

## **KEMIRA OYJ: PROPOSALS OF THE BOARD OF DIRECTORS AND THE SHAREHOLDERS' NOMINATION BOARD TO THE ANNUAL GENERAL MEETING 2021**

Following proposals will be submitted to the Annual General Meeting:

- Proposal for the payment of dividend
- Proposal for the Board of Directors remuneration
- Proposal for the composition of the Board of Directors
- Proposal for the remuneration of the auditor
- Proposal for the election of the auditor
- Proposal for authorizing the Board of Directors to decide on the repurchase of the company's own shares
- Proposal for authorizing the Board of Directors to decide on share issue
- Proposal for changing the date on which the members of the Nomination Board are annually appointed

### **Agenda item 8**

#### **Proposal for the payment of dividend**

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 24, 2021 that a dividend of EUR 0.58 per share be paid based on the adopted balance sheet for the financial year which ended on December 31, 2020.

The dividend will be paid in two installments. The first installment of EUR 0.29 per share will be paid to a shareholder who is registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment, March 26, 2021. The Board of Directors proposes that the first installment of the dividend be paid out on April 8, 2021.

The second installment EUR 0.29 per share will be paid in November 2021. The second installment will be paid to a shareholder who is registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2021. The record date is planned to be October 28, 2021, and the dividend payment date November 4, 2021, at the earliest.

The Board of Directors notes that the proposed amount of the dividend is higher than the amount of the minority dividend under Chapter 13 Section 7 of the Finnish Companies Act.

### **Agenda item 11**

#### **Proposal for the Board of Directors remuneration**

The Nomination Board proposes to the Annual General Meeting to be held on March 24, 2021 that the remuneration paid to the members of the Board of Directors will remain unchanged. The remuneration paid to the members of the Board of Directors would thus be as follows. The annual fees: for the Chairman EUR 92,000 per year, for the Vice Chairman and the Chairman of the Audit Committee EUR 55,000 per year and for the other members EUR 44,000 per year. A fee payable for each meeting of the Board of Directors and the Board Committees would thus be as follows: for

the members residing in Finland EUR 600, for the members residing in rest of Europe EUR 1,200 and for the members residing outside Europe EUR 2,400.

Travel expenses are proposed to be paid according to Kemira's travel policy.

In addition, the Nomination Board proposes to the Annual General Meeting that the annual fee be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the company's shares owned by the company or, if this is not possible, shares purchased from the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of the Board of Directors within two weeks from the release of Kemira's interim report January 1 – March 31, 2021. The meeting fees are proposed to be paid in cash.

## **Agenda item 12**

### **Proposal for the composition of the Board of Directors**

The Nomination Board proposes to the Annual General Meeting to be held on March 24, 2021 that seven members be elected to the Board of Directors and that the present members Wolfgang Büchele, Shirley Cunningham, Werner Fuhrmann, Timo Lappalainen and Jari Paasikivi be re-elected as members of the Board of Directors. Nomination Board proposes that Matti Kähkönen and Kristian Pullola be elected as new members of the Board of Directors. In addition, the Nomination Board proposes that Jari Paasikivi be re-elected as the Chairman of the Board of Directors and Matti Kähkönen be elected as the Vice Chairman.

All the nominees have given their consent to the position and are independent of the company's significant shareholders except for Jari Paasikivi. Jari Paasikivi is the Chairman of the Board of Directors of Oras Invest Oy and Oras Invest Oy owns over 10% of Kemira Oyj's shares.

Of the current members of the Board of Directors Kerttu Tuomas, who has served on the company's Board of Directors since 2010 and as Vice Chairman of the Board of Directors since 2014, and Kaisa Hietala, who has served on the Board of Directors since 2016, have informed that they will no longer be available for re-election to the next term of the Board of Directors.

Mr. Matti Kähkönen, M.Sc. (Engineering), b. 1956, has served as President and CEO of Metso Corporation in 2011-2017 and Senior Advisor in 2017-2019. In 1999-2011, Matti Kähkönen held several executive positions in the Metso Group. Prior to year 1999, he held several managerial and business development positions at Neles-Jamesbury and Rauma-Repola. Matti Kähkönen chairs the Board of Directors of Neste Corporation and Neste's Personnel and Remuneration Committee. In addition, he is the Chairman of the Board of Directors of The Finnish Fair Corporation and Chair of the Supervisory Board of the Ilmarinen Mutual Pension Insurance Company. Matti Kähkönen is a Finnish citizen.

Kristian Pullola, M.Sc. (Econ) b. 1973, has served in multiple executive and managerial positions in finance and treasury at Nokia Corporation, most recently as Executive Vice President and CFO and as Member of the Group Leadership Team in 2017-2020. Kristian Pullola is a Member of the Board of Directors and Chairman of the Audit Committee at Ilmarinen Mutual Pension Insurance Company and a Member of the Board of Directors at Antilooppi, a real estate investment company. He is a

candidate to Terveystalo Oyj's Board of Directors at the spring 2021 Annual General Meeting. Kristian Pullola is a Finnish citizen.

