specified Future Date"**), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor or administrator, (i) such Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the EU Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C) or (D) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(m).

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

8. Zero Coupon Note Provisions

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Redemption and Purchase

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot (without substantial costs) be avoided by the Issuer taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than:
 - (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
 - (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant final terms) prior to

the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer, and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call))) one of:

- (i) the Optional Redemption Amount (Call); or
- (ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be, as determined by the Determination Agent:

- (i) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the sum of (x) the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus (y) the Redemption Margin; or
- (ii) if "**Non-Sterling Make Whole Redemption Amount**" is specified in the applicable Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of such Notes to be redeemed and (ii) the sum of the then present values of each remaining scheduled payment of principal and interest on such Notes to be redeemed for the Remaining Term (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date (Call)) discounted to the relevant Optional Redemption Date (Call) on an annual basis (assuming the Day Count Fraction specified in the applicable Final Terms or such other day count basis as the Determination Agent may consider to be appropriate having regard to customary market practice at such time) at the Reference Bond Rate plus the Redemption Margin, if any, specified in the applicable Final Terms,

provided however that, in the case of either (i) or (ii) above, if the Optional Redemption Date (Call) occurs on or after the Par Call Commencement Period (if any) specified in the relevant Final Terms, the Make-Whole Redemption Price will be equal to 100 per cent. of the principal amount of the Notes.

- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final

Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem, such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant final terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *Clean-up Call:* If Clean-up Call is specified in the relevant Final Terms as being applicable, and, at any time, (other than following the exercise by the Issuer of its redemption right under Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) in respect of the Notes), the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Notes initially issued (which shall include, for these purposes, any further Notes issued pursuant to Condition 18 (*Further Issues*)), the Notes may be redeemed at the option of the Issuer, at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable) or on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable), on giving not less than 30 nor more than 60 days' notice to the Noteholders (or such other period(s) as may be specified in the relevant Final Terms). The notice shall be irrevocable and shall specify the date fixed for redemption. Any such redemption shall be at par together, if appropriate, with any accrued but unpaid interest to the date fixed for redemption.
- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date Fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation (provided that, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons relating to them).
- (j) *Cancellation:* All Notes redeemed and any unmatured Coupons or unexchanged Talons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 9(i) (*Purchase*) above (together with all unmatured Coupons cancelled with them) may not be reissued or resold.

10. Payments – Bearer Notes

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto ("**FATCA**").
- (e) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (g) *Unmatured Coupons void:* If the relevant Final Terms specify that this Condition 10(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note

or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (h) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. Payments – Registered Notes

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto (FATCA). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments

of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. Taxation

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Finland other than the mere holding of the Note or Coupon; or
 - (ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Finland, references in these Conditions to the Republic of Finland shall be construed as references to the Republic of Finland and/or such other jurisdiction.
- (c) *FATCA withholding:* Notwithstanding anything in Condition 10(d) (*Payments subject to fiscal laws*) and Condition 11(c) (*Payments subject to fiscal laws*) or this Condition 12 to the contrary, none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note or Coupon pursuant to FATCA.

13. Events of Default

If any of the following events occurs, and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after given written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Payment Cross-Default and Cross-Acceleration of Issuer or a Principal Subsidiary:*
 - (i) any Indebtedness of the Issuer or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

- (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness *unless*, such declaration is being contested in good faith by the Issuer or the relevant Principal Subsidiary on the basis of external legal advice and such creditor (or creditors) has (or have) not obtained an enforceable judgment against the Issuer, or the relevant Principal Subsidiary in respect of the same and the Issuer or the relevant Principal Subsidiary has a reasonable prospect of successfully contesting such action (or actions) and has, if such action is adversely determined against the Issuer or the relevant Principal Subsidiary, sufficient and proper reserves in cash or other readily recognisable liquid assets have been made in accordance with IFRS to pay the relevant Indebtedness; or
- (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies);

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of an amount exceeding EUR 50,000,000 (or its equivalent in any other currency) whether individually or in the aggregate, is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession of, or a receiver, manager or other similar officer is appointed in relation to, the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries for the payment of an amount exceeding EUR 50,000,000 (or its equivalent in any other currency) whether individually or in the aggregate; or
- (f) *Insolvency etc.*: (i) the Issuer or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made in good faith in respect of a *bona fide* claim) in respect of the Issuer or any of its Principal Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries, and is not dismissed, stayed or discharged within 30 days, or (iii) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it, in each case, in respect of a Principal Subsidiary only, otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring of the Group whilst solvent; or
- (g) *Winding up etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Principal Subsidiaries (otherwise than, in the case of a Principal Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring of the Group whilst solvent), save for any proceedings or actions which are contested in good faith and which are discharged, stayed or dismissed within thirty (30) days of their commencement; or
- (h) *Analogous event*: any event occurs which under the laws of the Republic of Finland has an analogous effect to any of the events referred to in paragraphs (d) to (g) above,

then any holder of any Note may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare such Notes to be immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued but unpaid interest (if any) without further action or formality.

14. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Fiscal Agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing and electronic consent signed by or on behalf of 75 per cent. Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Notes, the Deed of Covenant and these Conditions, may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or

technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

In addition, pursuant to Condition 7(m) (*Benchmark Discontinuation*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.

18. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. Notices

- (a) *Bearer Notes*: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) and, if the Bearer Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, published on the website of Euronext Dublin (*live.euronext.com*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (*live.euronext.com*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. Governing Law and Jurisdiction

- (a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Service of process:* The Issuer agrees that the documents which start any proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

OPTION 1 – EU MiFID II Target market Legend for a professional investors and ECPs (consider if any of the Issuer / Guarantor / Managers are "EU MiFID II entities" and are "manufacturers" for the purposes of EU MiFID II)

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")][EU MiFID II]; or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

OPTION 2 – UK MiFIR Target market Legend for a professional investors and ECPs (consider if any of the Issuer / Guarantor / Managers are "UK MiFIR entities" and are "manufacturers" for the purposes of UK MiFIR)

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes [(a "**distributor**")]) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

END OF OPTION

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, (as modified or amended from time to time)] the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

UPM-Kymmene Corporation

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Legal entity Identifier (LEI): 213800EC6PW5VU4J9U64

under the EUR 3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 9 March 2023 [and the supplemental base prospectus[es] dated [●][and [●]] in order to obtain all the relevant information which [together] constitute[s] a base prospectus] (the "**Base Prospectus**") for the purposes of the EU Prospectus Regulation. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [5 November 2020]/[5 March 2021]/[7 March 2022] which are incorporated by reference in the Base Prospectus dated 9 March 2023. This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the base prospectus dated 9 March 2023 [and the supplement[s] thereto dated [●]] in order to obtain all the relevant information which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation (the "**Base Prospectus**"), save in respect of the Conditions which are set forth in the base prospectus dated [5 November 2020]/[5 March 2021]/[7 March 2022].

The Base Prospectus has been published on the website of the Issuer (www.upm.com) and the website of Euronext Dublin (live.euronext.com).

The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | |
|----|---|---|
| 1. | Issuer: | UPM-Kymmene Corporation |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | [(iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [●]].] |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |

5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. (i) Specified Denominations: [●]
(ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
(ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[●] per cent. Fixed Rate]
[●][●] [EURIBOR/STIBOR/SONIA/SOFR/€STR]+/-
[●] per cent. Floating Rate]
[Zero Coupon]
(see paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●]/[100] per cent. of their nominal amount.
11. Change of Interest or Redemption/Payment Basis: *[Specify the date when any Fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]*
12. Put/Call Options: [Not Applicable]
[Put Option]
[Call Option]
[Clean-up Call]
[(See paragraph [17/18/19] below)]
13. (i) Status of the Notes: Senior
(ii) [[Date [Board] approval for [●]
[●] issuance of Notes]
obtained:]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
OR
[Initial Rate of Interest: [●] per cent. per annum]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]

- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) [First Interest Payment Date]: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[●]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: [●][●] [EURIBOR/STIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index]
 - Observation Method: [Lag / Observation Shift]
 - Lag Period: [5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
 - Observation Shift Period: [5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[●]] / [Not Applicable]
 - Index Determination [Applicable/Not Applicable]
 - SONIA Compounded Index [Applicable/Not Applicable]
 - SOFR Compounded Index [Applicable/Not Applicable]
 - Relevant Decimal Place [●] [5/7] *(unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
 - Relevant Number of Index Days [●] [5] *(the Relevant Number shall be 5, unless otherwise agreed with the Calculation Agent)*

- Interest Determination Date(s): [●]/[●] London Banking Days prior to the end of each Interest Period
 - Relevant Screen Page: [●]
 - Relevant Time: [●]
 - Relevant Financial Centre: [●]
- (ix) ISDA Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period]
- Compounding: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method: [Compounding with Lookback
Lookback: [●] Applicable Business Days
[Compounding with Observation Period Shift
Observation Period Shift: [●] Observation Period Shift Business Days
Observation Period Shift Additional Business Days: [●] / [Not Applicable]
[Compounding with Lockout
Lockout: [●] Lockout Period Business Days
Lockout Period Business Days: [●]/[Applicable Business Days]
(NB: A minimum of 5 should be specified for Lookback, the Observation Period Shift or Observation Period Shift Additional Business Days, unless otherwise agreed with the Calculation Agent)
- Averaging [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- [Averaging Method: [Averaging with Lookback
Lookback: [●] Applicable Business Days
[Averaging with Observation Period Shift
Observation Period Shift: [●] Observation Period Shift Business days
Observation Period Shift Additional Business Days: [●]/[Not Applicable]

[Averaging with Lockout

Lookout: [●] Lockout Period Business Days

Lockout Period Business Days: [●]/[Applicable Business Days]]

(NB: A minimum of 5 should be specified for Lookback, the Observation Period Shift or Observation Period Shift Additional Business Days, unless otherwise agreed with the Calculation Agent)

Index Provisions: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*

Index Method: Compounded Index Method with Observation Period Shift

Observation Period Shift: [●] Observation Period Shift Business days

Observation Period Shift Additional Business Days: [●] / [Not Applicable]

(NB: A minimum of 5 should be specified for the Observation Period Shift or Observation Period Shift Additional Business Days, unless otherwise agreed with the Calculation Agent)

(x) [Linear interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(xi) Margin(s): [+/-][●] per cent. per annum

(xii) Minimum Rate of Interest: [The Minimum Rate of Interest shall not be less than zero] / [The Minimum Rate of Interest shall not be less than [●] per cent. per annum]

(xiii) Maximum Rate of Interest: [●] per cent. per annum

(xiv) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]

[(xv) Party responsible for calculating the amount of interest payable for any Rate Adjustment under Condition 6(e): [The Fiscal Agent/other] shall be the Calculation Agent.]

16. Zero Coupon Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [●] per cent. per annum

(ii) Reference Price: [●]

(iii) Day Count Fraction in relation to Early Redemption Amount: [Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17. Call Option [Applicable/Not Applicable]

(i) Optional Redemption Date(s): [●]

	(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount[/Make-whole Redemption Price] [(in the case of the Optional Redemption Dates falling on [●])/[in the period from and including [date]]]
	[(iii)	Make Whole Redemption Price:	[Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable] <i>(If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph)</i>
		[(a) Reference Bond:	[Insert applicable Reference Bond]]
		[(b) Quotation Time:	[●]]
		[(c) Redemption Margin:	[●] per cent.]
		[(d) Determination Date:	[●]]
		[(e) Reference Dealers:	[●]]
		[(f) Par Call Commencement Period:	[●]/Not Applicable]
	(iii)	Redemption in part:	[Applicable/Not Applicable]
		(a) Minimum Redemption Amount:	[●]
18.		(b) Maximum Redemption Amount	[●]
	(iv)	Clean-Up Call:	[Applicable/Not Applicable]
	(v)	Notice period:	[●]
	Put Option		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	Notice period:	[●]
	19.	Final Redemption Amount of each Note:	[●] per Calculation Amount
	20.	Early Redemption Amount	
		Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[●] per Calculation Amount/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|---|
| 21. | Form of Notes: | <p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>Registered Notes:</p> <p>[Global Registered Note exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Registered Note]</p> <p>[and]</p> <p>Global Registered Note [(U.S.\$/Euro [●] nominal amount)] registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure).]</p> |
| 22. | New Global Note: | [Yes] [No] |
| 23. | Additional Financial Centre(s): | [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates] |
| 24. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.] |

Signed on behalf of **UPM-Kymmene Corporation:**

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin with effect from [●].]
- (When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [●]

2. [RATINGS]

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

Option 1 – CRA established in the EEA and registered under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").

