



Corporate Governance 2022

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Corporate Governance Statement 2022

Introduction

Kemira Oyj's corporate governance is based on the Articles of Association, the Finnish Companies Act and Nasdaq Helsinki Ltd.'s rules and regulations on listed companies. Kemira complies with the Finnish Corporate Governance Code, which is publicly available at [cgfinland.fi](https://www.cgfinland.fi).

This statement is presented separately from the annual report by the Board of Directors. Kemira's Audit Committee has reviewed the Corporate Governance Statement. The Company's Auditor, Ernst & Young Oy, has verified that the statement has been issued and that the description of the main features of the internal control and risk management related to the financial reporting process included in the statement is consistent with the Financial Statements.

Governance bodies

The General Meeting of Shareholders, the Board of Directors and the Managing Director are responsible for Kemira's governance and operations. Their tasks are defined based on the Finnish Companies Act and Kemira's Articles of Association.

GENERAL MEETING OF SHAREHOLDERS

Kemira Oyj's General Meeting of Shareholders is the Company's highest decision-making body, and it is held at least once a year. The Annual General Meeting (AGM) must be held each year by the end of May. The AGM decides on matters within its competence under the Companies Act and the Articles of Association, such as the adoption of the financial statements and the dividend payout, the discharge from liability of Board members, Managing Director and his Deputy, the election of Chair, Vice Chair and other members of the Board of Directors and their remuneration, and the election of the auditor and the auditor's fees.

Notice to the General Meeting shall be released on the Company's website no earlier than two months and no later than three weeks before the meeting, however, at least nine days before the record date of the meeting. Additionally, if so decided by the Board of Directors, the Company may publish the notice to the General Meeting in one nationwide newspaper.

Kemira Oyj's Annual General Meeting was held in Helsinki on March 24, 2022. Due to the coronavirus pandemic the shareholders and their proxy representatives could participate in the meeting only by voting in advance, by

submitting counterproposals and/or by asking questions in advance. The Board of Directors had decided upon the exceptional arrangements for the Annual General Meeting based on the Act 375/2021 promulgated by the Finnish Parliament and in order to protect the health and safety of the shareholders, employees and other stakeholders of the company. A total of 429 shareholders had registered for the meeting either in person, by legal representative or by proxy, and a total of 101,979,696 shares and votes were represented at the meeting.

The documents related to the AGM are available on Kemira's website [kemira.com](https://www.kemira.com) > Company > Investors > Corporate governance > Annual General Meeting.

NOMINATION BOARD

The 2012 Annual General Meeting decided to establish a Nomination Board consisting of the shareholders or the representatives of the shareholders to prepare annually a proposal for the next AGM concerning the composition and remuneration of the Board of Directors. The Nomination Board consists of the representatives of the four largest shareholders of Kemira Oyj based on the situation on May 31 preceding the AGM, and the Chair of Kemira Oyj's Board of Directors acts as an expert member. The members of the

Nomination Board shall elect a Chair at the first meeting of the Board. The Group General Counsel acts as the Secretary of the Nomination Board.

The Nomination Board has a Charter approved by the General Meeting that defines more precisely the process to elect its members and Chair as well as its tasks and meeting routines. The Charter is publicly available on the company's website. According to its Charter, the Nomination Board will meet at least two times a year, with authority to convene additional meetings, as circumstances require. The members present at the meeting shall constitute a quorum if at least three of the members are present at the meeting.

As of May 31, 2022 the members of the Nomination Board are Ville Kivelä, Chief Investment Officer, Oras Invest Oy; Pauli Anttila, Investment Director, Solidium Oy; Lisa Beauvilain, Head of ESG & Sustainability, Executive Director, Impax Asset Management plc; Annika Ekman, Head of Direct Equity Investments, Ilmarinen Mutual Pension Insurance Company; and Matti Kähkönen, Chair of Kemira's Board of Directors as an expert member. Ville Kivelä is the Chair of the Nomination Board and Group General Counsel Jukka Hakkila acts as the Secretary of the Nomination Board. Between January 1 and May 31, the members of the Nomination Board were Ville Kivelä, Reima Rytsölä, Pauli Anttila, Annika Ekman and Jari Paasikivi.

The Nomination Board met six times in 2022 with an attendance rate of 90%. Each member's participation in the Nomination Board meetings was as follows:

Name	Participation in meetings	Participation percentage
Anttila, Pauli	6/6	100%
Beauvilain, Lisa	5/5	100%
Ekman, Annika	6/6	100%
Kivelä, Ville	3/6	50%
Kähkönen, Matti	5/5	100%
Paasikivi, Jari	1/1	100%
Rytsölä, Reima	1/1	100%
Total	27/30	90%

BOARD OF DIRECTORS

Composition

The AGM elects the Chair, Vice Chair and other members of the Board of Directors. In accordance with the Articles of Association, the Board of Directors comprises 4–8 members. On March 24, 2022, the Annual General Meeting elected eight members to the Board of Directors. The AGM re-elected Wolfgang Büchele, Shirley Cunningham, Werner Fuhrmann, Matti Kähkönen, Timo Lappalainen and Kristian Pullola to the Board of Directors. Annika Paasikivi and Tina Sejersgård Fanø were elected as new members to the Board. Matti Kähkönen was elected the Board's Chair and Annika Paasikivi was elected the Vice Chair. Group General Counsel Jukka Hakkila acts as the Secretary of the Board of Directors. Between January 1 and March 24, 2022 the Board members were Wolfgang Büchele, Shirley Cunningham, Werner Fuhrmann, Timo Lappalainen, Matti Kähkönen, Jari Paasikivi, and Kristian Pullola.

