

Remuneration Report 2021



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The Remuneration Report describes the remuneration of Kemira Governing Bodies, i.e., the Board of Directors, the President and CEO and the Deputy CEO of Kemira Oyj, for the financial year 2021 as required by the Finnish Securities Market Act, the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code 2020 issued by the Securities Markets Association.

The report is divided into following sections:

- Pay-for-performance during the preceding five years
- Remuneration of the Board of Directors for the preceding financial year
- Remuneration of the CEO and Deputy CEO for the preceding financial year

Letter from the Chairman of the Board and Personnel and Remuneration Committee

Dear Shareholders, as Chairman of the Board and Personnel and Remuneration Committee, I am pleased to present Kemira's Remuneration Report for the financial year 2021. Kemira's overall performance was good in 2021 despite a challenging operating environment. Kemira's revenue reached a record high of EUR 2.7 billion following strong organic revenue growth. Profitability on the other hand was negatively impacted by the unprecedented inflationary environment, and cost mitigation actions were taken to compensate for the inflationary pressures.

The Remuneration Policy for the Governing Bodies of Kemira Oyj ("Policy") was approved by the Board and confirmed at the 2020 Annual General Meeting. The Policy provides a framework for the remuneration principles and practices of the Board and of the CEO of Kemira. Kemira follows a total remuneration approach built around the principles of pay-for-performance, competitive market driven remuneration and effective communication. In 2021, the remuneration of

the Board and CEO follows the Policy and no deviations have been made nor have any clawbacks of remunerations taken place. Then Annual General Meeting 2021 approved the Remuneration Report 2020 in the advisory voting. Kemira will continue to follow its remuneration principles aiming to align the interests of the CEO, the operative management and employees with those of our shareholders.

In 2022, Kemira will continue to implement its strategy, drive growth initiatives, such as the biobased strategy, while also maintaining profitability as a strategic priority. These priorities are cascaded to the variable compensation programs continuing to drive company strategy and priorities. During 2022 Kemira intends to further develop its sustainability incentive KPIs.

Chairman of the Board and the Personnel and Remuneration Committee,

JARI PAASIKIVI

PAY-FOR-PERFORMANCE DURING THE PRECEDING FIVE YEARS

Kemira is a global company with operations and employees in 37 countries, and the market remuneration level differ significantly between these countries. To ensure the alignment of the interests of the CEO and the shareholders, the weighting of variable remuneration, and especially long-term incentive plans, in the CEO's total remuneration opportunity is substantial, whereas the employee remuneration is less volatile as a smaller portion of total remuneration is made up of variable remuneration.

The Board members do not participate in any incentive plans and thus the remuneration of the Board is more stable to its nature. The table sets out the remuneration paid during the respective year, considering that a portion of that remuneration may have been earned during the previous year.

The CEO's actual paid remuneration is well aligned with the company's performance development as visualised in the graphs. Kemira has placed increased focus on profitable growth since 2020. Over the long-term Kemira has become a fundamentally stronger company following numerous actions to improve the company's profitability. The operative EBITDA has grown from EUR 311 million in 2017 to EUR 426 million in 2021.

Annual fee of Board member	2017	2018	2019	2020	2021
Chairman	80,000	80,000	92,000	92,000	92,000
Vice Chairman, Chairman of Audit Committee	49,000	49,000	55,000	55,000	55,000
Other members	39,000	39,000	44,000	44,000	44,000
CEO total remuneration*	891,000	1,021,520	1,109,879	1,713,058	1,537,148
Average of employees remuneration**	58,473	57,101	59,235	58,370	56,254
Average headcount***	4780	4809	5019	5037	4947
Operative EBITDA M€****	311	323	410	435	426

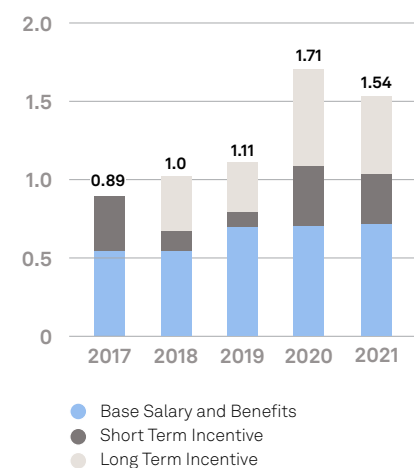
*Paid annual base salary, tax value of benefits, defined contribution pension, short- and long-term incentives