Option 2 – CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

Option 3 – CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").

Option 4 – CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").

Option 5 – CRA is not established in the EEA and relevant rating is not endorsed under the EU CRA Regulation but CRA is certified under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation").

Option 6 – CRA neither established in the EEA nor certified under the EU CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.

[Insert explanation of the meaning of ratings]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the EU Prospectus Regulation.)]

4. [Fixed Rate Notes only – YIELD

Indication of yield: [●]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

CFI: [●]

FISN: [●]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [[●]/Not Applicable]

Relevant Benchmark[s]: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name]][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of Regulation (EU) 2016/1011, as amended]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if

located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for registered notes held under the NSS Structure*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- (i) Method of Distribution: [Syndicated/Non-syndicated]
[Not Applicable/give names]
- (ii) If syndicated: [Not Applicable/give names]
 - (A) Names of Dealers:
 - (B) Stabilisation Manager(s), if any: [Not Applicable/give names]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (iv) U.S. Selling Restrictions: [Reg S Compliance Category 2; [TEFRA C / TEFRA D / TEFRA not applicable] – Not Rule 144A Eligible]
- (v) [Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, and no key information document will be prepared, "Applicable" should be specified.)]
- (vi) [Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]
(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, and no key information document will be prepared, "Applicable" should be specified.)]

7. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

- Reasons for the offer: [●] [Give details] [Green Bonds]
- Estimated net proceeds: [●]

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

OPTION 1 – EU MiFID II Target market Legend for a professional investors and ECPs (consider if any of the Issuer / Guarantor / Managers are "EU MiFID II entities" and are "manufacturers" for the purposes of EU MiFID II)

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")][EU MiFID II]; or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

OPTION 2 – UK MiFIR Target market Legend for a professional investors and ECPs (consider if any of the Issuer / Guarantor / Managers are "UK MiFIR entities" and are "manufacturers" for the purposes of UK MiFIR)

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes [(a "**distributor**")]) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

END OF OPTION

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

UPM-Kymmene Corporation

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Legal entity Identifier (LEI): 213800EC6PW5VU4J9U64

under the EUR 3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 9 March 2023 [and the supplemental base prospectus[es] dated [●][and [●]] in order to obtain all the relevant information which [together] constitute[s] a base prospectus] (the "**Base Prospectus**").

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [5 November 2020]/[5 March 2021]/[7 March 2022] which are incorporated by reference in the Base Prospectus dated 9 March 2023.

The Base Prospectus has been published on the website of the Issuer (www.upm.com).

The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

In accordance with the EU Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]

- | | | |
|----|---|---|
| 1. | Issuer: | UPM-Kymmene Corporation |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | [(iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [●]].] |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 5. | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]] |
| 6. | (i) Specified Denominations: | [●] |
| | (ii) Calculation Amount: | [●] |

7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[●] per cent. Fixed Rate]
- [●][●] [EURIBOR/STIBOR/SONIA/SOFR/€STR]+/–
- [●] per cent. Floating Rate]
- [Zero Coupon]
- (see paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●]/[100] per cent. of their nominal amount.
11. Change of Interest or Redemption/Payment Basis: *[Specify the date when any Fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]*
12. Put/Call Options: [Not Applicable]
- [Put Option]
- [Call Option]
- [Clean-up Call]
- [(See paragraph [17/18/19] below)]
13. (i) Status of the Notes: Senior
- (ii) [[Date [Board] approval for [●] issuance of Notes] obtained:] [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- OR
- [Initial Rate of Interest: [●] per cent. per annum]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*

- (i) Specified Period: [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) [First Interest Payment Date]: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[●]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: [●][●] [EURIBOR/STIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index]
 - Observation Method: [Lag / Observation Shift]
 - Lag Period: [5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
 - Observation Shift Period: [5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[●]] / [Not Applicable]
 - Index Determination [Applicable/Not Applicable]
 - SONIA Compounded Index [Applicable/Not Applicable]
 - SOFR Compounded Index [Applicable/Not Applicable]
 - Relevant Decimal Place [●] [5/7] *(unless otherwise specified in the Pricing Supplement, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
 - Relevant Number of Index Days [●] [5] *(the Relevant Number shall be 5, unless otherwise agreed with the Calculation Agent)*
 - Interest Determination Date(s): [●]/[●] London Banking Days prior to the end of each Interest Period]
 - Relevant Screen Page: [●]

	• Relevant Time:	[●]
	• Relevant Financial Centre:	[●]
(ix)	ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	• ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period]
	Compounding:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	Compounding Method:	<p>[Compounding with Lookback</p> <p>Lookback: [●] Applicable Business Days]</p> <p>[Compounding with Observation Period Shift</p> <p>Observation Period Shift: [●] Observation Period Shift Business Days</p> <p>Observation Period Shift Additional Business Days: [●] / [Not Applicable]]</p> <p>[Compounding with Lockout</p> <p>Lockout: [●] Lockout Period Business Days</p> <p>Lockout Period Business Days: [●]/[Applicable Business Days]]</p> <p><i>(NB: A minimum of 5 should be specified for Lookback, the Observation Period Shift or Observation Period Shift Additional Business Days, unless otherwise agreed with the Calculation Agent)</i></p>
	Averaging	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	[Averaging Method:	<p>[Averaging with Lookback</p> <p>Lookback: [●] Applicable Business Days]</p> <p>[Averaging with Observation Period Shift</p> <p>Observation Period Shift: [●] Observation Period Shift Business days</p> <p>Observation Period Shift Additional Business Days: [●]/[Not Applicable]]</p> <p>[Averaging with Lockout</p> <p>Lockout: [●] Lockout Period Business Days</p> <p>Lockout Period Business Days: [●]/[Applicable Business Days]]</p> <p><i>(NB: A minimum of 5 should be specified for Lookback, the Observation Period Shift or Observation Period Shift Additional</i></p>

Business Days, unless otherwise agreed with the Calculation Agent)

Index Provisions: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*

Index Method: Compounded Index Method with Observation Period Shift

Observation Period Shift: [●] Observation Period Shift Business days

Observation Period Shift Additional Business Days: [●] / [Not Applicable]

(NB: A minimum of 5 should be specified for the Observation Period Shift or Observation Period Shift Additional Business Days, unless otherwise agreed with the Calculation Agent)

(x) [Linear interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(xi) Margin(s): [+/-][●] per cent. per annum

(xii) Minimum Rate of Interest: [The Minimum Rate of Interest shall not be less than zero] / [The Minimum Rate of Interest shall not be less than [●] per cent. per annum]

(xiii) Maximum Rate of Interest: [●] per cent. per annum

(xiv) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[other]

[(xv) Party responsible for calculating the amount of interest payable for any Rate Adjustment under Condition 6(e): [The Fiscal Agent/other] shall be the Calculation Agent.]

16. Zero Coupon Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [●] per cent. per annum

(ii) Reference Price: [●]

(iii) Day Count Fraction in relation to Early Redemption Amount: [Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[other]

PROVISIONS RELATING TO REDEMPTION

17. Call Option [Applicable/Not Applicable]

(i) Optional Redemption Date(s): [●]

(ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount[/Make-whole Redemption Price]

[(in the case of the Optional Redemption Dates falling on [●]]/[in the period from and including [date]]

	[(iii)	Make Whole Redemption Price:	[Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable] <i>(If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph)</i>
	[(a)	Reference Bond:	[Insert applicable Reference Bond]]
	[(b)	Quotation Time:	[●]
	[(c)	Redemption Margin:	[●] per cent.]
	[(d)	Determination Date:	[●]
	[(e)	Reference Dealers:	[●]
	[(f)	Par Call Commencement Period:	[●]/Not Applicable]
18.	(iii)	Redemption in part:	[Applicable/Not Applicable]
	(a)	Minimum Redemption Amount:	[●]
	(b)	Maximum Redemption Amount	[●]
	(iv)	Clean-Up Call:	[Applicable/Not Applicable]
	(v)	Notice period:	[●]
		Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	Notice period:	[●]
19.		Final Redemption Amount of each Note:	[●] per Calculation Amount
20.		Early Redemption Amount	
		Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[●] per Calculation Amount/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
-----	----------------	---

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

Registered Notes:

[Global Registered Note exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Registered Note]

[and]

Global Registered Note [(U.S.\$/Euro [●] nominal amount)] registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure).]

- | | | |
|-----|---|--|
| 22. | New Global Note: | [Yes] [No] |
| 23. | Additional Financial Centre(s): | <i>[Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which subparagraph 15(v) relates]</i> |
| 24. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.] |

Signed on behalf of **UPM-Kymmene Corporation**:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Not Applicable.]
(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [●]

2. [RATINGS]

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

- Ratings: [Standard & Poor's: [●]]
[Moody's: [●]]
[Fitch: [●]]
[[Other]: [●]]

Option 1 – CRA established in the EEA and registered under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation").

Option 2 – CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

Option 3 – CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation").

Option 4 – CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation").

Option 5 – CRA is not established in the EEA and relevant rating is not endorsed under the EU CRA Regulation but CRA is certified under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation").

Option 6 – CRA neither established in the EEA nor certified under the EU CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.

[Insert explanation of the meaning of ratings]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the EU Prospectus Regulation.)]

4. [Fixed Rate Notes only – YIELD

Indication of yield: [●]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

CFI: [●]

FISN: [●]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [[●]/Not Applicable]

Relevant Benchmark[s]: *[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of Regulation (EU) 2016/1011, as amended]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]*

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee

of one of the ICSDs acting as common safekeeper] *[include this text for registered notes held under NSS structure]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- | | | |
|-------|--|---|
| (i) | Method of Distribution: | [Syndicated/Non-syndicated]
[Not Applicable/ <i>give names</i>] |
| (ii) | If syndicated: | [Not Applicable/ <i>give names</i>] |
| | (A) Names of Dealers: | |
| | (B) Stabilisation Manager(s), if any: | [Not Applicable/ <i>give names</i>] |
| (iii) | If non-syndicated, name of Dealer: | [Not Applicable/ <i>give name</i>] |
| (iv) | U.S. Selling Restrictions: | [Reg S Compliance Category 2; [TEFRA C / TEFRA D / TEFRA not applicable] – Not Rule 144A Eligible] |
| (v) | [Prohibition of Sales to EEA Retail Investors: | [Applicable]/[Not Applicable]
<i>(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, and no key information document will be prepared, "Applicable" should be specified.)]</i> |
| (vi) | [Prohibition of Sales to UK Retail Investors: | [Applicable]/[Not Applicable]
<i>(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, and no key information document will be prepared, "Applicable" should be specified.)]</i> |

7. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

- | | |
|-------------------------|--|
| Reasons for the offer: | [●] <i>[Give details]</i> <i>[for example, if the Notes are being issued as Green Bonds]</i> |
| Estimated net proceeds: | [●] |

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Transfers of Interests in Global Notes and Global Registered Notes

Transfers of interests in Global Notes and Global Registered Notes within Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Registered Note or for maintaining, supervising or reviewing any of the records of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

For a further description of restrictions on the transfer of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Conditions Applicable to Global Notes

Each Global Note or Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note or Global Registered Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent in accordance with the rules and procedures of Euroclear, Clearstream Luxembourg and/or and other relevant clearing system specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or Global Registered Note is deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (live.euronext.com).

Electronic Consent and Written Resolution: While any Global Note or Global Registered Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Registered Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for the general financing corporate purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

In particular, the applicable Final Terms indicates that the Notes are intended to constitute Green Bonds, then the Issuer intends to apply an amount equal to the net proceeds from an issue of Notes specifically to finance or re-finance eligible projects and assets (the "**Eligible Projects and Assets**") that have been evaluated and selected by the Issuer in accordance with the Green Finance Framework. Such Notes may also be referred to as "**Green Bonds**".