All of the Board members are independent of the Company. When assessing the independence of the Board members, the Board has taken into consideration that Wolfgang Büchele has been either a member of the Board of Directors or the Managing Director for more than 10 years consecutively as of April 8, 2019. The Board of Directors has not identified any reason why Wolfgang Büchele should not be considered independent of the company. The Board members are also independent of significant shareholders of the Company except for the Vice Chair Annika Paasikivi. She is the Managing Director of Oras Invest Oy and Oras Invest Oy owns over 10% of Kemira Oyj's shares.

The personal information concerning the members of the Board of Directors can be found in the section Group Management and their holdings can be found under the heading Insiders.

Principles concerning the diversity of the Board of Directors

The Board of Directors has adopted the following principles and targets concerning the diversity of the Board of Directors. When designing the composition of the Board of Directors, the Nomination Board of the company assesses the Board composition from the viewpoint of the company's current and future business needs, while taking into account the diversity of the Board. The diversity of the Board of Directors will be assessed from various viewpoints. Kemira's Board of Directors shall have sufficient and complementary experience and expertise in the key industries and markets relevant to Kemira's business. In addition, an essential element is the personal characteristics of the members and their diversity. The company's aim is that the Board of Directors represent diverse expertise in different industries and markets, diverse professional and educational backgrounds, diverse age

distribution and both genders. The objective is that both genders are represented in the Board by at least two members.

The current Board of Directors of the company complies with the company's diversity targets. Versatile expertise from various industries and markets is represented in the Board of Directors, as well as various professional and educational backgrounds. There are five male and three female directors.

Tasks and duties

According to the Articles of Association, the Board of Directors is tasked with duties within its competence under the Companies Act. It has drawn up a written Charter defining its key duties and procedures. The Charter is publicly available on the company's [website](#). The following is a description of the essential contents of the Charter.

The Board of Directors is in charge of corporate governance and the due organization of the Company's operations. It decides on convening and prepares the agenda for the shareholders' general meeting and ensures the practical implementation of decisions taken thereby. The Board of Directors decides on authorizations for representing the Company. The Board of Directors' key duties include matters which, in view of the scope and type of the Company's operations, are uncommon or involve wide-ranging effects. These include establishing the Company's long-term goals and the main strategies for achieving them, approving the annual business plans and budget, defining and approving corporate policies in key management control areas, approving the Company's organizational structure and appointing the Managing Director, his Deputy and members of the Management Board. The Board of Directors approves the Company's capital investment and lease commitment policy

and major investments, acquisitions and divestments. It also approves the group treasury policy and major long-term loans and guarantees issued by the Company. The Board's duties include ensuring that the Company has adequate planning, information and control systems and resources for monitoring results and managing risks in operations. The Board of Directors monitors and evaluates the performance of Managing Director, his Deputy and members of the Management Board and decides upon their remuneration and benefits. The Board's duty is to ensure continuation of the business operations by succession planning for key persons. The Board defines and approves the main principles for the incentive bonus systems within the Company, the Company's values, sustainability targets and the Code of Conduct. The Board of Directors also manages other tasks within its competence under the Companies Act. It is responsible for the due organization of the supervision of the Company's accounting and asset-liability management. The Board of Directors sees to it that the Company's financial statements give a true and fair view of the Company's affairs and that the consolidated financial statements are prepared under the International Financial Reporting Standards (IFRS) and the parent company's financial statements under the acts and regulations in force in Finland (FAS).

The Board of Directors' meetings discuss the Company's profit performance at a monthly level. The Board of Directors discusses the Company's audit with the auditor. The Board of Directors evaluates its performance and working methods on an annual basis. According to the Charter of the Board of Directors, the Board must convene regularly and at least eight times a year. The Board of Directors has a quorum when more than half of the directors are present. The opinion which has been supported by more than half of those present shall

become the decision or, in the event of votes being equal, the opinion with which the Chair concurs.

In 2022, the Board of Directors met nine times. The average attendance rate at the meetings was 96%. Each director's attendance in the meetings was as follows:

Name	Participation in meetings	Participation percentage
Büchele, Wolfgang	8/9	89%
Cunningham, Shirley	9/9	100%
Fanø, Tina Sejersgård	6/8	75%
Fuhrmann, Werner	9/9	100%
Kähkönen, Matti	9/9	100%
Lappalainen, Timo	9/9	100%
Paasikivi, Annika	8/8	100%
Paasikivi, Jari	1/1	100%
Pullola, Kristian	9/9	100%
Total	68/71	96%

BOARD COMMITTEES

Kemira Oyj's Board of Directors has appointed two committees: the Audit Committee and the Personnel and Remuneration Committee.

Audit Committee

The Audit Committee works in accordance with its Charter confirmed by the Board of Directors. The Charter is publicly available on the Company's [website](#). It is tasked to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit process and Kemira's process

for monitoring compliance with laws and regulations and the Kemira Code of Conduct.

The Committee reports to the Board on each meeting. The Audit Committee consists of four members of the Board of Directors. The majority of the members shall be independent of the company and at least one member shall be independent of significant shareholders. According to its Charter, the Audit Committee shall convene at least four times a year. The Audit Committee has a quorum when at least three members are present in the meeting.

After the 2022 AGM, the Board elected Timo Lappalainen as the Chair of the Audit Committee and Werner Fuhrmann, Annika Paasikivi and Kristian Pullola as members of the Committee. Timo Lappalainen, Werner Fuhrmann and Kristian Pullola are independent of the company and its significant shareholders, and Annika Paasikivi is independent of the company, but not of its significant shareholders. Between January 1 and March 24, 2022 the Committee members were Timo Lappalainen, Kristian Pullola and Jari Paasikivi.

