

OUTOTEC CORPORATE
GOVERNANCE STATEMENT

2009

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The ultimate responsibility for the management and operations of Outotec lies with the governing bodies of the parent company, Outotec Oyj, registered and existing under the laws of Finland. These bodies are the General Meeting of Shareholders, the Board of Directors and the President and Chief Executive Officer (CEO). Further, the Executive Committee, operating under the authority of the CEO, has been formed for the efficient management of the company.

The governance principles applicable to the company are a combination of the laws of Finland, the Articles of Association approved by the General Meeting of Shareholders and Corporate Governance Policy approved by the Board of Directors.

Outotec follows with one exception specified later (Chapter 4. Board's Committees, Recommendation 25) the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association Helsinki in October 2008, and which replaces the recommendation given in 2003. The Corporate Governance Code is based on company's self-regulation and it complements the statutory procedures.

The aim of the Code is to harmonize practices of the Finnish listed companies' corporate governance as well as the information given to shareholders and other investors. It will also improve the transparency of the administration bodies and that the Finnish listed companies apply

the corporate governance practices of a high international standard. The Code is available on the Securities Market Association homepage at www.cgfinland.fi.

Outotec Corporate Governance Statement has been given as a separate report from the financial statements and report and it is available on Outotec's website. In addition, Outotec's Corporate Governance Policy in its entirety is published and maintained on Outotec's website at www.outotec.com/cg.

BOARD OF DIRECTORS

According to the Articles of Association of the company, the Board of Directors shall consist of no fewer than five (5) and no more than eight (8) members. The General Meeting of Shareholders elects the Chairman, and other members of the Board of Directors. Vice Chairman is elected by the Board amongst the Members of the Board. Fees paid to the Board of Directors in 2009 totaled EUR 252,000. The full details of the Board of Directors are published at www.outotec.com/cg.

The Board's composition:

Risto Virrankoski, B.Sc. (Econ.)

b. 1946, Finnish citizen

Chairman of the Board of Directors

Board member since 2006, re-elected

March 18, 2009

Independent of the company and owner

Retired from Outokumpu Oyj 2005

Karri Kaitue, LL. Lic.

b. 1964, Finnish citizen

Vice Chairman of the Board of Directors

Board member since 2006, re-elected

March 18, 2009

Independent of the company and owner

Deputy CEO of Outokumpu Oyj and Vice

Chairman of the Outokumpu Group

Executive Committee

Carl-Gustaf Bergström, M.Sc. (Econ.)

b. 1945, Finnish citizen

Board member since 2006, re-elected
March 18, 2009

Member of the Audit Committee

Independent of the company and owner

Retired from Cargotec Corporation

2006

Hannu Linnoinen, M.Sc. (Econ.), LL.M.

b. 1957, Finnish citizen

Board member since 2006, re-elected
March 18, 2009

Chairman of the Audit Committee

Independent of the company and owner

Senior Executive Vice President and

Chief Financial Officer of SRV Group Plc

Acting CEO as of August 12, 2009.

Anssi Soila, M.Sc. (Eng.), B.Sc. (Econ.)

b. 1949, Finnish citizen

Board member since 2006, re-elected
March 18, 2009

Independent of the company and owner

Retired from Kone Oyj 1999

Duties of the Board

The general objective of the Board of Directors is to direct the company's business and strategies in a manner that secures a significant and sustained increase in the value of the company for its shareholders. To this end, the members of the Board are expected to act as a resource and to offer their expertise and experience for the benefit of the company.

The Board of Directors acts

within the remit of the powers and responsibilities provided under the Finnish Companies Act and other applicable legislation. According to the Companies Act, the Board has general authority to decide and act on all matters not reserved by law or under the provisions of the Articles of Association to other corporate governing bodies. Further, the Board is responsible for the organization of the company's management and operations, and it has the duty at all times to act in the best interests of the company.

The Board of Directors has in the Charter of the Board of Directors further specified the duties of the Board as a whole, the duties of individual members and the Chairman of the Board and the Board's methods of working at a practical level.

One objective of Outotec's Board of Directors is to have both genders represented when proposing candidates for future compositions.

In 2009, the Board of Directors met 15 times. The average attendance of members at Board meetings was 99 percent. The Board of Directors assesses its performance regularly by conducting an internal self-evaluation annually.

Audit committee

The Board has established an audit committee consisting of two Board members, who are independent of the company. The Committee's task

is to review, in greater detail than is possible for the Board as a whole, the auditing work, fees paid to the auditors, review internal controls, the scope of internal and external audits, invoicing by the auditors, the company's financial policies and other procedures for managing company-specific risks. In addition, the committee shall prepare recommendations to the General Meeting of Shareholders concerning the election and fees of the auditors for the company. The committee's operation procedures have been specified further in the Board Audit Committee Charter, approved by the Board.