The Issuer strives to monitor the development of the green bond market to continually advance the green terms of its Green Finance Framework. Accordingly, the Green Finance Framework may be updated from time to time to reflect current market practices. Any amendments to the Green Finance Framework will be available on the Issuer's website. In establishing the terms in the current Green Finance Framework the Issuer has sought to comply with the Green Bond Principles (updated as of June 2018) published by the International Capital Markets Association (the "**Green Bond Principles**") and the Green Loan Principles (updated as of May 2020) published by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association (the "**Green Loan Principles**"). The Issuer has engaged CICERO to act as an external verifier of the Green Finance Framework and the Eligible Projects and Assets, and CICERO has issued an independent opinion, dated 2 November 2020, on the Issuer's Green Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Green Bonds, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact.

The Green Finance Framework including the information on the Eligible Projects and Assets that can be used for Green Bonds, and the Second Party Opinion are published on the Issuer's website at www.upm.com/investors/upm-as-an-investment/debt. For the avoidance of doubt, neither any such opinion or certification nor the Green Finance Framework are, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

The Issuer has designed and implemented a process to ensure that only projects aligned with the criteria set out in the Green Finance Framework are selected as Eligible Projects and Assets. The Issuer has established a green finance committee (the "**Green Finance Committee**") to oversee the process. The Green Finance Committee consists of members from the following teams of the Issuer: (i) treasury, (ii) responsibility, (iii) investor relations and (iv) finance.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion or any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds and in particular with any Eligible Projects and Assets to fulfil any environmental, sustainability, social and/or other criteria. Neither such opinion or certification nor the Green Finance Framework are, nor should be deemed to be, a recommendation by the Issuer or any of the Dealers or any other person to buy, sell or hold any such Green Bonds. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Dealers, or any other person to buy, sell or hold any Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.




Prospective investors in any Green Bonds should also refer to the risk factor above headed "*Risk Factors—Notes issued as Green Bonds with a specific use of proceeds, may not meet investor expectations or requirements*" and "*No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bonds*".





GREEN FINANCE FRAMEWORK

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply an amount equal to the proceeds of those Notes for projects that promote climate-friendly and other environmental purposes in accordance with the Issuer's Green Finance Framework. If the applicable Final Terms indicates that Notes are intended to constitute Green Bonds, it is the Issuer's intention to apply an amount equal to the net proceeds of the Green Bonds to finance or re-finance Eligible Projects and Assets that have been evaluated and selected by the Issuer in accordance with the Green Finance Framework. Refinancing of eligible operating expenditures will have a look-back period of no longer than three years from the time of issuance. Green assets shall qualify without a specific look-back period provided that at the time of the issuance they follow the eligibility criteria listed in the Green Finance Framework.

Eligible Projects and Assets include expenditure for the following eligible categories (the "**Eligible Categories**") sustainable forest management, climate positive products and solutions, pollution prevention and control (including waste management), water and wastewater management, energy efficiency initiatives and renewable energy.

The following table sets forth the use of proceeds for each of the Eligible Categories and represents a summary of information contained in the Green Finance Framework:

The Issuer Acts Through	Green Bond Principles Categories	Description	UN Sustainable Development Goals Mapping
FORESTS <i>Climate-positive forestry</i>	Environmentally sustainable management of living natural resources and land use	<p>Sustainable forest management</p> <p>Proceeds will be used to finance the acquisition, maintenance and management of forests certified under the Forest Stewardship Council ("FSC") and the Programme for the Endorsement of Forest Certification ("PEFC").</p> <p>Eligible Projects and Assets include, but are not limited to:</p> <ul style="list-style-type: none"> Sustainable certified forest The holding value of forest areas certified by FSC, and PEFC in Finland. Sustainable forest management Maintenance and establishment of nurseries, new planting activities as well as maintenance and harvesting of sustainably managed certified forest. 	
PRODUCTS <i>Innovate novel products</i>	Eco-efficient and/or circular economy adapted products, production technologies and processes	<p>Climate positive products and solutions</p> <p>Proceeds will be used to finance the development, operations, maintenance and expansion of the production of climate positive products and solutions.</p> <p>Eligible Projects and Assets include, but are not limited to:</p> <ul style="list-style-type: none"> Development of beyond fossils Investments in research and development to develop next generation biochemicals and biofuels. Biorefineries The Issuer's biorefinery will produce a range of 100 per cent. wood-based biochemical, which enable a transition from fossil raw materials to sustainable alternatives in various consumer-driven applications. 	
	Pollution prevention and control	<p>Pollution prevention and control, including waste management</p> <p>Proceeds will be used to finance the reduction of the Issuer's environmental impact and improvement of the environmental performance of its operations.</p> <p>Eligible Projects and Assets include, but are not limited to:</p> <ul style="list-style-type: none"> Air and waste management Investments related to reduction of air (NO_x, SO₂) emissions and waste management. 	

The Issuer Acts Through	Green Bond Principles Categories	Description	UN Sustainable Development Goals Mapping
		<ul style="list-style-type: none"> Investments in research and development Financing initiatives targeting circular economy and eco-labelled products, as well as projects that explore new sustainable, wood-based alternatives such as biocomposites and biomedical. 	
	Sustainable water and wastewater management	<p>Water and wastewater management</p> <p>Proceeds will finance the reduction of water use and management of wastewater from the Issuer's operations.</p> <p>Eligible Projects and Assets include, but are not limited to:</p> <ul style="list-style-type: none"> Water treatment plants Investments and management of effluent treatment systems, wastewater treatment plants and protection of soil or groundwater projects. Restoration of aquatic ecosystems Migrating fish programs to restore the natural reproduction cycle of migratory fish stocks in watercourses including practical local projects and research activities to promote fish migration. 	
EMISSIONS 65 per cent. less CO ₂ emissions	Energy efficiency	<p>Energy efficiency initiatives</p> <p>Proceeds will be used to finance energy efficiency projects with a minimum improvement of 25 per cent.</p> <p>Eligible Projects and Assets include, but are not limited to:</p> <ul style="list-style-type: none"> Various initiatives and projects Projects, initiatives and processes such as lighting, new technologies, efficient management systems and more. 	
	Renewable energy	<p>Renewable energy</p> <p>Proceeds will be used for development, operations and maintenance of renewable energy solutions.</p> <p>Eligible Projects and Assets include, but are not limited to:</p> <ul style="list-style-type: none"> Renewable energy boilers Investments in renewable energy boilers utilizing wood waste, e.g. bark, from FSC (PEFC in Finland) certified forests and other mill residues as feedstock. Excess energy from pulp mills Distribution of surplus energy generated from fossil-free feedstock. Hydro and solar power The acquisition, maintenance and refurbishment of hydro and solar power plants owned and operated by UPM Energy. 	 

The use of net proceeds from green finance instruments will be subject to specific eligibility criteria to be applied to new or existing assets or projects, as detailed in the Green Finance Framework.

Until the net proceeds of relevant green finance instruments have been fully allocated to the Eligible Project(s) and Asset(s), the balance of unallocated net proceeds will be held in accordance with the Issuer's liquidity management policy.

The Green Finance Framework is based on the Green Bond Principles (updated as of June 2018) published by the International Capital Markets Association and the Green Loan Principles (updated as of May 2020) published by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association. UPM has engaged CICERO to act as an external verifier of the Green Finance Framework and the Eligible Projects and Assets,

and CICERO has provided a Second Party Opinion. CICERO has given UPM's Green Finance Framework the rating CICERO Dark Green. This rating takes into account the governance structure of the Green Finance Framework. CICERO has rated the governance procedure in the Green Finance Framework as excellent.

The following table sets forth the green shading of each of the Eligible Categories:

Eligible Category	Green Shading
Sustainable forest management	Dark Green
Climate positive products and solutions	Dark Green
Pollution prevention and control, including waste management	Light to Medium Green
Water and wastewater management	Light to Medium Green
Energy efficiency initiatives	Light to Medium Green
Renewable energy and waste to energy	Dark Green

The Issuer has designed and implemented a process to ensure that only projects aligned with the criteria set out in the Green Finance Framework are selected as Eligible Projects and Assets. The Issuer has established the Green Finance Committee to oversee the process. The Green Finance Committee consists of members from the following teams of the Issuer: (i) treasury, (ii) responsibility, (iii) investor relations and (iv) finance. The representative from the Treasury team is the chair of the Green Finance Committee and the representative from the Responsibility team holds a veto right. The Green Finance Committee meets at least once a year.

The Issuer has established a green finance register in relation to issued green finance instruments for the purpose of monitoring the Eligible Projects and Assets and the allocation of the net proceeds from green finance instruments to Eligible Projects and Assets.

The Issuer will annually publish a report on the allocation and impact of green finance instruments issued under the Green Finance Framework. Where relevant, the Issuer will seek to align the reporting with the latest standards and practices as identified by the International Capital Markets Association and the guidelines in the Nordic Public Sector Issuers Position Paper on Green Bond Impact Reporting. The allocation report will, to the extent feasible, include the following components: (i) a list of all Eligible Projects and Assets funded, including amounts allocated, (ii) detailed descriptions and case studies of selected Eligible Projects and Assets financed and (iii) amounts invested in each category and the relative share of new financing versus refinancing. In the impact report, the Issuer will strive to report on the actual environmental impact of the investments financed by its green finance instruments. If or when actual impact is for some reason not observable, or proves unreasonably difficult to establish, the estimated impact will be reported. The impact report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations.

DESCRIPTION OF THE ISSUER

Overview

UPM-Kymmene Corporation (the "**Company**"), together with its consolidated subsidiaries "**UPM**" or the "**Group**", is a global forest-based bioindustry group. UPM's large product range covers pulp, graphic papers and specialty papers, self-adhesive labels, wood-based renewable diesel and naphtha, electricity as well as plywood and timber products. UPM constantly looks for new business opportunities and end-uses of forest biomass to replace fossil-based materials and to meet the growing global consumer demand. UPM delivers renewable and responsible solutions across its business areas that are UPM Fibres, UPM Energy, UPM Raflatac, UPM Specialty Papers, UPM Communication Papers, UPM Plywood and Other Operations. For more information, see "*Business Areas*" below.

As at the date of this Base Prospectus, UPM has 55 production plants in 11 countries and its most important markets are Europe, North America and Asia. For the years ended 31 December 2022 and 31 December 2021, UPM had sales of EUR 11.7 billion and EUR 9.8 billion, respectively. UPM's total assets amounted to EUR 22.2 billion as at 31 December 2022 and EUR 17.7 billion as at 31 December 2021. As at 31 December 2022, UPM had 17,236 employees.

UPM-Kymmene Corporation is a public limited liability company that was registered with the Finnish Trade Register on 30 April 1996 under the Finnish Companies Act (624/2006, as amended) with business identity code 1041090-0. The Company's legal entity identifier (LEI) is 213800EC6PW5VU4J9U64. The Company's shares are listed on Nasdaq Helsinki Ltd and, as at the date of this Base Prospectus, the Company has a total of 533,735,699 shares issued and outstanding, and its share capital is EUR 889,572,283.00.

According to the Company's Articles of Association, the Company's field of activity is directly, or through its subsidiaries or affiliated companies, to engage in forestry and forest, packaging, chemical and energy industries, to provide related services and to engage in other related business activities, to own, possess and trade in real estate, commodities, shares and other securities and to engage in other investment activities.

The Company's registered office is at Alvar Aallon katu 1, FI-00100 Helsinki, Finland, and its switchboard telephone number is +358 204 15 111.

History

On 30 April 1996, UPM-Kymmene Corporation was incorporated as a result of the merger of two Finnish companies, Kymmene Corporation ("**Kymmene**") and Repola Ltd ("**Repola**"). Prior to the merger, United Paper Mills Ltd ("**United Paper Mills**") had been a paper and forest products subsidiary of Repola.