The Audit Committee met five times in 2022 with an attendance rate of 95%. Each member's attendance in the Audit Committee meetings was as follows:

Name	Participation in meetings	Participation percentage
Fuhrmann, Werner	3/4	75%
Lappalainen, Timo	5/5	100%
Paasikivi, Annika	4/4	100%
Paasikivi, Jari	4/4	100%
Pullola, Kristian	5/5	100%
Total	18/19	95%

Personnel and Remuneration Committee

The Personnel and Remuneration Committee works according to its Charter confirmed by the Board of Directors. The Charter is publicly available on the company's [website](#). The Committee assists the Board of Directors by preparation of matters related to compensation and the appointment of Managing Director, his Deputy and the members of the Management Board, and by preparation of matters pertaining to the compensation systems and long-term incentive plans of the Company. The Committee also monitors succession planning of the senior management and the senior management's performance evaluation. The Committee plans matters pertaining to the development of the organization and reviews the Remuneration Report of the Company. The Committee reports to the Board of Directors on each meeting.

The Committee consists of four members, the majority of which shall be independent of the Company. According to its Charter, the Committee shall convene at least twice a year. The members present at the meeting shall constitute a quorum if at least three of the members are present at the meeting.

After the 2022 AGM, the Board elected Matti Kähkönen as the Chair of the Personnel and Remuneration Committee and Wolfgang Büchele, Shirley Cunningham and Timo Lappalainen as the members of the Personnel and Remuneration Committee. All Committee members are independent of the company. Between January 1 and March 24, 2022 the Committee members were Timo Lappalainen, Jari Paasikivi and Matti Kähkönen.

In 2022, the Personnel and Remuneration Committee met six times. The attendance rate at the meetings was 96%. Each

member's attendance in the Personnel and Remuneration Committee meetings was as follows:

Name	Participation in meetings	Participation percentage
Büchele, Wolfgang	5/5	100%
Cunningham, Shirley	4/5	80%
Kähkönen, Matti	6/6	100%
Lappalainen, Timo	6/6	100%
Paasikivi, Jari	1/1	100%
Total	22/23	96%

MANAGING DIRECTOR

The Board of Directors appoints the Managing Director and the Managing Director's Deputy. Under the Articles of Association, the Managing Director is responsible for managing and developing the Company in accordance with the instructions and regulations issued by the Board of Directors, ensuring that the Company's interests are served by the subsidiaries and associated companies under its ownership, and implementing the decisions taken by the Board of Directors. The Managing Director reports to the Board on financial affairs, the business environment and other significant issues. The Managing Director is the Chair of Kemira's Management Board.

Kemira Oyj's Managing Director is President and CEO Jari Rosendal, and the Deputy Managing Director is Group General Counsel Jukka Hakila. The Managing Director and the Managing Director's Deputy, including their related parties, are not involved in any substantial business relationships with the Company.

The personal information concerning the Managing Director and the Managing Director's Deputy is set forth under the section Group Management and their holdings can be found in the section Insiders. The financial benefits related to the Managing Director's and Deputy Managing Director's employment relationships are described in the [Remuneration Report](#).

MANAGEMENT BOARD

The Management Board is a non-statutory management body consisting of the operative management of the Company. It is responsible for securing the long-term strategic development of the Company.

Kemira's Management Board consists of Managing Director Jari Rosendal (President and CEO), Petri Castrén (CFO), Matthew R. Pixton (CTO), Esa-Matti Puputti (EVP, Operational Excellence & Sustainability), Antti Salminen (President, Pulp & Paper as of August 15, 2022, until then President, Industry & Water), Eeva Salonen (EVP, HR) and Wido Waelput (President, Industry & Water, Interim, as of September 1, 2022). In addition, during the year Kim Poulsen was President, Pulp & Paper until May 18, 2022. The Managing Director is the Chair of the Management Board and the Group General Counsel acts as its Secretary.

The personal information of the Management Board members is presented in the section Group Management and their holdings can be found in the section Insiders. The decision-making process and main principles of

remuneration of the members of the Management Board, other than the Managing Director, are described on the Company's [website](#).

OPERATIVE ORGANIZATION

Kemira has organized its business into two customer based segments. The Pulp & Paper segment focuses on serving customers in the pulp and paper industry and the Industry & Water segment focuses on serving customers in the municipal and industrial water treatment as well as oil, gas and mining industries. The segments have a strategic leadership role as they formulate their respective business strategies and guide the strategy implementation within the segment. Operational business responsibilities as well as the Profit & Loss responsibility belong to each of the segments.

The segments are guided by policies and guidelines defined by global functions. Global functions are responsible for developing policies, processes, guidelines and tools related to their respective functional areas on a global basis. Such policies and processes are complied with throughout the Company. Functions also have representatives in each geographic region. Regional functions ensure that the global policies are implemented and adhered to in the regions. They are also responsible for supporting the business locally in the region.

Geographically Kemira's operations are divided into three business regions: Europe, Middle East and Africa (EMEA), Americas and Asia Pacific (APAC). The Region Heads provide

operational support and co-ordination within the region and steer all regional development projects.

Internal control

Kemira maintains an internal control system to ensure the effectiveness and efficiency of its operations, including the reliability of financial and operational reporting and compliance with the applicable regulations, policies and practices. Internal control is an integral part of all of Kemira's operations and covers all levels of the Group. The entire Group personnel are responsible for internal control and managers monitor its effectiveness as part of operative management.

Kemira's corporate values, Code of Conduct and Group level policies and procedures guide the corporate governance and internal control in the Group. The internal policies and the Kemira Code of Conduct have been communicated to all Group staff. The Group also provides training concerning the main policies for people who need to know such policies. The Code of Conduct is trained to all employees. Every employee has the right and duty to report any violations of the law, the Code of Conduct or Group policies. The main components of internal control are the management and organizational culture, risk assessment, control activities, reporting and communication, as well as monitoring and auditing.

