



Remuneration Report 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

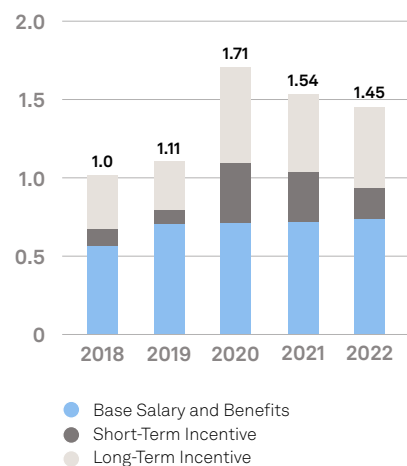
*Paid annual base salary, tax value of benefits, defined contribution pension, short- and long-term incentives.

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

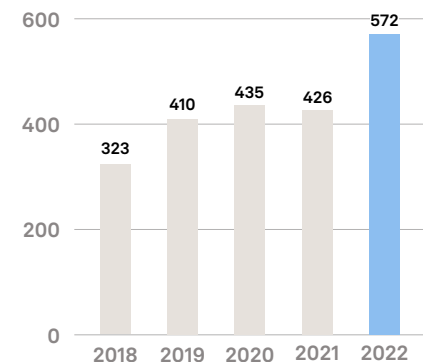
***Average headcount excluding CEO.

****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

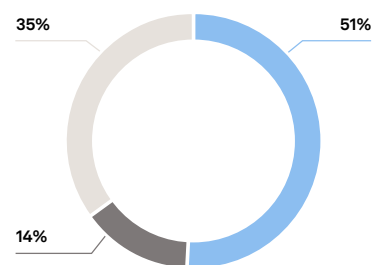
Individual figures presented in the table have been rounded to the nearest exact figure. Therefore, the sum of the individual figures may deviate from the total figure.

*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.

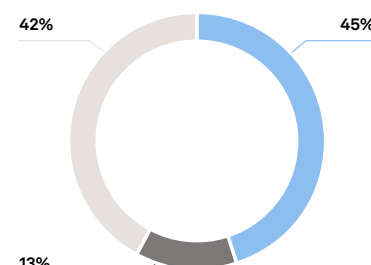
***Deputy CEO annual base salary including annual base salary and tax value of phone. Due to the secondary nature of the Deputy CEO position, the company does not pay remuneration for holding this position. The deputy receives the remuneration that he receives based on his primary position (Group General 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