Kymmene's origins date back to 1872. Kymmene made its first international acquisition in 1932. In the 1960s, Kymmene expanded its operations into Germany through the construction of Nordland Papier and into France through the acquisition of Papeteries Boucher S.A. In the 1980s, Kymmene merged with the Finnish forest industry company Oy Kaukas Ab, built a new lightweight coated paper mill in Irvine in Scotland (Caledonian Paper), and acquired the Finnish forest industry company Oy Wilh. Schauman Ab. In the 1990s, Kymmene acquired the French newsprint producer Chapelle Darblay S.A.

The predecessor companies of Repola were founded in the late nineteenth century. In 1920, the ownership of three paper mills was consolidated to form United Paper Mills. During the decades that followed, United Paper Mills expanded its operations, reaching new markets throughout Europe. Rauma Repola Oy ("**Rauma Repola**") had become, over the decades, an international forest products and engineering company. In 1990, United Paper Mills and Rauma Repola merged to form the international forest products and engineering group Repola. All engineering operations of the merged companies were combined to form Rauma Corporation and their forest industry operations were combined within United Paper Mills.

As part of its strategy UPM, has made several acquisitions in its history, such as Blandin Paper Company in the United States in 1997, Changshu paper mill in China in 2000, Miramichi paper and pulp mills in Canada in 2000, Haindl paper mills in Germany in 2001, Myllykoski Oyj in Finland and Rhein Papier GmbH in Germany in 2011 including the Ettringen, Hürth and Plattling paper mills. UPM became a more prominent competitor in plywood production when it acquired the Otepää mill in Estonia in 2003 and the Chudovo mill in Russia in 2005. UPM has also divested certain non-core businesses. By the mid-2000s, UPM had sold around twenty non-core mills and companies. Instead of cardboard and plastic packaging, UPM decided to specialise in self-adhesive labels (within its business area UPM Raflatac) and release liners (within its business area UPM Specialty Papers).

UPM's portfolio development and strategic transformation was intensified when it became apparent that digitalisation would permanently reduce the demand for paper. The closing of the Voikkaa, Miramichi and Kajaani paper mills triggered a transformation in UPM's operations. UPM started to envision a future based on innovations developed from fibre, wood chemicals and biomass. UPM's pulp and energy operations, previously considered support functions, became market-driven businesses in 2008. The strategic transformation continued with a new identity and strategy in 2009, when UPM became

"The Biofore Company". The current business structure was introduced in 2013. See "*Business Strategy—UPM Biofore – Beyond Fossils*" below.

The first significant steps in the implementation of the new strategy were the acquisition of the full ownership in the Fray Bentos pulp mill in Uruguay in 2009, the commencement of biocomposite production, the rapid expansion of the label business and the construction of a biofuel refinery in Lappeenranta, which began its operations in 2015. In 2018, UPM introduced the promise 'UPM Biofore – Beyond Fossils' that summarises UPM's strategic direction. Continuing to implement its strategy, UPM made the decision in 2019 to build a second pulp mill in Uruguay. In 2020, UPM announced its intention to take its next transformative growth step by entering the biochemicals business by investing in a biorefinery in Germany and in January 2021, UPM announced that it is moving forward with its biofuels growth plan and has started the basic engineering phase of a next generation biorefinery. For more information, see "*Business Strategy—UPM Biofore – Beyond Fossils—Spearheads for Growth*" below.

Over the past decade, UPM has continuously reduced its graphic paper capacity and taken measures to improve its cost efficiency. At the same time, UPM has invested in the other businesses, where long-term fundamentals for demand growth are positive and profitability on average has been higher than in the mature graphic paper business. In its investments, UPM applies conservative financial policies and strict criteria. These actions have significantly increased the share of growing, more profitable businesses in the UPM business portfolio and UPM has defined fibres, molecular bioproducts and specialty packaging materials being its main strategic focus areas with most significant growth potential. For more information on the strategic focus areas, see "*Business Strategy—UPM Biofore – Beyond Fossils—Spearheads for Growth*" below. During this process, UPM has deleveraged and maintained a strong balance sheet and had a net debt to EBITDA ratio of 0.94 as at 31 December 2022.

Business Areas

General

UPM consists of six separate business areas. Each business area is responsible for executing its own strategy and achieving the targets set for the business area. Group direction and support from global functions enable the businesses to capture benefits from UPM's brand, scale and integration, while navigating the complex operating environment. Capital allocation decisions take place at the group level. As of 1 January 2022, UPM's business area structure and business area names have been changed: the former UPM Biorefining business area consisting of the UPM Pulp, UPM Timber and UPM Biofuels businesses was renamed the UPM Fibres business area, consisting of the UPM Pulp and UPM Timber businesses, and a new business unit, called UPM Biorefining, which will be reported under Other Operations, was established, consisting of the UPM Biofuels, UPM Biochemicals, UPM Biomedicals and UPM Biocomposites businesses. The following table sets forth UPM's sales by business area for the years indicated:

	For the year ended 31 December	
	2022	2021
	(audited)	(audited, unless otherwise stated)
	(EUR in millions)	
Business Area		
UPM Fibres.....	2,704	2,794 ⁽²⁾
UPM Energy	734	526
UPM Raflatac	1,982	1,671
UPM Specialty Papers	1,677	1,482
UPM Communication Papers.....	4,866	3,577
UPM Plywood	539	492
Other Operations.....	634	483 ⁽²⁾
Eliminations and reconciliations ⁽¹⁾	(1,415)	(1,210) ⁽²⁾
Total	<u>11,720</u>	<u>9,814</u>

⁽¹⁾ Includes the elimination of internal sales and internal inventory margin and the changes in fair value of unrealised cash flow and commodity hedges that are not allocated to segments.

⁽²⁾ The 2021 figures have been restated to reflect the business area structure effective as of 1 January 2022. The restated information is unaudited.

UPM Fibres

UPM Fibres consists of the UPM Pulp and UPM Timber businesses. Until 31 December 2021, the UPM Biorefining business area consisted of the UPM Pulp, UPM Timber and UPM Biofuels business units. As of 1 January 2022, UPM Biofuels business is reported under Other Operations.

UPM Pulp

UPM Pulp serves the global market with a comprehensive assortment of sustainably produced eucalyptus, birch and softwood pulp grades for a wide range of end uses such as tissue paper, specialty and packaging papers, graphic papers and board. UPM has three pulp mills in Finland and two mills and plantation operations in Uruguay of which the Paso de los Toros pulp mill is expected to begin operations by the end of the first quarter of 2023. Based on internal estimates, after the opening of the Paso de los Toros pulp mill, UPM Pulp will be among the world's leading eucalyptus pulp producers and one of the largest pulp producers in the world, with a production capacity of 5.8 million tonnes. The total investment of the Paso de los Toros eucalyptus pulp mill is USD 3.47 billion including a pulp terminal in the port of Montevideo as well as investments in local facilities in Paso de los Toros.

UPM Timber

UPM Timber offers certified sawn timber for customers in the joinery, packaging, furniture, planing and construction end-use segments. UPM Timber is a significant Nordic sawn timber producer with an annual production capacity of 1.4 million cubic meters of sawn timber. UPM operates four sawmills in Finland.

UPM Energy

UPM Energy seeks to create value through cost competitive, zero-carbon electricity generation and through physical electricity and financial portfolio management as well as energy optimisation services for industrial electricity consumers and producers in the Nordic market. UPM Energy is the second largest electricity producer in Finland. UPM's power generation capacity consists of hydropower, nuclear power and thermal power.

UPM Raflatac

UPM Raflatac offers high-quality self-adhesive paper and film products including label materials, graphics solutions and removable self-adhesive products. UPM Raflatac is the world's second-largest producer of self-adhesive label materials with 12 factories and 24 slitting and distribution terminals on all continents. The customers include label printers, converters, packers, brand owners in the food, beverage, home and personal care, pharmaceutical, retail, logistics, durables, tyres and A4 segments.

UPM Specialty Papers

UPM's Specialty Papers offers labelling and packaging materials as well as office and graphic papers for labelling, commercial siliconising, packaging, office use and printing. The production plants are located in Finland, Germany and China. UPM Specialty Papers is the market leader in labelling materials and release liner base papers globally as well as in high-quality office papers in China. The customers include paper converters, merchants, distributors, retailers, printers, publishers, label stock manufacturers and commercial siliconisers.

UPM Communication Papers

UPM Communication Papers offers an extensive product range of graphic papers for advertising and publishing as well as home and office use. UPM Communication Papers is Europe's largest producer of magazine, newsprint and fine papers with extensive low-cost operations consisting of 13 efficient paper mills in Europe and the United States, a global sales network and an efficient logistic system. The main customers are publishers, cataloguers, retailers, printers and merchants.

UPM Plywood

UPM Plywood offers plywood and veneer products, mainly for construction, vehicle flooring, liquefied natural gas (LNG) shipbuilding and parquet manufacturing and other industrial applications. The eight plywood mills are located in Finland (six mills), Estonia (one mill) and Russia (one mill, operations suspended, assets written off). With a production capacity of nearly one million cubic metres, UPM Plywood is the global market leader in LNG plywood and the market leader in Europe, Middle East and Africa (EMEA) with high and mid segments.

Other Operations – UPM Biorefining

Since 1 January 2022, UPM has had a new business unit consisting of the UPM Biofuels, UPM Biochemicals, UPM Biomedicals and UPM Biocomposites businesses. This business unit inherited the name UPM Biorefining and is reported as part of Other Operations.

UPM Biofuels

UPM Biofuels produces wood-based renewable diesel for all diesel engines and renewable naphtha that can be used as a biocomponent for gasoline or for replacing fossil raw materials in the petrochemical industry. UPM operates one biorefinery in Finland and the products are sold in Finland, Scandinavia and the EU. The main customers are fuel distributors and the transportation, oil and petrochemical industries. In January 2021, UPM announced that it is moving forward with its biofuels growth plan and has started the basic engineering phase of a next generation biorefinery. For more information, see "*—Business Strategy—UPM Biofore – Beyond Fossils—Spearheads for Growth*" below.

UPM Biochemicals

UPM Biochemicals offers wood-based high-quality biochemicals for replacing fossil-based raw materials in various applications, such as textiles, PET bottles, packaging, cosmetics, pharmaceuticals, detergents, rubbers and resins. The UPM Biochemicals business unit carries out extensive research and product development, both internally and with external partners. In January 2020, UPM decided to construct a first of its kind industrial scale biorefinery in Leuna, Germany, scheduled to start production by the end of 2023. The investment amount is estimated at EUR 750 million. The biorefinery will produce a range of 100 per cent. wood-based biochemicals, the main products being bio-monoethylene glycol (BioMEG), bio-monopropylene glycol (BioMPG) and renewable functional fillers, with a total annual capacity of approximately 220,000 tonnes. Application areas for bio-monoethylene glycol include textiles, polyethylene terephthalate bottles, packaging, and de-icing fluids. Lignin-based renewable functional fillers significantly reduce the CO₂ footprint and weight of rubber and plastic applications as a sustainable alternative to carbon black and silica. Bio-monopropylene glycol is used for example in composites, cosmetics, detergents and the pharmaceuticals industry. See also "*—Business Strategy—UPM Biofore – Beyond Fossils—Spearheads for Growth—Biorefining*" below.

UPM Biomedicals

UPM Biomedicals develops and supplies innovative and sustainable wood-based biomedical products for clinical and life science applications such as wound care, cell therapy and 3D bioprinting. UPM Biomedicals carries out extensive research and product development, both internally and with external partners. The main ingredient of its high-quality products is nanocellulose, extracted from birch. The hydrogels have been proven to be highly biocompatible with human cells and tissues.

UPM Biocomposites

UPM Biocomposites offers sustainable composite products based on recycled consumer and industrial waste. UPM Biocomposites consists of UPM ProFi outdoor decking materials and UPM Formi composite materials that are suitable for various consumer products, including kitchenware, personal care and acoustic devices. UPM Biocomposites has production plants in Germany and in Finland and the products are sold in Europe.