Insiders

Kemira Oyj complies with EU Market Abuse Regulation, Finnish Securities Market Act, the rules and regulations issued by the European Securities and Markets Authority (ESMA) and Finnish Financial Supervision Authority (Fin-FSA) as well as the Guidelines for the Insiders of Listed Companies issued by Nasdaq Helsinki Ltd. The company has identified the persons and vice-persons responsible for the various areas of insider administration within the company, including among others compliance in general, decision-making on publishing of insider information and on delaying the publication, maintaining the insider list, overseeing the compliance with the trading restriction as well as the publication of transactions made by the persons discharging managerial responsibilities and their closely associated persons involving stocks and other financial instruments relating to Kemira.

The company has determined, as required by the Market Abuse Regulation, that the persons discharging managerial responsibilities within the company include the Board of Directors, the Managing Director (President & CEO), Management Board as well as the secretary of Board of Directors and Management Board. The persons discharging managerial responsibilities are responsible for identifying their closely associated persons and to disclose the same to Kemira. Kemira discloses by way of stock exchange release all transactions made by the persons discharging managerial responsibilities and their closely associated persons and companies involving stocks and other financial instruments relating to Kemira, as required by the Market Abuse Regulation.

According to the law, a person discharging managerial responsibilities must not make transactions with stocks or other financial instruments of a listed company during a period of 30 days preceding the publications of the interim or annual financial report of a listed company. Kemira applies a similar 30 days trade restriction to those of Kemira Group employees who are involved in the preparation or publication of the interim or annual financial report and who have access to group level unpublished financial information.

Kemira Oyj's insider list is maintained by the legal department of the company. The attached table lays out the number of stocks owned by the persons discharging managerial responsibilities in Kemira Oyj, and by companies under their control, on December 31, 2022.

SHAREHOLDINGS OF BOARD OF DIRECTORS AND MANAGEMENT BOARD ON DEC 31, 2022

BOARD OF DIRECTORS

Name	Position	Kemira Oyj shares
Kähkönen, Matti	Chair of the Board of Directors	15,492
Paasikivi, Annika	Vice Chair of the Board of Directors	2,707
Bücheler, Wolfgang	Member of the Board of Directors	15,583
Cunningham, Shirley	Member of the Board of Directors	8,744
Fanø, Tina Sejersgård	Member of the Board of Directors	1,680
Fuhrmann, Werner	Member of the Board of Directors	4,560
Lappalainen, Timo	Member of the Board of Directors	15,215
Pullola, Kristian	Member of the Board of Directors	2,951
Total		66,932

MANAGEMENT BOARD

Name	Position	Kemira Oyj shares
Rosendal, Jari	Chief Executive Officer (President & CEO)	169,069
Castrén, Petri	Member of the Management Board	46,240
Pixton, Matthew	Member of the Management Board	25,332
Puputti, Esa-Matti	Member of the Management Board	37,131
Salminen, Antti	Member of the Management Board	57,916
Salonen, Eeva	Member of the Management Board	63,720
Waelput, Wido	Member of the Management Board, Interim	7,176
Hakkila, Jukka	Other person discharging managerial responsibilities	94,987
Total		501,571

Internal Audit

Kemira Group's Internal Audit function provides independent appraisal and assurance for the review of operations within the Group in order to support the management and the Board of Directors in fulfilling their oversight responsibilities. The purpose is to evaluate and contribute to the improvement of risk management, control and governance systems in the Group. The purpose, authority and responsibilities of the unit are defined in the Kemira Internal Audit Charter approved by the Audit Committee.

Internal auditors have complete and unrestricted access to all Kemira activities. Internal Audit is free to determine the scope of internal auditing, the ways of performing its work and communicating its results.

Internal Audit reports to the Audit Committee and administratively to the Group General Counsel. Internal Audit reports all of its observations to the responsible management and to the auditor. In addition, Internal Audit reports regularly the most essential and material observations to the Audit Committee in connection with the Audit Committee's meetings. Furthermore, the Internal Audit has a direct and unrestricted access to discuss with the Chair of the Audit Committee.

Audit

Under the Articles of Association, the General Meeting elects an audit firm certified by the Auditor Oversight, a department of the Finnish Patent and Registration Office as the Company's auditor. The audit firm appoints the Principal

Auditor, who is an Authorized Public Accountant certified by the Auditor Oversight, a department of the Finnish Patent and Registration Office. The auditor's term of office continues until the next Annual General Meeting after the Auditor's election.

The 2022 Annual General Meeting re-elected Ernst & Young Ltd. as the Company's auditor, with Mikko Ryttilahti, APA, acting as the Principal Auditor. In 2022, the audit fee paid globally to the audit firm Ernst & Young totaled EUR 1.6 million. In addition, a total of EUR 0.3 million was paid as fees for tax services and EUR 0.1 million as fees for other services.

Control and risk management systems pertaining to the financial reporting process

Kemira's Board of Directors defines the main principles of risk management and approves the Group's risk management policy. The business segments and functions are responsible for identifying, assessing and managing risks involved in their activities. The Group's Risk Management function coordinates and supports risk management. Kemira's internal control system covers all Group operations, including financial reporting. The internal control activities are carried out in all organizational levels as part of the Group's daily operations. A more detailed description of risks and risk management can be found in Board of Directors Review and on the Company's website at kemira.com > Company > Investors > Corporate governance > Internal Control and Risk management. A general description of Kemira's internal control system can be found above under the heading Internal control.

The following describes how Kemira's internal control and risk control work in connection with the financial reporting process to ensure that the financial reports published by the Company give essentially correct information of the Company's financial situation.