The Nomination Board notes that the proposed changes in the composition of the Board of Directors, if implemented, will lead to a situation where the composition of the company's Board of Directors does not comply with the diversity principles adopted by the company with regard to the gender criterion.

The purpose of the Nomination Board is to keep this situation short-lived and to rectify it as soon as possible.

### **Agenda item 13**

#### **Proposal for the remuneration of the auditor**

In accordance with the recommendation by the Audit Committee of the Board of Directors of Kemira Oyj, the following proposal is presented by the Board of Directors to the Annual General Meeting to be held on March 24, 2021:

The auditor's fees would be paid based on invoicing approved by the company.

### **Agenda item 14**

#### **Proposal for the election of the auditor**

In accordance with the recommendation by the Audit Committee of the Board of Directors of Kemira Oyj, the following proposal is presented by the Board of Directors to the Annual General Meeting to be held on March 24, 2021:

Ernst & Young Oy would be elected as the company's auditor with Mikko Ryttilahti, APA, acting as the principal auditor.

The recommendation of the Audit Committee is free from influence by a third party and no clause of the kind referred to in paragraph 6 of the Article 16 of the EU Audit Regulation (537/2014) has been imposed upon it which would restrict the Annual General Meeting's decision-making relating to the election of auditor.

### **Agenda item 15**

#### **Proposal for authorizing the Board of Directors to decide upon the repurchase of the company's own shares**

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 24, 2021 that the Annual General Meeting authorizes the Board of Directors to decide upon repurchase of company's own shares ("Share repurchase authorization") under the following terms and conditions:

**Maximum number of shares**

Under the authorization, the Board of Directors may decide upon a repurchase of a maximum of 5,600,000 company's own shares.

**Directed repurchase and price paid for the shares**

Shares shall be repurchased by using unrestricted equity either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or otherwise than in proportion to the existing shareholdings of the company's shareholders in public trading on Nasdaq Helsinki Ltd ("Nasdaq Helsinki") at the market price quoted at the time of the repurchase.

The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.

Shares shall be acquired and paid for in accordance with the rules of Nasdaq Helsinki and the rules of Euroclear Finland Ltd as well as other applicable regulations.

**Purpose of the repurchase**

Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the company's capital structure, improving the liquidity of the company's shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the company.

**Other terms and validity**

The Board of Directors shall decide upon other terms related to any share repurchase.

The Share repurchase authorization is valid until the end of the next Annual General Meeting.

**Agenda item 16****Proposal for authorizing the Board of Directors to decide on share issue**

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 24, 2021 that the Annual General Meeting authorizes the Board of Directors to decide to issue new shares and transfer company's own shares ("Share issue authorization") under the following terms and conditions:

### Maximum number of shares

Under the authorization, the Board of Directors may decide to issue through one or several share issues a maximum of 15,600,000 new shares and to transfer a maximum of 7,800,000 company's own shares held by the company.

### Share issue for or without consideration

The new shares may be issued and the company's own shares held by the company may be transferred either for consideration or without consideration.

### Shareholders' pre-emption right and private placement

The new shares may be issued and the company's own shares held by the company may be transferred:

- to the company's shareholders in proportion to their current shareholdings in the company; or
- by disapplying the shareholders' pre-emption right, through a directed share issue, if the company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the company, improving the liquidity of the company's shares or, if it is justified, for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the implementation of the company's share-based incentive plans.

### Recognition of the subscription price

The subscription price of new shares shall be recorded to the invested unrestricted equity reserves. The consideration payable for company's own shares shall be recorded to the invested unrestricted equity reserves.

### Other terms and validity

The Board of Directors shall decide upon other terms related to the share issues.

The Share issue authorization is valid until May 31, 2022.

## **Agenda item 17**

### **Proposal for changing the date on which the members of the Nomination Board are annually appointed**

On March 21, 2012, Kemira's Annual General Meeting decided to establish a Nomination Board to annually prepare proposals concerning the composition and remuneration of the Board of Directors for the next Annual General Meeting.

According to the decision of the 2012 Annual General Meeting, the Nomination Board shall consist of the four largest shareholders of Kemira or the representatives of such shareholders and the Chairman of the Board of Directors of Kemira, acting as an expert member. The four shareholders holding the most voting rights on August 31 prior to the following Annual General Meeting according

to the company's shareholders' register maintained by Euroclear Finland Ltd shall each have the right to become a member or to appoint a member, as the case may be, to the Nomination Board.

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 24, 2021 that the Annual General Meeting decides that the four shareholders holding the most voting rights on May 31 (instead of August 31) prior to the following Annual General Meeting according to the company's shareholders' register maintained by Euroclear Finland Ltd shall each have the right to become a member or to appoint a member, as the case may be, to the Nomination Board.

Kemira Oyj's Board of Directors further proposes to the Annual General Meeting that the Nomination Board Charter approved by the Annual General Meeting on March 24, 2017, be amended accordingly by replacing the first sentence of the first paragraph under section "Composition and Meetings" with the following:

*"The Nomination Board shall consist of five members being the representatives of the four largest shareholders of Kemira Oyj as of May 31 preceding the Annual General Meeting and the Chairman of the Board of Directors of Kemira Oyj who is acting as an expert member."*