Other Operations – UPM Forest

UPM Forest sources competitive wood and biomass for UPM businesses and manages UPM-owned and privately-owned forests in North Europe. In addition, UPM Forest offers forestry services to forest owners and forest investors. UPM owns forest land in Finland and in the United States and purchases wood and biomass in 17 countries. UPM is one of the largest private forest owners in Finland.

Business Strategy

UPM Biofore – Beyond Fossils

UPM believes that global megatrends, such as urbanisation and the growing middle class, represent many long-term growth opportunities for UPM's businesses. Furthermore, UPM sees that mitigating climate change and responding to the increasingly challenging sustainability commitments by consumer product companies and consumers promote the need for renewable, recyclable low-impact solutions. As a leading player in the forest-based bioindustry, UPM constantly looks for new business opportunities and end-uses of forest biomass to replace fossil-based materials and to meet the growing global consumer demand. Creating shareholder value is at the core of UPM's strategy, and UPM believes that Beyond Fossils actions also benefit other stakeholders and society in the long term.

Strategic Focus Areas

UPM seeks sustainable growth by responding to megatrends, creating new markets and enabling its customers and consumers to make more sustainable choices. Performance, innovation and responsibility are the cornerstones UPM builds

on. UPM seeks to create value by seizing the potential of the circular bioeconomy, focusing on the following five strategic areas:

- *Growth*: Targeting focused growth projects and transformative projects for earnings growth. UPM believes that it is in a unique position to open new large markets by offering renewable solutions to replace fossil-based materials.
- *Performance*: Aiming for continuous improvement in financial performance with the agile operating model and a focus on commercial excellence, performance culture, high-performing people, and the efficient use of assets and capital.
- *Innovation*: Replacement of fossil-based materials with bio-based alternatives presents major opportunities for value creation. Developing products, services and processes is key in improving resource efficiency, sustainability and competitiveness.
- *Responsibility*: Creating value for society – both as a company and through renewable and sustainable solutions – is an integral part of UPM's strategy. The circular bioeconomy offers new opportunities for value creation and business growth.
- *Portfolio*: UPM develops businesses with strong long-term fundamentals for demand growth and sustainable competitive advantage or high barriers to entry.

Spearheads for Growth

UPM has defined three focus areas where it seeks significant growth in the coming years. Key factors for these focus areas are significant growth potential and UPM's competitive advantage based on deep knowhow and a high barrier to entry.

Fibres

Global consumer megatrends and the need to find more sustainable alternatives for fossil-based materials support demand growth for market pulp. UPM is in the final phase of building a new world-class pulp mill in central Uruguay with a production capacity of 2.1 million tonnes of eucalyptus pulp. The mill is scheduled to begin operations by the end of the first quarter of 2023. When in full operation, the mill will also generate more than 110 megawatts of surplus renewable electricity. The total investment of USD 3.47 billion also includes a pulp terminal in the port of Montevideo as well as investments in local facilities in Paso de los Toros. The investment will raise UPM's pulp production capacity by more than 50 per cent and significantly contribute to UPM's future earnings. With a combination of competitive wood supply, scale, best available techniques and efficient logistics, UPM expects the mill to reach a highly competitive cash cost level of approximately USD 280 per delivered tonne of pulp. Eucalyptus availability for the mill is secured through plantations owned or leased by UPM as well as through wood sourcing agreements with private partners. The plantations that UPM owns, leases or manages in Uruguay cover 504,773 hectares, supplying the Fray Bentos pulp mill and the new mill near Paso de los Toros. An efficient logistics chain will be secured by agreed road improvements, extensive railway modernisation and port terminal construction.

Biorefining

UPM has been developing technologies to produce sustainable alternatives for fossil fuels and fossil-based chemicals. New large value creation opportunities may open by decarbonising traffic and aviation and providing consumers with more sustainable products. Access to sustainable feedstocks, proprietary technology concepts and high-quality, high-impact products are expected to provide a lasting competitive advantage.

UPM Biochemicals is building a next-generation industrial scale biochemical refinery in Leuna, Germany. The biorefinery will convert solid wood into next generation biochemicals and will produce a range of 100 per cent. wood-based biochemicals, the main products being bio-monoethylene glycol (BioMEG), bio-monopropylene glycol (BioMPG) and renewable functional fillers, with a total annual capacity of approximately 220,000 tonnes. The biorefinery, scheduled to start up by the end of 2023, will enable a switch from fossil raw materials to sustainable alternatives in various consumer-driven end-uses, such as textiles, polyethylene terephthalate bottles, packaging, de-icing products, composites, resins and rubber and plastic applications. It opens entirely new markets for UPM, with expected growth potential for the future. UPM expects that a combination of sustainable wood supply, unique technology concept, integration into existing infrastructure at Leuna as well as the proximity to customers would ensure competitiveness of operations.

In January 2021, UPM announced that it is moving forward with its biofuels growth plans and has started the basic engineering phase of a next generation biorefinery. UPM is proceeding with a detailed commercial and basic engineering study to define the business case, select the innovative technology option and sustainable feedstock mix and estimate the investment need. The site assessment of the potential biofuels refinery was completed in January 2022 and Rotterdam in the Netherlands was selected as the optimal location. If all preparations are concluded successfully, UPM will initiate its standard procedure of analysing and preparing an investment decision.

The potential biorefinery would have the capacity to produce a maximum of 500,000 tonnes of unique, advanced renewable fuels and naphtha for use in road transportation, aviation and petrochemicals. The products are expected to reduce carbon footprint in road transportation and aviation, as well as replace fossil raw materials with renewable alternatives in chemicals and bioplastics.

Specialty Packaging Materials

Global consumer megatrends are driving demand for appealing and functional, and also sustainable and safe labelling and packaging solutions. UPM continues to expand in the specialty paper and self-adhesive label materials segments with a focus on expanding customer reach, and on continuously developing the product portfolio. UPM believes that UPM's strong position and innovations in these technically demanding and fast-growing niche segments of the packaging value chain provide attractive growth opportunities.

Sustainability and UPM's Responsibility Targets

UPM's Biofore strategy guides UPM in achieving its responsibility targets that at the same time contribute to many of the Sustainable Development Goals set by the UN. As a longstanding member of Global Compact initiative, UPM complies with the United Nations 10 universal principles regarding human rights, labour standards, the environment and anti-corruption.

UPM's responsibility focus areas are divided into economic, social and environmental responsibility. For each focus area, UPM has determined the respective targets and key performance indicators. The focus areas, as well as the targets, are updated annually. UPM's environmental and corporate responsibility reporting is integrated into its annual report.

Forests, wood-based products and low-carbon energy have a significant role, both in mitigating the effects of climate change and in the company strategy. UPM is committed to the UN's Business Ambition for 1.5°C pledge to pursue science-based measures to limit global temperature rise to 1.5°C. In 2021, UPM joined The Climate Pledge, committed to reaching the targets of the Paris Agreement ten years in advance. UPM is uniquely positioned to reach carbon neutrality by climate-positive land use, reduced emissions and climate positive products.

Financial Targets

UPM has, as part of its overall business strategy, set itself the following long-term financial targets:

- At the Group level, UPM is targeting comparable year-on year EBIT growth.
- UPM aims for at least 10 per cent. return on equity ("**ROE**") each year. ROE also takes into account the financing, taxation and capital structure of the Group.
- UPM aims to maintain a strong balance sheet. UPM's financial policy on leverage is based on a net debt/EBITDA ratio of approximately 2 or less.
- UPM has set long-term return on capital employed ("**ROCE**") percentage targets for all business areas, except for UPM Communication Papers, where long-term target is set as free cash flow after investing activities and restructuring costs over capital employed. The long-term ROCE percentage targets are 6 per cent for UPM Energy, 14 per cent for UPM Fibres (formerly UPM Biorefining) and UPM Specialty Papers, 18 per cent for UPM Plywood and 20 per cent for UPM Raflatac. The free cash flow over capital employed target for UPM Communication Papers is 14 per cent.

These financial targets are not guarantees of future financial performance. UPM's actual results of operations could differ materially from those expressed or implied by these targets as a result of many factors, including but not limited to described under "Risk Factors". Any targets discussed herein are targets only and are not, and should not viewed as, forecasts, projections, estimates or views of the UPM's future performance.

Trends

UPM believes that global megatrends present many long-term opportunities and challenges for UPM in the future. They also drive demand for sustainable solutions and responsible business practices. UPM follows global megatrends closely because they have a potential to create both challenges and new opportunities for UPM. UPM has identified the following three megatrends, including factors that will be of significance to UPM going forward:

Growing middle class:

- global consumer demand for a wide variety of products, such as daily consumer products, is set to grow significantly, especially in Asia;

- increasing global demand raises the importance of providing sustainable solutions for consumers;
- reducing use of fossil fuels and other non-renewable materials; and
- contributing positively to society.

Resource scarcity:

- customers and consumers increasingly seek renewable and recyclable solutions;
- competitive forest industry platform and access to sustainable feedstock enable business success;
- sustainable land use; and
- efficient use of resources, a circular bioeconomy.

Climate change:

- forests as well as wood-based climate-positive products have a unique role in climate change mitigation;
- business opportunities by decarbonisation of traffic and energy; and
- transition to low-carbon economy.

Legal Structure

UPM-Kymmene Corporation is the parent company of the Group. The Issuer's operations are partly conducted through subsidiaries. Accordingly, the Issuer is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes. For a table of the Company's significant subsidiaries and joint operations, see note 8.2 to the Company's consolidated financial statements for the year ended 31 December 2022 incorporated by reference into this Base Prospectus.

Asset Base

UPM's assets primarily relate to its production facilities, forest assets and energy shareholdings. The value of UPM's machinery and equipment, buildings, land and water areas, construction in progress and other tangible assets amounted to EUR 6,733 million as at 31 December 2022.

UPM is both a major forest owner and a purchaser of wood. Currently, UPM owns forest land in Finland and the United States, and plantation land in Uruguay. As at 31 December 2022, UPM owned 522,000 hectares of forest land in Finland, making it one of the largest private owners of forest land in Finland, and 76,000 hectares of forest land in the United States. In addition, UPM had 305,000 hectares of own plantation land and 167,000 hectares of leased plantation land in Uruguay.

In addition, UPM is both a significant purchaser and producer of energy. The majority of electrical and thermal energy is consumed in UPM's pulp and paper production. The production of energy is mainly carried out by energy companies in which UPM has energy shareholdings. UPM's largest energy shareholdings are in (i) Pohjolan Voima Oyj ("**PVO**") (share series A, B and B2), which is the majority shareholder of Teollisuuden Voima Oyj ("**TVO**"); (ii) Kemijoki Oyj and (iii) Länsi-Suomen Voima Oy. The energy companies supply energy or both energy and heat to their shareholders on a cost-price principle, also referred to as the Mankala-principle, which is widely applied in the Finnish energy industry. Under the Mankala-principle, energy and/or heat is supplied to the shareholders in proportion to their ownership and each shareholder is, pursuant to the specific stipulations of the respective Articles of Association, severally responsible for its respective share of the production costs of the energy company concerned.

TVO is in the process of constructing a third nuclear power plant unit, OL3 EPR, at the Olkiluoto site ("**OL3**"). When completed, OL3 will supply electricity to its shareholders pursuant to the Mankala-principle and is expected to increase UPM's electricity generation capacity significantly. UPM's indirect share of OL3 is approximately 31 per cent. (through PVO).