ROLES AND RESPONSIBILITIES

Kemira's Board of Directors ensures that the Company has sufficient resources for risk management and control, and that the control has been arranged appropriately and that the financial statements provide correct and sufficient information of the Company. The Board of Directors is assisted by the Audit Committee in these tasks. The Managing Director handles the Company's everyday management in accordance with instructions and regulations from the Board of Directors. The Managing Director is responsible for the Company accounting being lawful and that assets are managed reliably.

The CFO is responsible for the general control system of financial reporting. The areas of responsibility between financial administration of the Group and the regions have been defined precisely. Group level financial functions support, monitor, instruct and offer training to the financial organizations of the regions. Group level financial functions are also responsible for the Group's financial reporting and support segment controllers in analyzing business processes. Financial organization in the regions is responsible for the functionality of the accounting processes and correctness of figures in their region. Controlling in segments operates under the segments' business management and analyzes and supports the business processes.

The Group's IT function has a significant role both in financial reporting and internal control, as reporting and many control measures, such as process monitoring are based on IT solutions.

The Internal Audit function including its tasks and areas of responsibility are described more specifically above under the heading Internal Audit.

RISK MANAGEMENT

The Group's financial administration is responsible for managing risks related to financial reporting. The risks are identified, assessed and managed in connection with the Group's general risk management process and separately as part of financial administration's own operating processes. The Group's financial administration assesses risks it has recognized related to financial reporting. The aim of the risk assessment is to identify and assess the most significant threats affecting the financial reporting, to define which function or process the risks are associated with, and to determine how the risks would affect the Group's financial reporting if they were to materialise. The Group's financial administration and Risk Management are responsible for ensuring that the risks are reassessed regularly.

FINANCIAL REPORTING AND CONTROL

The internal control and risk management systems pertaining to the financial reporting process have been designed so that sufficient certainty on the reliability of the financial reporting can be obtained and that the financial statements have been prepared in accordance with the applicable laws and regulations. Kemira complies with the international standards for financial statements (IFRS) which are applicable in the EU and other requirements of the listed companies. Kemira

Group policies and procedures define in detail the processes and principles of accounting and financial reporting to be applied in all Group companies.

The purpose of the policies and procedures is to ensure the reliability of financial reporting. The Group has a uniform and comprehensive Enterprise Resources Planning (ERP) system that ensures fast and reliable access to data. Subsidiaries report their figures from the ERP system to the Group, using a uniform Group reporting system. The financial organizations of the Group, segments and regions check the correctness of the figures in the Group reporting system in accordance with the responsibility areas described above. Proper control of financial administration, financial reporting and accounting processes is a basic requirement for the reliability of financial reporting. The Group financial administration has determined the appropriate control functions, the objectives of each control function and how the effectiveness of the control functions is monitored and checked based on a risk analysis it performs. The control functions are described in the above mentioned risk documentation, and financial administration is responsible for their practical implementation.

Financial reporting control is performed either continuously as part of the transactions of the company's monitoring processes, such as purchasing and sales processes, or alternatively monthly or annually as part of the reporting process.

COMMUNICATION

By well-functioning internal control environment Kemira aims at securing the timeliness, correctness and transparency of the company's internal and external communication. The most essential guidelines and regulations concerning the

financial reporting, internal control and risk management, such as the guidelines regarding the principles of preparation of the financial statements and financial reporting, are available to all employees in the group intranet. Kemira's financial administration regularly arranges trainings regarding internal control and financial reporting as well as using the relevant tools.

MONITORING

The functionality of internal control, risk management and reporting systems is constantly monitored as part of daily management of the Company. Each segment, function and region are responsible for implementing internal control, its efficiency and reliability of reporting within their area of responsibility. The Group financial administration monitors the functionality and reliability of the financial reporting process and principles at Group level. The financial reporting processes are also monitored by the Internal Audit function.

Principles for related party transactions

The Board of Directors of the Company has approved a policy regarding related party transactions. The policy sets forth the Company's process for the monitoring, assessment, and decision-making of related party transactions, as well as public disclosure of information about related parties and related party transactions. The purpose of the policy is to prevent a related party from taking undue advantage of its position and to provide adequate protection for the interests of the Company and its shareholders. The policy aims to ensure that related party transactions are decided without a

conflict of interest, do not affect shareholders' value or the company's profit negatively, and are made transparently.

The Board of Directors have decided that the following persons are related parties of Kemira: Members of the Board of Directors, the Managing Director and his deputy, other members of the Management Board, and such other employees belonging to the management of Kemira Group who have influence in making financial and operational decisions in Kemira Group and who have been considered to be related parties by the Group General Counsel, and close family members of the persons mentioned above. Related party entities include entities of Kemira Group, entities controlled by a related party, and Pension Fund Neliapila. The legal department of the Company maintains an up-to-date register of the Company's related parties.

All proposed related party transactions must be disclosed to the Company's legal department in advance, except for certain customary transactions such as remuneration paid in accordance with the company's remuneration practices, and transactions having a value not exceeding EUR 5,000. The Company's legal department, assisted by the Finance & Accounting department, assesses whether a proposed related party transaction is made within the ordinary course of Kemira's business and whether it is made on customary commercial terms. Related party transactions which are made either outside the ordinary course of business of Kemira's or on other than customary commercial terms must be approved in advance by the Board of Directors. The Company's Finance & Accounting department also monitors transactions made with the related parties within the framework of its own controlling and monitoring system.

The Board of Directors, the Managing Director, and the General Meeting will take into account and comply with the disqualification rules set forth in the applicable laws when considering and deciding on related party transactions. In accordance with the applicable laws and the Rules of Exchange, the Company publicly discloses related party transactions which are material from the shareholders' perspective and have been entered into either outside of the ordinary course of business or on other than customary commercial terms.

