

March 10, 2022

Dear Customer,

The war on Ukraine has fundamentally changed the geopolitical situation and is causing harm to millions of Ukrainians. This tragedy has also had a heavy impact on the macroeconomic fundamentals - especially in Europe.

Sanctions against Russia and an immanent risk of supply security, especially for gas delivered from Russia, have led to a dramatic increase of gas and power prices – especially in Central and Western Europe. While market volatility is extreme, higher prices are forecast to stay amidst ongoing discussions on a future ban of oil and gas imports from Russia.

We are fully exposed to these energy market developments and risk incurring significant losses. The main impact is on our operations in Central Europe and the UK. We decided to continue running our operations and ensure paper supplies - despite this very volatile situation and the unsustainable gas and power prices.

Unfortunately, our ability to continue paper production requires that we compensate the increased energy costs in order to not incur losses on our operations. We will therefore include an energy surcharge for all graphic paper grades until further notice:

- for our Central European mills: \$175/st
- for our UK mill: \$75/st

This surcharge is valid for all deliveries invoiced as of Monday, May 2, 2022.

Corresponding with the rapid development of the overall economic situation and especially the energy market volatility, we will continue to intensively monitor the situation and adjust our prices at short notice if the situation changes.

We are fully aware that this note comes at difficult times and in a difficult market environment. However, we are exposed to the exaggerated gas and power prices without alternatives or options to mitigate the negative price impact. We trust upon your understanding in this challenging situation and look forward to the continuation of our valued mutual business. We do understand that our decision may have negative impacts on your business, and we are willing to discuss a possible cancellation of orders, if so desired.

Your sales contact will reach out to discuss the exact prices for your orders further.

Sincerely,



Ruud van den Berg
Senior Vice President Sales,
UPM Communication Papers



Mark Goodman
Head of Sales
UPM NA Communication Papers

This letter and its contents are confidential customer communication between UPM and you, it is not to be shared with third parties.