According to TVO, OL3 was procured as a fixed price turnkey project from a consortium formed by Areva GmbH, Areva NP SAS and Siemens AG (together, the "**Supplier**"). As stipulated in the plant contract, the consortium companies have joint and several liability for the contractual obligations. Originally, the commercial electricity production of the OL3 was scheduled to start in April 2009, however, the completion of the project has been significantly delayed on multiple occasions. In March 2018, TVO announced that it had signed a comprehensive settlement agreement with the Supplier and the Areva Group parent company, Areva SA ("**Areva**"), a company wholly owned by the French state. This Global Settlement Agreement (the "**2018 GSA**") concerns the completion of the OL3 project and related disputes and entered into force in late March 2018. In the 2018 GSA, the Supplier consortium companies committed to ensuring that the funds

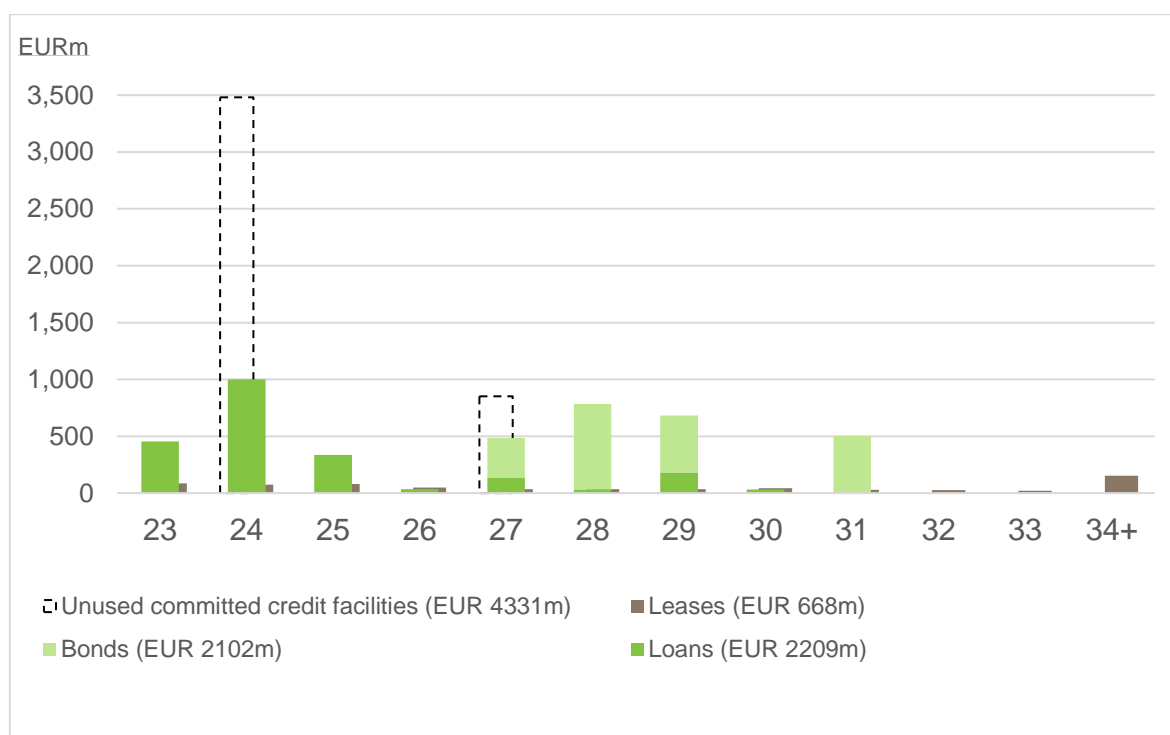
dedicated to the completion of the OL3 project are sufficient and cover all applicable guarantee periods. Consequently, a trust mechanism was set up funded by Areva companies to secure the funds required to cover Areva's costs for the completion of the OL3 project.

After significant delays, the plant was connected to the national grid in March 2022 and TVO announced in February 2023 that regular electricity production by the plant is expected to start in April 2023.

On 16 December 2020, TVO announced that the shareholders of TVO, including PVO, have signed an additional shareholder loan commitment, comprising a total of EUR 400 million new subordinated shareholder loan agreements. According to TVO, with the new shareholder loan commitment, TVO prepares to maintain a sufficient liquidity buffer and equity ratio in order to complete the OL3.

Maturity Profile and Credit Facilities

The following chart sets forth the maturity profile and nominal values of UPM's outstanding debt and credit facilities as at 31 December 2022:



UPM has the following committed credit facilities in place: a sustainability-linked EUR 750 million syndicated revolving credit facility maturing in 2027, sustainability linked bilateral credit facilities of which EUR 300 million is maturing in 2025 and EUR 200 million is maturing in 2027, a EUR 4,300 million syndicated revolving credit facility maturing in 2024 and a EUR 159 million equivalent rolling overdraft facility maturing in 2024.

Insurance

UPM believes that UPM and its subsidiaries maintain insurance coverage that reflects the requirements and the size of the parent company, business areas and subsidiaries concerned. Historically, UPM has maintained insurance in amounts and risk retention levels that UPM believes to be consistent with industry practices. UPM seeks to transfer insurable risks through insurance arrangements for any risks that exceed the defined tolerance. UPM's insurance programme also provides coverage for insurable hazard risks, subject to insurance terms and conditions. UPM also has trade credit insurances to protect accounts receivables from significant credit losses.

Research and Development

UPM believes that replacement of fossil-based materials with bio-based alternatives presents major opportunities for value creation. Developing products, services and processes is key to improving resource efficiency, sustainability and competitiveness. UPM develops new technologies and innovates ways to expand its offering with renewable products and solutions that can replace fossil-based materials. Research and development, bioeconomy innovations and new technologies support this transformation and expand UPM's business portfolio. UPM is developing innovative and high-

quality products from wood-based biomass. Wood fibre, biomolecules, residues and side streams are becoming increasingly important raw materials of the future.

Research and development expenses cover the development of new technologies, businesses and processes. A global network of research centres provides support for UPM's activities in research and development, both in new and existing businesses. For the years ended 31 December 2022 and 31 December 2021, UPM spent EUR 414 million, or 81.5 per cent. of UPM's operating cash flow, and EUR 266 million, or 21.3 per cent. of UPM's operating cash flow, respectively, on research and development.

Compliance

The UPM Code of Conduct sets the standards of responsible behaviour and it covers topics relating to legal compliance and disclosure, anti-corruption, competition law, HR practices, human rights, responsible sourcing and environmental matters. UPM's environmental performance and social responsibility play a significant role in UPM's ability to operate and influence the long-term success of its businesses.

Employees

UPM believes that its people and their capabilities, integrity and drive set UPM apart and drive its success. As at 31 December 2022, UPM had 17,236 employees in 44 countries (as at 31 December 2021, 16,966 employees in 46 countries).

The following table sets forth UPM's employees by region as at 31 December 2022:

	As at 31 December 2022
Region	
Finland.....	6,273
Germany	4,184
Other Europe.....	2,950
China.....	1,598
Other Asia.....	343
North America	896
Uruguay	852
Rest of the world.....	140
Total	<u>17,236</u>

A significant portion of UPM's employees are represented by labour unions in the countries in which UPM operates.

Legal Proceedings

General

Except as set forth below, there are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the past 12 months, a significant effect on the Company's or the Group's financial position or profitability.

European Commission Inspection

In October 2021, the European Commission conducted an unannounced inspection at UPM's premises. According to the European Commission's press release on 12 October 2021, the European Commission had concerns that the inspected companies in the wood pulp sector may have violated EU antitrust rules that prohibit cartels and restrictive business practices. The European Commission stated that the unannounced inspections were a preliminary step in an investigation into suspected anti-competitive practices, and the fact that the European Commission carried out such inspections did not mean that the companies were guilty of anti-competitive behaviour nor did it prejudice the outcome of the investigation itself. UPM takes any suspected violation of antitrust rules very seriously and has a compliance programme in place to reduce the risk of such violations occurring. For example, all employees and executives are required to take training on the UPM Code of Conduct, which includes a section regarding antitrust compliance. In addition, UPM has in place, for example, a specific training programme regarding antitrust rules that covers approximately 3,000 employees and executives.

Ownership Structure

The following table sets forth the Company's ten largest shareholders as at 28 February 2023:

Name	Shares	Share of votes (per cent.)
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch ⁽¹⁾	300,651,096	56.33
Citibank Europe Plc ⁽¹⁾	39,496,908	7.40
Clearstream Banking S.A. ⁽¹⁾	12,705,380	2.38
Varma Mutual Pension Insurance Company	10,785,404	2.02
Ilmarinen Mutual Pension Insurance Company	8,528,000	1.60
Elo Mutual Pension Insurance Company	4,482,000	0.84
Euroclear Bank SA/NV ⁽¹⁾	4,101,737	0.77
Society of Swedish Literature in Finland	2,617,070	0.49
The State Pension Fund	2,600,000	0.49
Holding Manutas Oy	2,500,000	0.47
Other nominee-registered shareholders	2,505,929	0.47
Other shareholders	<u>142,762,175</u>	<u>26.75</u>
Total	<u>533,735,699</u>	<u>100.00</u>

Source: Euroclear Finland Ltd.

(1) Nominee-registered shareholders.

BOARD OF DIRECTORS AND GROUP EXECUTIVE MANAGEMENT

General

Under the Finnish Companies Act and the Company's Articles of Association, the Company's control and governance is divided among the shareholders represented at the general meetings of shareholders, the Board of Directors and the President and Chief Executive Officer (the "CEO"). The CEO leads the Company's day-to-day operations in accordance with the instructions and orders given by the Board of Directors. In addition, the Company has a Group Executive Team, which assists the CEO in the daily management of the Company and approves and executes group-level guidelines and procedures. The Board of Directors is responsible for the oversight and control of UPM and for ensuring that its administration and operations as well as control of its accounts and finances are duly in place. The Board of Directors approves the Company's financial statements and other financial reports, determines the company's dividend policy and makes a proposal to the annual general meeting of shareholders of the Company (the "**Annual General Meeting**") for the distribution of profits and payment of dividend. The Board of Directors appoints and dismisses the CEO and appoints the members of the Group Executive Team.

The business address of each member of the Board of Directors and the Group Executive Team is Alvar Aallon katu 1, FI-00100 Helsinki, Finland.

Board of Directors

As at the date of the Base Prospectus, the Board of Directors of the Company composes of nine members elected by the Annual General Meeting held on 29 March 2022 for a one-year term, which will end at the conclusion of the next Annual General Meeting to be held on 12 April 2023.

The following table sets forth the members of the Company's Board of Directors as at the date of this Base Prospectus:

	Position	Citizenship	Year of birth
Björn Wahlroos.....	Chair	Finnish	1952
Henrik Ehrnrooth.....	Deputy Chair	Finnish	1969
Emma FitzGerald.....	Member	British	1967
Jari Gustafsson.....	Member	Finnish	1958
Piia-Noora Kauppi.....	Member	Finnish	1975
Topi Manner.....	Member	Finnish	1974
Marjan Oudeman.....	Member	Dutch	1958
Martin à Porta.....	Member	Swiss	1970
Kim Wahl.....	Member	Norwegian	1960

Björn Wahlroos has been the Chair and member of the Board of Directors of the Company since 2008. Mr. Wahlroos is also the Chair of the Board of Directors of Sampo plc, a member of the Board of Directors of the Finnish Business and Policy Forum EVA, a member of the Board of Directors of the Research Institute of the Finnish Economy ETLA and a member of the Board of Directors of the Mannerheim Foundation. Mr. Wahlroos was President and CEO of Sampo plc between 2001 and 2009, Chair of the Board of Directors of Mandatum Bank plc between 1998 and 2000, CEO and Vice Chair of the Board of Directors of Mandatum & Co Ltd between 1992 and 1997 and Executive Vice President and a member of the Executive Committee of the Union Bank of Finland between 1989 and 1992. Mr. Wahlroos holds a Doctor of Philosophy degree in Economics.

Henrik Ehrnrooth has been a member of the Board of Directors of the Company since 2015 and the Deputy Chair of the Board of Directors since 2022. Mr. Ehrnrooth is also the CEO of KONE Corporation, a member of the Foundation Board of the International Institute for Management Development (IMD) and a member of the European Round Table for Industry (ERT). Mr. Ehrnrooth was the CFO and Executive Board member of KONE Corporation between 2009 and 2014. He also held various positions in the Investment Banking Division of Goldman Sachs International between 1998 and 2009 and in UBS Limited, Corporate Finance between 1994 and 1998. Mr. Ehrnrooth holds a Master of Science degree in Economics.