Board of Directors



MATTI KÄHKÖNEN

- b. 1956
- Finnish citizen
- M.Sc. (Eng.)
- Chair of the Board, Chair of the Personnel and Remuneration Committee
- Independent of the Company and its significant shareholders
- Board professional



ANNIKA PAASIKIVI

- b. 1975
- Finnish citizen
- M.Sc. (Pol.), BA (Int. Bus.)
- Vice Chair of the Board, member of the Audit Committee
- Independent of the Company, but not of its significant shareholders
- Main occupation President & CEO of Oras Invest Oy, which owns over 10% of Kemira's shares



WOLFGANG BÜCHELE

- b. 1959
- German citizen
- Dr. rer.nat.
- Member of the Board, member of the Personnel and Remuneration Committee
- Independent of the Company and its significant shareholders
- Main occupation Exyte GmbH, CEO and Chairman of the Board



SHIRLEY CUNNINGHAM

- b. 1960
- United Kingdom and United States of America citizen
- MBA
- Member of the Board, member of the Personnel and Remuneration Committee
- Independent of the Company and its significant shareholders
- Board professional



TINA SEJERSGÅRD FANØ

- b. 1969
- Danish citizen
- M.Sc. (Eng), BA, (Phil. & Edu.)
- Member of the Board
- Independent of the Company and its significant shareholders
- Main occupation Novozymes A/S, Executive Vice President, Agriculture & Industrial Biosolutions



WERNER FUHRMANN

- b. 1953
- German citizen
- M.Sc. (Econ.)
- Member of the Board, member of the Audit Committee
- Independent of the Company and its significant shareholders
- Board professional

Further information on the Board of Directors and the Management Board is available at kemira.com.



TIMO LAPPALAINEN

- b. 1962
- Finnish citizen
- M.Sc. (Eng.)
- Member of the Board, Chair of the Audit Committee, member of the Personnel and Remuneration Committee
- Independent of the Company and its significant shareholders
- Main occupation Orion Corporation, Senior Advisor to the Board



KRISTIAN PULLOLA

- b. 1973
- Finnish citizen
- M.Sc. (Econ.)
- Member of the Board and the Audit Committee
- Independent of the Company and its significant shareholders
- Main occupation Finnair Oyj, Chief Financial Officer

Members of the Board of Directors until March 24, 2022



JARI PAASIKIVI

- b. 1954
- Finnish citizen
- M.Sc. (Econ.)
- Chairman of the Board, member of the Audit Committee, chairman of the Personnel and Remuneration Committee
- Independent of the Company, but not of its significant shareholders
- Chairman of the Board of the Directors of Oras Invest Oy, which owns over 10% of Kemira Oyj's shares

Further information on the Board of Directors and the Management Board is available at [kemira.com](https://www.kemira.com).

Group Management

Managing Director, Deputy Managing Director and members of the Management Board



JARI ROSENDAL

- b. 1965
- M.Sc. (Eng.)
 - President & CEO
 - Managing Director of Kemira Oyj, Chair of the Management Board



PETRI CASTRÉN

- b. 1962
- LL.M., MBA
 - Chief Financial Officer



JUKKA HAKKILA

- b. 1960
- LL.M.
 - Group General Counsel
 - Deputy Managing Director, secretary of the Board of Directors and the Management Board



MATTHEW R. PIXTON

- b. 1964
- Ph.D. (Chem. Eng.)
 - CTO



ESA-MATTI PUPUTTI

- b. 1959
- Lic. Tech. (Eng.)
 - Executive Vice President, Operational Excellence & Sustainability



ANTTI SALMINEN

- b. 1971
- Ph.D. (Eng.)
 - President, Pulp & Paper as of August 15, 2022; until then, President, Industry & Water



EEVA SALONEN

- b. 1960
- M.A. (Edu.)
 - Executive Vice President, Human Resources



WIDO WAELPUT

- b. 1959
- B.A. (Econ.)
 - President, Industry & Water, Interim, as of September 1, 2022



KIM POULSEN

- b. 1966
- M.Sc. (Econ.)
 - President, Pulp & Paper until May 18, 2022

Members of the Group Management until May 18, 2022

Remuneration Report 2022

The Remuneration Report describes the remuneration of Kemira Governing Bodies, i.e., the Board of Directors, the President & CEO and the Deputy CEO of Kemira Oyj, for the financial year 2022 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 the 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 Chair of the Board and Personnel and Remuneration Committee

Dear Shareholders,

I am pleased to present Kemira's Remuneration Report for the financial year 2022. The year 2022 was record-high despite a volatile operating environment. Kemira's revenue reached EUR 3.6 billion following strong organic revenue growth. Operative EBITDA reached a level of EUR 572 million during the year. Overall, 2022 was the best year in Kemira's history in terms of financial performance.

In 2023 Kemira will continue to execute its sustainable profitable growth strategy. The strategic priorities are reflected in the incentive programs: in addition to financial targets, the long-term incentive plan performance period 2023–2025 consists of two sustainability targets, namely Kemira CO₂ emission reduction from Scope 1 & 2 and revenue growth of biobased products.

In 2020, the Remuneration Policy for the Governing Bodies of Kemira Oyj ("Policy") was approved by the Board and confirmed at the 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.

The Annual General Meeting 2022 approved the Remuneration Report 2021 in the advisory voting. In 2022, the remuneration of the Board and CEO followed the Policy and no deviations have been made nor have any clawbacks of remunerations taken place. Kemira will continue to follow its remuneration principles which aim to align the interests of the CEO, the operative management, employees and shareholders.