**Average employee wages and salaries including accrued short-term incentives, excluding side costs, excluding CEO total remuneration

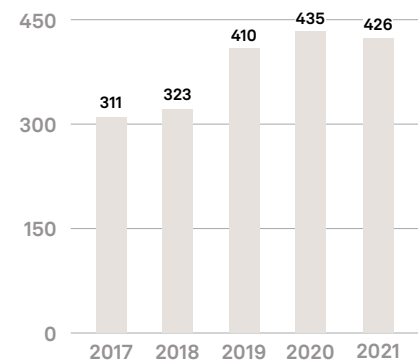
***Average headcount excluding CEO

****IFRS16 including as of 2019

CEO REMUNERATION EUR MILLION



KEMIRA OPERATIVE EBITDA EUR MILLION



REMUNERATION OF THE BOARD OF DIRECTORS FOR THE PRECEDING FINANCIAL YEAR

As stated in the Policy confirmed at the Annual General Meeting 2020, the Annual General Meeting may at its discretion decide to remunerate the Board with one or more types of remuneration, such as cash and shares. According to the decisions made in the Annual General Meeting 2021, the members of the Board of Directors are paid an annual fee and a fee per meeting. The members of the Board of Directors are not eligible for the short-term bonus plan or the long-term share incentive plan, or supplementary pension plans of Kemira Oyj.

The annual fees are as follows:

- the Chairman will receive EUR 92,000 per year
- the Vice Chairman and the Chairman of the Audit Committee EUR 55,000 per year
- the other members EUR 44,000 per year

A fee payable for each meeting of the Board and its committees are as follows:

- EUR 600 for the members residing in Finland
- EUR 1,200 for the members residing elsewhere in Europe
- EUR 2,400 for the members residing outside Europe

The meeting fees are to be paid in cash. Travel expenses are reimbursed according to Kemira's travel policy. In addition, the Annual General Meeting 2021 decided that the annual fee shall 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 Kemira shares owned by the company or, if this is not possible, Kemira shares acquired from the securities market, and 60% is paid in cash. The Annual General Meeting decided that the shares will be transferred to the members of

the Board of Directors within two weeks after the release of Kemira's interim report January 1–March 31, 2021. The shares were transferred on May 7, 2021.

In the financial year 2021, the following fees were paid to the members of the Board. No other fees or remuneration were paid to any member of the Board.

Board of Directors	Annual fee	Remuneration for Board and committee meetings	Total 2021
Paasikivi, Jari	92,000	12,000	104,000
Kähkönen, Matti	55,000	6,600	61,600
Lappalainen, Timo	55,000	12,000	67,000
Büchele, Wolfgang	44,000	12,000	56,000
Cunningham, Shirley	44,000	24,000	68,000
Fuhrmann, Werner	44,000	12,000	56,000
Pullola, Kristian	44,000	6,600	50,600
Hietala, Kaisa*	0	2,400	2,400
Tuomas, Kerttu*	0	2,400	2,400
Total			468,000

*Hietala and Tuomas were Members of the Board of Directors until March 24, 2021.

REMUNERATION OF THE CEO AND THE DEPUTY CEO FOR THE PRECEDING FINANCIAL YEAR

As stated in the Policy confirmed at the Annual General Meeting 2020, the remuneration of the CEO might comprise base salary and benefits, performance-based incentive plans, supplementary pensions, insurances and other one time payments.

In 2021, the remuneration of the CEO comprised base salary and benefits, short-term bonus plan, long-term share incentive plans, insurances and a supplementary pension. In 2021 the total remuneration paid to CEO Jari Rosendal amounted to EUR 1,537,148 including the base salary and benefits, defined contribution pension plan, short-term bonus based on the 2020 performance period of EUR 319,901 and long-term share incentive based on the performance period 2020 of 14,960 shares, value EUR 493,058 including cash portion of the reward.