Emma FitzGerald has been a member of the Board of Directors of the Company since 2020. Ms. FitzGerald is a non-executive Director in Graphene Manufacturing Group Ltd, Seplat Energy Plc and Newmont Corporation. Ms. FitzGerald is also a mentor of Creative Destruction Lab – Climate work stream and Expert Advisor of World Economic Forum supporting acceleration of energy transition in developing markets. Ms. FitzGerald was the CEO and Executive Director of Puma Energy Ltd. between 2019 and 2021. Ms. FitzGerald also was Executive Director leading water & waste services businesses and member of the Board of Directors of Severn Trent plc between 2015 and 2018, CEO of Gas Distribution Networks of the UK National Grid between 2013 and 2015, Vice President, Global Retail Network of Shell International Ltd between 2010 and 2013, Vice President, Downstream Strategy and Consultancy of Shell International Ltd between

2007 and 2010, Managing Director at Shell China / Hong Kong between 2004 and 2007 and Managing Director at Shell Gas Ltd. between 2001 and 2004. She also held sales and marketing roles at Shell International Ltd between 1992 and 2001. Ms. FitzGerald holds a Doctor of Philosophy degree in Surface Chemistry / Solid-state Physics and an MBA degree.

Jari Gustafsson has been a member of the Board of Directors since 2021. Mr. Gustafsson is also the Ambassador of Finland to Greece and Albania. Mr. Gustafsson was the Permanent Secretary of the Ministry of Economic Affairs and Employment of Finland between 2015 and 2020, the Ambassador of Finland to the People's Republic of China and Mongolia between 2013 and 2015 and the Ambassador of Finland to Japan between 2009 and 2013, a Board Member at the European Bank for Reconstruction and Development between 2007 and 2009 and the Deputy Director General, Ministry for Foreign Affairs of Finland, Department for External Economic Relations, between 2003 and 2006. Mr. Gustafsson holds a Master's degree in Political Science from the University of Helsinki.

Piia-Noora Kauppi has been a member of the Board of Directors of the Company since 2013. Ms. Kauppi is also a partner of Odgers Berndtson Oy, non-executive Director in Gofore Plc, Chair of the Board of Directors of the SOS-Children's Villages Foundation and a member of the Supervisory Board of the Helsinki Deaconess Institute. Ms. Kauppi was the Managing Director of Finance Finland (FFI) between 2009 and 2022, a member of the European Parliament and a member of various parliamentary committees between 1999 and 2008, Head of the Finnish Delegation in the EPP-ED Group between 2004 and 2008 and Legal Advisor for the Parliamentary Group of the National Coalition Party Kokoomus between 1997 and 1999. Ms. Kauppi holds a Master of Laws degree.

Topi Manner has been a member of the Board of Directors of the Company since 2022. Mr. Manner is also the President and CEO of Finnair Plc since 2019. Mr. Manner is also a member of the Boards of Directors of Elisa Corporation, Service Sector Employers PALTA and Chair of the audit committee of IATA (The International Air Transport Association). Previously, Mr. Manner was a member of the Nordea Group's Executive Management and Head of Personal Banking between 2016 and 2018 and in various executive roles at Nordea between 2006 and 2016. Mr. Manner holds a Master's degree in Economics and Business Administration.

Marjan Oudeman has been a member of the Board of Directors of the Company since 2018. Ms. Oudeman is also a non-executive director, a member of the Board of Directors of SHV Holdings NV, a member of the Board of Directors of Solvay SA and a member of the Supervisory Board of Directors of KLM (Koninklijke Luchtvaart Maatschappij N.V.). Ms. Oudeman was the President of the Executive Board of Utrecht University between 2013 and 2017, Executive Committee member of AkzoNobel NV between 2011 and 2013, Executive Director of the Strip Products Division and Executive Committee member at Tata Steel Europe between 2007 and 2010. She also held Managing Director positions at Corus Group Plc between 2000 and 2007 and various positions at Hoogovens Group NV between 1982 and 1999, most recently as Managing Director of Hoogovens Packaging Steel business. Ms. Oudeman holds an MBA degree and a Master of Laws degree.

Martin à Porta has been a member of the Board of Directors of the Company since 2020. Mr. à Porta is also a non-executive Director in BKW AG and Stantec Inc. Mr. à Porta was EVP of ÅF Pöyry AB's Management Consulting Division until 2019, President and CEO of Pöyry PLC between 2015 and 2019, CEO of Siemens Building Technologies Division Europe between 2012 and 2015, CEO of Siemens WLL in Qatar between 2010 and 2012, Senior Vice President, Fire Safety Solutions and Service and Head of Area Management Fire Safety at Siemens Building Technologies International between 2005 and 2010, Vice President, Area Manager for Siemens Fire Safety in Hong Kong and China between 2003 and 2004, Manager, Strategy and M&A at Siemens Building Technologies Ltd. between 2001 and 2003 and Head of Engineering Section and project manager at Electrowatt Engineering Ltd. between 1996 and 2000. Mr. à Porta holds a Master of Science degree in Engineering.

Kim Wahl has been a member of the Board of Directors of the Company since 2012. Mr. Wahl is also the Chair of the Board of Directors of Strømstangen AS, a member of the Board of Directors of DNB Bank ASA and Civita AS and Chair of the Board of Directors of Voxtra AS and Voxtra Foundation. Mr. Wahl was Deputy Chair and Co-founder of the European private equity firm IK Investment Partners between 1989 and 2009 and an Associate, Corporate Finance, Goldman Sachs & Co. between 1987 and 1989. Mr. Wahl holds an MBA degree and a Bachelor of Arts degree in Business Economics.

Proposed Board of Directors

On 2 February 2023, the Board of Directors' Nomination and Governance Committee proposed to the Annual General Meeting planned to be held on 12 April 2023 that, of the current members of the Board of Directors, Henrik Ehrnrooth, Emma FitzGerald, Jari Gustafsson, Piia-Noora Kauppi, Topi Manner, Marjan Oudeman, Martin à Porta and Kim Wahl be re-elected members of the Board of Directors until the end of the Annual General Meeting of 2024 and that Pia Aaltonen-Forsell be elected a new member of the Board of Directors for the same term of office. Björn Wahlroos has announced that he is not available for re-election to the Board of Directors. If the Annual General Meeting resolves to elect the Board members in accordance with this proposal, the Board is planning to resolve in its constitutive meeting that Mr Ehrnrooth be appointed as the Chair of the Board.

Pia Aaltonen-Forsell is a Finnish citizen and holds a Master's degree in Social Science (Economics) from University of Helsinki and a Master's degree in Business and Administration (MBA) from University of Reading, Henley Business School. Aaltonen-Forsell has been the Chief Financial Officer of Outokumpu Oyj and member of Outokumpu Leadership team since 2019. Previously she has worked as Executive Vice President and Chief Financial Officer of Ahlström-Munksjö Oyj between 2015 and 2019, Chief Financial Officer of Vacon Ltd between 2013 and 2015, and in various Senior Vice President, Group Controller and other finance and managerial positions at Stora Enso Oyj between 2000 and 2013. She has also been a member of Uponor Corporation's Board of Directors since 2017. Ms Aaltonen-Forsell has informed the Company that she will not be available for re-election to Uponor Corporation's Board of Directors in Uponor Corporation's Annual General Meeting 2023.

Director Independence and Conflicts

The independence of the members of the Board of Directors is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code 2020. According to the recommendation, a significant shareholder is a shareholder that holds at least 10 per cent. of all company shares or the votes carried by all the shares or a shareholder that has the right or the obligation to acquire the corresponding number of already issued shares. According to the evaluation carried out, all members of the Board of Directors, including the proposed new member of the Board of Directors Pia Aaltonen-Forsell, are independent of the Company's significant shareholders as none of the Company's shareholders holds 10 per cent. or more of the Company's shares or votes carried by all the shares.

The Board of Directors has assessed the director nominees' independence based on the Finnish Corporate Governance Code's independence criteria and other factors and circumstances to be taken into account in the overall evaluation and concluded that all director nominees are independent of the Company's significant shareholders, and that all director nominees are non-executive and independent of the Company. Kim Wahl and Piia-Noora Kauppi, if re-elected, would be non-executive directors for more than 10 consecutive years. However, their independence is not compromised due to their service history, and no other factors or circumstances have been identified that could impair their independence. Mr Wahl has been a member of the Company's Board of directors since 2012 and Ms Kauppi since 2013.

Board Committees

UPM's Board of Directors have established three committees, the Audit Committee, the Nomination and Governance Committee and the Remuneration Committee. The Board of Directors appoints the members of the committees and their Chairs annually. Each committee must have at least three members.

The committees hold their meetings prior to certain meetings of the Board of Directors in order to prepare matters for the Board of Directors' decision-making. In the meeting of the Board of Directors following the committee meetings, the Committee Chairs report to the Board of Directors on matters discussed and actions taken by the committees. The committees do not have any independent decision-making power.

Audit Committee

The Audit Committee reviews the Company's quarterly financial results and interim reports and recommends their approval to the Board of Directors. The committee's results review includes a review of potential significant and unusual transactions, accounting estimates and policies for the period in question. The Audit Committee oversees that risk management activities are aligned with the Risk Management Policy, and that risk assessments are used to guide internal audit and compliance activities. The committee also reviews quarterly reports on assurance and legal matters including status reports on internal control, internal audit, litigation, and other legal proceedings. Other quarterly reports include treasury risk and limits reports and energy risk report. The Audit Committee is also responsible for preparing a proposal for the election and remuneration of the auditor.

As at the date of the Base Prospectus, the members of the Audit Committee are Kim Wahl, Jari Gustafsson and Marjan Oudeman.

Nomination and Governance Committee

The Nomination and Governance Committee identifies individuals qualified to serve as directors and prepares proposals to the general meeting of shareholders for election or re-election of directors and for their remuneration. When necessary, the committee also identifies individuals qualified to serve as the CEO and prepares proposals to the Board of Directors for the appointment of the CEO.

As at the date of the Base Prospectus, the members of the Nomination and Governance Committee are Björn Wahlroos, Henrik Ehrnrooth and Piia-Noora Kauppi.

Remuneration Committee

The Remuneration Committee's duties and responsibilities are related to the remuneration and succession planning of the CEO and senior executives reporting directly to the CEO, and to the evaluation, planning and preparation of the UPM's incentive schemes and annually commencing plans. The Remuneration Committee follows the remuneration market trends at regular intervals and reviews the various components of the management remuneration annually. The review includes benchmarking the different remuneration components to market practices in corresponding positions in peer companies. Based on this review, the committee makes recommendations to the Board of Directors for the approval of salaries and benefits of the CEO and other senior executives.

As at the date of the Base Prospectus, the members of the Remuneration Committee are Martin à Porta, Emma FitzGerald and Topi Manner.

Group Executive Team

The following table sets forth the members of UPM's Group Executive Team as at the date of this Base Prospectus:

	Position	Citizenship	Year of birth
Jussi Pesonen	President and CEO	Finnish	1960
Tapio Korpeinen	Chief Financial Officer, Executive Vice President, UPM Energy	Finnish	1963
Bernd Eikens.....	Executive Vice President, UPM Fibres	German	1965
Pirkko Harrela.....	Executive Vice President, Stakeholder Relations	Finnish	1960
Antti Jääskeläinen	Executive Vice President, UPM Raflatac	Finnish	1972
Mika Kekki	Executive Vice President, UPM Plywood	Finnish	1969
Juha Mäkelä	General Counsel	Finnish	1962
Jaakko Nikkilä	Executive Vice President, UPM Specialty Papers	Finnish	1967
Massimo Reynaudo.....	Executive Vice President, UPM Communication Papers	Italian	1969
Riitta Savonlahti	Executive Vice President, Human Resources	Finnish	1964
Winfried Schaur	Executive Vice President, Technology and UPM Biorefining	German	1965
Kari Ståhlberg.....	Executive Vice President, Strategy	Finnish	1971

Jussi Pesonen has been the President and CEO of the Company since 2004 and a member of the Group Executive Team since 2001. Mr. Pesonen is also a member of the Board of Directors of the Confederation of European Paper Industries (CEPI). Mr. Pesonen was COO of the Company's Paper Divisions and Deputy to the President and CEO between 2001 and 2004. He also held several management positions at UPM Paper Divisions between 1987 and 2001. Mr. Pesonen holds a Master of Science degree in Engineering. Mr. Pesonen has announced, that he will exercise his right to retire from UPM during year 2024.