MATTI KÄHKÖNEN

Chair of the Board and the Personnel and Remuneration Committee

PAY-FOR-PERFORMANCE DURING THE PRECEDING FIVE YEARS

Kemira is a global company with operations and employees in multiple countries, and the market remuneration levels 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 in 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 visualized 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 323 million in 2018 to EUR 572 million in 2022.

Annual fee of Board member, EUR	2018	2019	2020	2021	2022
Chair	80,000	92,000	92,000	92,000	110,000
Vice Chair and Chair of the Audit Committee	49,000	55,000	55,000	55,000	65,000
Other members	39,000	44,000	44,000	44,000	50,000
CEO total remuneration*	1,021,520	1,109,879	1,713,058	1,537,148	1,453,573
Average of Group employees remuneration**	57,101	59,235	58,370	56,254	65,294
Average headcount***	4,809	5,019	5,037	4,947	4,935
Operative EBITDA M€****	323	410	435	426	572

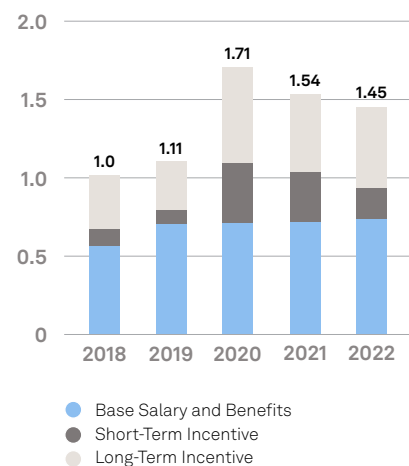
*Paid annual base salary, tax value of benefits, defined contribution pension, short- and long-term incentives.

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

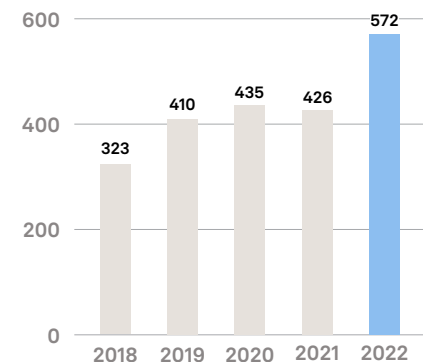
***Average headcount excluding CEO.

****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, 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 2022, 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 Chair will receive EUR 110,000 per year
- the Vice Chair and the Chair of the Audit Committee EUR 65,000 per year
- the other members EUR 50,000 per year.

A fee payable for each meeting of the Board of Directors and the Board Committees will be paid based on the method and place of the meeting (previously based on the participant's country of residence) as follows:

- EUR 600 for each meeting remotely participated or in the member's country of residence
- EUR 1,200 for each meeting participated on the same continent of the member's country of residence
- EUR 2,400 for each meeting participated on a different continent than the member's country of residence.

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 2022 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, 2022. The shares were transferred on May 10, 2022.

In the financial year 2022, 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, EUR	Remuneration for Board and committee meetings, EUR	Total 2022, EUR
Kähkönen, Matti	110,000	9,600	119,600
Paasikivi, Annika	65,000	6,600	71,600
Lappalainen, Timo	65,000	12,600	77,600
Büchele, Wolfgang	50,000	9,600	59,600
Cunningham, Shirley	50,000	12,600	62,600
Fanø, Tina Sejersgård	50,000	4,200	54,200
Fuhrmann, Werner	50,000	9,600	59,600
Pullola, Kristian	50,000	9,000	59,000
Paasikivi, Jari*	0	3,600	3,600
Total			567,400

*Paasikivi, Jari was Member of the Board of Directors until March 24, 2022.

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

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

In 2022, 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 2022 the total remuneration paid to CEO Jari Rosendal amounted to EUR 1,453,573, including the base salary and benefits, defined contribution pension plan, short-term bonus based on the 2021 performance period of EUR 199,528 and long-term share incentive based on the three-year performance period 2019–2021 of 18,920 shares, value of EUR 515,424 including the cash portion of the reward.

CEO AND DEPUTY CEO SHORT-TERM INCENTIVE CRITERIA IN 2021

- Group Operative Cash Flow after investing activities
- Group Operative EBIT in EUR
- Group Organic Revenue growth in EUR
- Group Safety KPI
- Role Specific KPI

CEO AND DEPUTY CEO SHORT-TERM INCENTIVE CRITERIA IN 2022 AND 2023

- Group Operative Cash Flow after investing activities
- Group Operative EBIT in EUR
- Group Organic Revenue growth in EUR
- Group Safety KPI
- Role Specific KPI

	Annual base salary, benefits and supplementary pension, EUR	Short-term bonus plan, EUR	Long-term share incentive plan*, EUR	Total 2022, EUR
CEO, Jari Rosendal**	738,620	199,528	515,424	1,453,573
Deputy CEO, Jukka Hakkila***	190,930	53,374	180,398	424,703

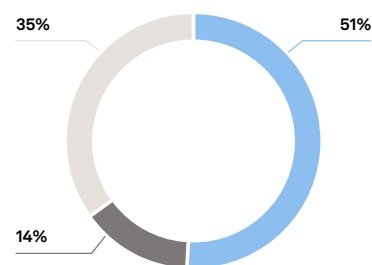
Individual figures presented in the table have been rounded to the nearest exact figure. Therefore, the sum of the individual figures may deviate from the total figure.

*Including cash portion of the reward intended for taxes.