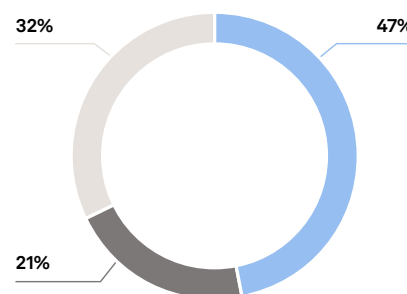
	Annual base salary	Short-term bonus plan	Long-term share incentive plan*	Total 2021
CEO, Jari Rosendal**	724,189	319,901	493,058	1,537,148
Deputy CEO, Jukka Hakkila***	187,193	84,181	172,570	443,944

*Including cash portion of the reward intended for taxes

**CEO annual base salary including annual base salary, tax value of benefits and supplementary pension defined contribution pension plan

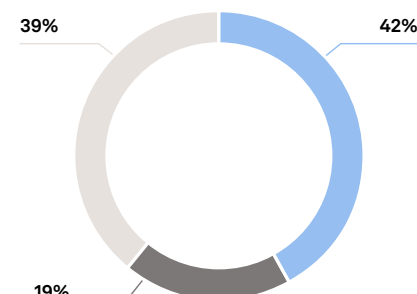
***Deputy CEO annual base salary including annual base salary and tax value of phone and car. Due to the secondary nature of the Deputy CEO position, the company does not pay remuneration for holding this position. The deputy receives the remuneration that he receives based on his primary position (Group General Counsel) in the company's organization. No supplementary pension is offered to the Deputy CEO.

CEO REMUNERATION SPLIT IN 2021



- Base Salary and Benefits
- Short Term Incentive
- Long Term Incentive

DEPUTY CEO REMUNERATION SPLIT IN 2021



- Base Salary and Benefits
- Short Term Incentive
- Long Term Incentive

CEO AND DEPUTY CEO SHORT-TERM INCENTIVE CRITERIA IN 2020

- Group Operative Cash Flow after investing activities
- Group Operative EBIT in €
- Group Operative EBIT%
- Group Safety KPI
- Role Specific KPI

CEO AND DEPUTY CEO SHORT-TERM INCENTIVE CRITERIA IN 2021 AND 2022

- Group Operative Cash Flow after investing activities
- Group Operative EBIT in €
- Group Org. Revenue growth in €
- Group Safety KPI
- Role Specific KPI

REMUNERATION ELEMENT	CEO REMUNERATION	DEPUTY CEO REMUNERATION
Base Salary and Benefits	The annual base salary was EUR 603,531 including car and mobile phone benefit.	The annual base salary was EUR 187,193 including car and mobile phone benefit.
Supplementary Pension	The supplementary pension was defined as 20% of annual base salary. In 2021 the value of the defined contribution pension plan is 120,658 EUR. The retirement age of the President & CEO is 63 years.	No supplementary pension was offered to the Deputy CEO.
Short-Term Incentives (STI) The objective of the short-term bonus plans is to drive the annual objectives and priorities of the company, ensuring alignment with the company strategy and the shareholders' interests.	<p>Performance period 2020 The maximum STI opportunity is 70% of the annual base salary. No changes has been made to the STI maximum opportunity in 2020. The total weighted outcome of the performance criterion was 81%. The performance criterion and amounts are shown in the table on page 5.</p> <p>Performance period 2021 and due payment The maximum STI opportunity is 70% of the annual base salary. No changes has been made to the STI maximum opportunity in 2021. The performance criterion is shown on the table on page 5. The total weighted outcome of the performance criterion was 49%. Due short-term incentives based on performance period 2021 is 199,528 EUR and will be paid in 2022.</p>	<p>Performance period 2020 The maximum STI opportunity is 60% of the annual base salary. No changes has been made to the STI maximum opportunity in 2020. The total weighted outcome of the performance criterion was 80%. The performance criterion and amounts are shown in the table on page 5.</p> <p>Performance period 2021 and due payment The maximum STI opportunity is 60% of the annual base salary. No changes has been made to the STI maximum opportunity in 2021. The performance criterion is shown in the table on page 17. The total weighted outcome of the performance criterion was 50%. Due short-term incentives based on performance period 2021 is 54,374 EUR and will be paid in 2022.</p>
Long-Term Incentives (LTI) For more details of the LTI programs see Kemira.com	<p>Performance period 2020 The maximum reward opportunity for the LTI 2020 performance period for the CEO was 22,000 shares and a cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criterion in 2020 was Intrinsic Value, the outcome of the reward was 68% reflecting 14,960 number of shares. The reward, including the cash portion, was paid in March 2021. The shares paid as reward may not be transferred during the restriction period, which will end two years from the end of the performance period. For the reward paid out in 2021, the restriction period will end on December 31, 2022.</p> <p>Performance period 2019–2021 and due payment The maximum reward opportunity for the LTI 2019–2021 performance period for the CEO is 22,000 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criterion is 2019–2021 Average Intrinsic Value, and the outcome of the reward was 86% reflecting 18,920 number of shares. The reward will be paid in 2022.</p>	<p>Performance period 2020 The maximum reward opportunity for the LTI 2020 performance period for the Deputy CEO was 7,700 shares and a cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criterion in 2020 was Intrinsic Value, the outcome of the reward was 68% reflecting 5,236 number of shares. The reward, including the cash portion, was paid in March 2021. The shares paid as reward may not be transferred during the restriction period, which will end two years from the end of the performance period. For the reward paid out in 2021, the restriction period will end on December 31, 2022.</p> <p>Performance period 2019–2021 and due payment The maximum reward opportunity for the LTI 2019–2021 performance period for the Deputy CEO is 7,700 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criterion is 2019–2021 Average Intrinsic Value, and the outcome of the reward was 86% reflecting 6,622 number of shares. The reward will be paid in 2022.</p>