Tapio Korpeinen has been the Chief Financial Officer since 2010 and the Executive Vice President, UPM Energy and a member of the Group Executive Team since 2008. Mr. Korpeinen is also the Chair of the Board of Directors of Pohjolan Voima Oy, the Vice Chair of the Board of Directors of Kemijoki Oy, a member of the Board of Directors of Teollisuuden Voima Oyj and a member of the Supervisory Board of Varma Mutual Pension Insurance Company. Mr. Korpeinen was President, Energy and Pulp Business Group between 2008 and 2010, Vice President, Corporate Development and Senior Vice President, Strategy between 2005 and 2008. He also held several management positions at Jaakko Pöyry Consulting between 1991 and 1998 and between 1999 and 2005, worked at A.T. Kearney between 1998 and 1999 and at McKinsey & Company between 1988 and 1990. Mr. Korpeinen holds an MBA degree and a Master of Science degree in Technology.

Bernd Eikens has been the Executive Vice President, UPM Fibres since 2019 and a member of the Group Executive Team since 2013. Mr. Eikens is also a member of the Supervisory Board of Johann Bunte Bauunternehmung GmbH & Co. KG and a member of the Advisory Board of Meyer Turku Oy. Mr. Eikens was Executive Vice President, UPM Specialty Papers between 2016 and 2019, Executive Vice President, UPM Paper ENA between 2013 and 2016, Senior Vice President, Supply Chain, Paper Business Group between 2008 and 2013 and President, UPM-Kymmene Inc. North America between 2005 and 2008. He also held several management positions at UPM Nordland Papier between 1998 and 2005 and worked as Senior Process Engineer at International Paper Co. between 1996 and 1998. Mr. Eikens holds a Doctor of Philosophy degree.

Pirkko Harrela has been the Executive Vice President, Stakeholder Relations since 2013 and a member of the Group Executive Team since 2004. Ms. Harrela is also a member of the Board of Directors of the Finnish Forest Industries Federation (FFIF), a member of S-Group's CSR and Sustainability Advisory Group, a member of the Advisory Board of Deutsch-Finnische Handelskammer (German-Finnish Chamber of Commerce), a member of the Board of Directors of Satalinna Foundation, a member of the Board of Governors of the Association for Finnish Work and the Chair of the Board of Directors of Kymi Corporation 100 Years Anniversary Foundation. Ms. Harrela was Executive Vice President,

Corporate Communications between 2004 and 2013 and Vice President, Corporate Communications in 2003. She also held several positions in Communications at Finnmap and at UPM Paper Division between 1985 and 2002. Ms. Harrela holds a Master of Arts degree.

Antti Jääskeläinen has been a member of the Group Executive Team and the Executive Vice President, UPM Raflatac since 2016. Mr. Jääskeläinen is also a member of the Board of Directors of Vaisala Oyj. Mr. Jääskeläinen was Senior Vice President, EMEA, UPM Raflatac between 2014 and 2016, Senior Vice President, Head of Global Operations at Amer Sports between 2012 and 2014, Chief Development Officer and member of the Group Executive Board at Amer Sports between 2009 and 2014 and held several management positions at Stora Enso between 2004 and 2009. He also worked as an Engagement Manager & Associate at McKinsey & Company between 2002 and 2004, as a Business Operations Manager at Nokia Networks between 1998 and 2001 and as a Financial Analyst at Enso Group between 1997 and 1998. Mr. Jääskeläinen holds an MBA degree, a Master of Science degree in Engineering and a Master of Science degree in Economics.

Mika Kekki has been a member of the Group Executive Team and the Executive Vice President, UPM Plywood since 2021. Mr. Kekki is a member of the Board of Directors of the Federation of the Finnish Woodworking Industries. Mr. Kekki was Vice President, Productions & Operations, UPM Plywood between 2013 and 2021, Director Spruce Mills & Operations, UPM Plywood between 2011 and 2013, and Mill Manager, UPM Plywood between 2007 and 2011. Mr. Kekki holds a Bachelor of Science degree in Engineering.

Juha Mäkelä has been a member of the Group Executive Team since 2008 and the Group General Counsel since 2005. Mr. Mäkelä is also a member of the Supervisory Board of Kemijoki Oy. Mr. Mäkelä held positions as legal counsel and senior legal counsel at KONE Corporation between 1997 and 2004 and several positions in law firms between 1991 and 1996. Mr. Mäkelä holds a Master of Laws degree.

Jaakko Nikkilä has been a member of the Group Executive Team and the Executive Vice President, UPM Specialty Papers since 2019. Mr. Nikkilä was Senior Vice President, UPM Specialty Papers ENA between 2018 and 2019, Vice President, APAC Sales, UPM Fine & Specialty Papers, China between 2012 and 2017, Vice President, Converters, UPM Paper Business Group between 2011 and 2012, Area Sales Director, APAC Converters, UPM Paper Business Group, Hong Kong between 2005 and 2011, Production manager, UPM Fine & Specialty Papers between 2001 and 2005, Technical customer service manager, UPM Fine & Specialty Papers between 1995 and 2005 and Analyst at Jaakko Pöyry Consulting between 1993 and 1995. Mr. Nikkilä holds an eMBA degree and a Master of Science degree in Engineering.

Massimo Reynaudo has been a member of the Group Executive Team and the Executive Vice President, UPM Communication Papers since 2021. Mr. Reynaudo has been a Senior Vice President, UPM Raflatac between 2017 and 2021, and held several senior business positions in Kimberly-Clark Corporation between 1995 and 2017. Mr. Reynaudo holds a Master of Science degree in Engineering.

Riitta Savonlahti has been a member of the Group Executive Team and the Executive Vice President, Human Resources since 2004. Ms. Savonlahti is also a member of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company and a member of the Work, Education and Skills Committee of the Finland Chamber of Commerce. Ms. Savonlahti was Senior Vice President, Human Resources at Elcoteq Network Corporation between 2001 and 2004, Senior Vice President, Human Resources at Raisio Group between 2000 and 2001, Human Resources Manager at Nokia Mobile Phones, Salo Operations between 1995 and 2000 and held human resources positions at ABB between 1990 and 1994. Ms. Savonlahti holds a Master of Science degree in Economics.

Winfried Schaur has been a member of the Group Executive Team since 2016 and the Executive Vice President, Technology and UPM Biorefining since 2021. He is also the Chair of the Board of Directors of the German Pulp and Paper Association (VDP), the Vice Chair of the Board of Directors of the Bavarian Industry Association (VBW), a member of the Board of Directors of the Confederation of European Paper Industries (CEPI) and a member of the Board of Directors of the Federation of German Industries (BDI). Mr. Schaur was the Executive Vice President, UPM Communication Papers between 2016 and 2021. Mr. Schaur was Senior Vice President, Newspaper Publishing, UPM Paper ENA between 2013 and 2016. He also held several leadership positions in the UPM paper business between 2001 and 2013, worked as a Project Manager at Investments, Haindl Papier GmbH between 1993 and 2001 and as a Project Engineer at Hoerbiger Automotive between 1991 and 1992. Mr. Schaur holds a Dipl.Ing. (FH) degree.

Kari Ståhlberg has been a member of the Group Executive Team and the Executive Vice President, Strategy since 2013. Mr. Ståhlberg is also the Vice Chair of the Board of Directors of Steveco Oy. Mr. Ståhlberg was Senior Vice President, Corporate Strategy between 2010 and 2013, Director, M&A between 2007 and 2010, Investment Manager at Finnish Industry Investment Ltd. between 2006 and 2007, M&A Advisor at JP Capital International Limited between 2000 and 2006 and Management Consultant at Jaakko Pöyry Consulting Oy between 1998 and 2000. Mr. Ståhlberg holds a Master of Science degree in Engineering.

Management Independence and Conflicts

UPM confirms that there is no potential conflict of interest between the duties of each of the members of the Group Executive Team and his/her private interests or other duties.

Corporate Governance

In its decision-making management and operations, UPM applies the Finnish Companies Act (624/2006, as amended), the Finnish Securities Markets Act (746/2012, as amended), the regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and other laws and regulations applicable to publicly listed companies in Finland, the UPM's Articles of Association, Board and committee charters, corporate policies and guidelines, as well as rules and guidelines issued by the European Securities and Markets Authority, the Finnish Financial Supervisory Authority and the Nasdaq Helsinki exchange. UPM also complies with all the recommendations of the Finnish Corporate Governance Code of the Finnish Securities Market Association.

TAXATION

The tax laws of the investor's State and of the issuer's State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Finnish Taxation

The following overview is based on the tax laws of Finland as in effect on the date of this Base Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following overview does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Under present Finnish law payments of the principal of and interest (if any) on the Notes will be exempt from all taxes, duties, fees and imposts of whatever nature, imposed or levied by or within the Republic of Finland or by any province, municipality or other political sub-division or taxing authority thereof and therein, except when the holder of the Note or Coupon to which any such payment relates is subject to such taxation thereon by reason of such holders being connected with the Republic of Finland otherwise than solely by his holding of such Note or Coupon or the receipt of income therefrom.

Non-residents of Finland are not liable to pay Finnish capital gains tax on Notes that are not connected with a permanent establishment or a fixed base in Finland.

Transfer tax is in general not payable on a transfer of Notes, provided that the interest of the Notes is not related to the business income or dividend of the Issuer and the Notes do not entitle the holder to a share of the business profit of the Issuer.

Transfers of Notes by a non-resident by way of a gift or by reason of the death of the owner may be subject to Finnish gift or inheritance tax, respectively.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, 'established' in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, J.P. Morgan SE, and Nordea Bank Abp (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 9 March 2023 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder. The terms of such Notes will identify whether TEFRA C or TEFRA D apply, or that TEFRA is not applicable.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**") ; or
- (ii) a customer within the meaning Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Public Offer Selling Restriction Under the EU Prospectus Regulation

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered

so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Securities Laws

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;

- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

Except where explicitly permitted by the relevant Final Terms or Drawdown Prospectus, the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

TRANSFER RESTRICTIONS

Regulation S Notes

Each purchaser of Bearer Notes or Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) it is, or at the time Notes are purchased will be, the beneficial owner of such Notes and:
 - (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S); and
 - (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (ii) it understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer such Notes except:
 - (a) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or
 - (b) to the Issuer;in each case in accordance with any applicable securities laws of any State of the United States;
- (iii) it understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme was authorised by a resolution of the Board of Directors of the Issuer dated 27 October 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Significant/Material Change

There has been no significant change in the financial performance or financial position of the Issuer or the Group since 31 December 2022.

There has been no material adverse change in the prospects of the Issuer since 31 December 2022.

Auditors

The consolidated financial statements of the Issuer for the years ended 31 December 2022 and 31 December 2021 have been audited without qualification by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant (KHT) Mikko Nieminen acting as the responsible auditor. The registered address of PricewaterhouseCoopers Oy is Itämerentori 2, FI-00180 Helsinki, Finland. Mikko Nieminen is registered in the register of auditors in accordance with Chapter 6 Section 9 in the Finnish Auditing Act (1141/2015, as amended).

Documents on Display

Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Issuer at Alvar Aallon katu 1, FI-00100 Helsinki, Finland or at www.upm.com for the 12 months following the date of this Base Prospectus:

- (a) the constitutive documents of the Issuer (as the same may be updated from time to time);
- (b) the Agency Agreement;
- (c) the Deed of Covenant;
- (d) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
- (e) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

This Base Prospectus will be available, in electronic format, on the website of Euronext Dublin (live.euronext.com).

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Notes Having a Maturity of Less than One Year

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of GBP 100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the

issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Conflicts of Interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) of the Issuer is 213800EC6PW5VU4J9U64.

Issuer Website

The Issuer's website is www.upm.com. Unless specifically incorporated by reference into this Base Prospectus, information contained on such website does not form part of this Base Prospectus.

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