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

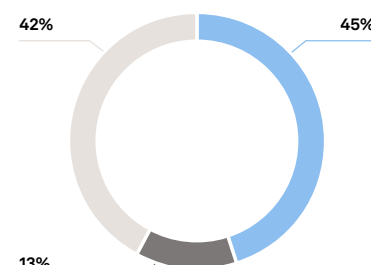
***Deputy CEO annual base salary including annual base salary and tax value of phone. Due to the secondary nature of the Deputy CEO position, the company does not pay remuneration for holding this position. The deputy receives the remuneration that he receives based on his primary position (Group General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

CEO REMUNERATION SPLIT IN 2022



- Base Salary, Benefits and Supplementary Pension
- Short-Term Incentive
- Long-Term Incentive

DEPUTY CEO REMUNERATION SPLIT IN 2022



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

REMUNERATION ELEMENT	CEO REMUNERATION	DEPUTY CEO REMUNERATION
Base Salary and Benefits	The annual base salary was EUR 615,549 including car and mobile phone benefit.	The annual base salary was EUR 190,930 including mobile phone benefit.
Supplementary Pension	The supplementary pension was defined as 20% of annual base salary. In 2022 the value of the defined contribution pension plan was EUR 123,071. 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 2021 The maximum STI opportunity was 70% of the annual base salary. No changes have been made to the maximum STI opportunity in 2021. The total weighted outcome of the performance criterion was 49%. The performance criterion and amounts are shown in the table on page 17.</p> <p>Performance period 2022 and due payment The maximum STI opportunity is 80% of the annual base salary. The maximum STI opportunity for 2022 has been increased by 10%-units compared to 2021. The performance criterion is shown in the table on page 17. The total weighted outcome of the performance criterion is 92%. Due short-term incentives based on performance period 2022 is EUR 434,174 and will be paid in 2023.</p>	<p>Performance period 2021 The maximum STI opportunity was 60% of the annual base salary. No changes have been made to the maximum STI opportunity in 2021. The total weighted outcome of the performance criterion was 50%. The performance criterion and amounts are shown in the table on page 17.</p> <p>Performance period 2022 and due payment The maximum STI opportunity is 60% of the annual base salary. No changes have been made to the maximum STI opportunity in 2022. The performance criterion is shown in the table on page 17. The total weighted outcome of the performance criterion is 91%. Due short-term incentives based on performance period 2022 is EUR 100,114 and will be paid in 2023.</p>
Long-Term Incentives (LTI) For more details of the LTI programs see kemira.com	<p>Performance period 2019-2021 The maximum reward opportunity for the LTI 2019-2021 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 was 2019-2021 Average Intrinsic Value, and the outcome of the reward was 86%, reflecting 18,920 number of shares. The reward, including the cash portion, was paid in March 2022.</p> <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 two-year restriction period following the performance period. For the reward paid out in 2021, the restriction period ended on December 31, 2022.</p> <p>Performance period 2020-2022 and due payment The maximum reward opportunity for the LTI 2020-2022 performance period for the CEO is 22,000 shares and a cash portion intended to cover taxes and the tax-related costs arising from the reward. The 2020-2022 reward opportunity is 50% of the typical annual reward opportunity due to gradual shift from one-year performance periods to three-year performance periods. The performance criteria are 2020-2022 Average Intrinsic Value and 2020-2022 Average Organic Revenue Growth % p.a. The outcome of the reward is 100% reflecting 22,000 number of shares. The reward will be paid in 2023.</p>	<p>Performance period 2019-2021 The maximum reward opportunity for the LTI 2019-2021 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 was 2019-2021 Average Intrinsic Value, and the outcome of the reward was 86%, reflecting 6,622 number of shares. The reward, including the cash portion, was paid in March 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 two-year restriction period following the performance period. For the reward paid out in 2021, the restriction period ended on December 31, 2022.</p> <p>Performance period 2020-2022 and due payment The maximum reward opportunity for the LTI 2020-2022 performance period for the Deputy CEO is 7,700 shares and a cash portion intended to cover taxes and the tax-related costs arising from the reward. The 2020-2022 reward opportunity is 50% of the typical annual reward opportunity due to gradual shift from one-year performance periods to three-year performance periods. The performance criteria are 2020-2022 Average Intrinsic Value and 2020-2022 Average Organic Revenue Growth % p.a. The outcome of the reward is 100% reflecting 7,700 number of shares. The reward will be paid in 2023.</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 2021–2023 performance period for the CEO is 44,000 shares and a 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 a 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. The maximum reward opportunity for the ongoing LTI 2023–2025 performance period for the CEO is 44,000 shares and a cash portion intended to cover taxes and the tax-related costs arising from the reward. The performance criteria are Average Return on Capital Employed % (ROCE-%) p.a., Average Organic Revenue Growth % p.a., Kemira CO₂ emission reduction from Scope 1 & 2 by 2025, and Revenue Growth of Biobased products by 2025. The possible reward is paid in 2026. 	<p>Ongoing LTI Plans:</p> <ul style="list-style-type: none"> The maximum reward opportunity for the ongoing LTI 2021–2023 performance period for the Deputy CEO is 15,400 shares and a 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 a 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. The maximum reward opportunity for the ongoing LTI 2023–2025 performance period for the Deputy CEO is 15,400 shares and a cash portion intended to cover taxes and the tax-related costs arising from the reward. The performance criteria are Average Return on Capital Employed % (ROCE-%) p.a., Average Organic Revenue Growth % p.a., Kemira CO₂ emission reduction from Scope 1 & 2 by 2025, and Revenue Growth of Biobased products by 2025. The possible reward is paid in 2026.
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.
Insurance	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 the best-suited products and services to improve our customers' product quality, process, and resource efficiency. Our focus is on pulp & paper, water treatment, and energy sectors. In 2022, Kemira had annual revenue of around 3.6 billion and around 5,000 employees. Kemira shares are listed on the Nasdaq Helsinki Ltd.

WWW.KEMIRA.COM