REMUNERATION ELEMENT	CEO REMUNERATION	DEPUTY CEO REMUNERATION
	<p>Ongoing LTI Plans:</p> <ul style="list-style-type: none"> The maximum reward opportunity for the ongoing LTI 2020–2022 performance period for the CEO is 22.000 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criteria are 2020–2022 Average Intrinsic Value and 2020–2022 Average Organic Revenue Growth % p.a. The possible reward is paid in 2023. The 2020–2022 reward opportunity was 50% of typical annual reward opportunity due to gradual shift from one-year performance periods to three-year performance periods. The maximum reward opportunity for the ongoing LTI 2021–2023 performance period for the CEO is 44.000 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criteria are 2021–2023 Average Intrinsic Value and 2021–2023 Average Organic Revenue Growth % p.a. The possible reward is paid in 2024. The maximum reward opportunity for the ongoing LTI 2022–2024 performance period for the CEO is 44.000 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criteria are 2022–2024 Average Intrinsic Value and 2022–2024 Average Organic Revenue Growth % p.a. The possible reward is paid in 2025. 	<p>Ongoing LTI Plans:</p> <ul style="list-style-type: none"> The maximum reward opportunity for the ongoing LTI 2020–2022 performance period for the Deputy CEO is 7.700 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criteria are 2020–2022 Average Intrinsic Value and 2020–2022 Average Organic Revenue Growth % p.a. The possible reward is paid in 2023. The 2020–2022 reward opportunity was 50% of typical annual reward opportunity due to gradual shift from one-year performance periods to three-year performance periods. The maximum reward opportunity for the ongoing LTI 2021–2023 performance period for the Deputy CEO is 15.400 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criteria are 2021–2023 Average Intrinsic Value and 2021–2023 Average Organic Revenue Growth % p.a. The possible reward is paid in 2024. The maximum reward opportunity for the ongoing LTI 2022–2024 performance period for the Deputy CEO is 15.400 shares and cash portion intended to cover taxes and the tax related costs arising from the reward. The performance criteria are 2022–2024 Average Intrinsic Value and 2022–2024 Average Organic Revenue Growth % p.a. The possible reward is paid in 2025.
Termination	A mutual termination notice period of 6 months applies to the CEO. He is entitled to a severance pay of 12 months' salary in addition to the salary earned during the notice period, in case the company terminates his service.	A mutual termination notice period of 6 months applies to the Deputy CEO. He is entitled to a severance pay of 6 months' salary in addition to the salary earned during the notice period, in case the company terminates his service.
Insurances	The CEO is entitled to insurances such as life and permanent disability, private accident, business travel, and directors' and officers' liability insurance. The CEO participates in the company sickness fund.	The Deputy CEO is entitled to insurances such as life and permanent disability, private accident, business travel, and directors' and officers' liability insurance. The Deputy CEO participates in the company sickness fund.

KEMIRA is a global leader in sustainable chemical solutions for water intensive industries. We provide best suited products and expertise to improve our customers' product quality, process and resource efficiency. Our focus is on pulp & paper, water treatment and energy industry. In 2021, Kemira had annual revenue of around EUR 2.7 billion and around 5,000 employees. Kemira shares are listed on the Nasdaq Helsinki Ltd.

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