The Audit Committee members are Hannu Linnoinen (Chairman) and Carl-Gustaf Bergström, both having appropriate education and experience in corporate finance. In 2009, the Audit Committee met 4 times and all members were present. In order for the Board of Directors to work efficiently, it has been decided that the Audit Committee comprise of two Board members (Recommendation 25: three members).

CHIEF EXECUTIVE OFFICER (CEO) AND HIS/HER DUTIES AND RESPONSIBILITIES

The CEO is responsible for managing and controlling the company's business and day-to-day operations with the aim of securing significant, sustained increase in the value of the company for its shareholders.

The CEO prepares matters for decision by the Board of Directors, develops the group in line with the targets agreed upon with the Board of Directors and ensures proper implementation of the decisions of the Board of Directors.

It is further the duty of the CEO to ensure that the company's operations are in compliance with the laws and regulations applicable at the time. The CEO may have a deputy who will attend to the duties of the CEO in the event that the CEO is prevented from doing so himself or herself. The CEO shall make his/her most important decisions in Executive Committee meetings, and such decisions shall be recorded in the minutes of these meetings.

On June 4, 2009, the Board of Directors of Outotec appointed Mr. Pertti Korhonen, 47, M. Sc. (Eng) as the new President and Chief Executive Officer of Outotec Oyj. Mr. Korhonen joined Outotec on September 1, 2009, served as Chief Operating Officer as of October 1, 2009 and assumed the duties of CEO on January 1, 2010.

The former CEO Tapani Järvinen retired at on December 31, 2009. Remuneration paid to Mr. Järvinen in 2009 totaled EUR 1,693,714 million. The full details of the CEO and executive committee are published on www.outotec.com/cg.

DESCRIPTION OF THE MAIN FEATURES OF THE INTERNAL CONTROL SYSTEMS PERTAINING TO THE FINANCIAL REPORTING

Internal control

Internal control is a fundamental part of Outotec's corporate governance system. Internal control can be defined a set of processes designed to provide reasonable assurance on achievement of company's objectives in areas of: effectiveness and efficiency of processes and economic use of resources, reliability of financial reporting information and compliance with external rules and regulations as well as internal policies and procedures.

The Board's Audit Committee's task is to review the auditing work, internal controls, and the scope of internal and external audits, the company's financial policies and other procedures for managing the company's risks. The committee reports to the Board of Directors.

The framework of internal control

Outotec's internal control is done on all levels in the Group and financial reporting is managed with common methods in all units of the Group. The purpose of the internal control is to assure the efficiency of the processes, reliability of financial reporting and compliance of laws, regulations and internal instructions. The International Financial Reporting Standards (IFRS) are followed in the whole Group and the Chief Financial Officer of Outotec together with the Group controlling department maintains common instructions for planning and internal control. These

instructions and training held by Group controlling department for Group companies' financial personnel support the reaching of reliability objectives that have been set for the Group's financial reporting. Outotec Group's management and financial reporting is done by using one group accounting system to ensure that management and financial reporting is based on the same information. User rights for the financial IT systems and segregation of duties are important part of internal control.

Operating principles of internal control

In addition to Outotec's Board of Directors and its Audit Committee, Executive and Management Committees as well as management teams in each division form the general bodies for internal control.

Amongst others, monthly financial reports, business development related issues, strategic and operative planning and follow up, as well as investments and acquisitions are on the Board's agenda. Operative planning and issues related to control and development of operations are managed by Group's Executive Committee. In addition, divisional management teams manage planning and control of operations of their division.

The reliability of financial reporting requires that financial and accounting processes are sufficiently controlled. The Group's controlling department performs many different

control activities to ensure that the Group companies follow harmonized accounting principles and possible errors and differences in financial reporting are found and corrected. The control activities include, for instance, reconciliations of single accounts and analysis made during the financial reporting process.

Risk management

The risk management is an important part of internal control. Outotec's risk management policy defines general risk management principles and risk management framework. Outotec's risk management processes include Group level risk management processes and project-specific risk reviews and project risk management, which all increase the reliability of financial reporting.

The persons responsible for Outotec's risk management report regularly to the Group Executive Committee, Audit Committee and Board of Directors on risk identification and risk management measures. The main risks related to Outotec are operative project and finance risks as well as risks related to changes in currency exchange rates, which may affect significantly Outotec's reported financial information.

Internal audit

The company has an Internal Audit function, which reports to the Board's Audit Committee. Internal audit is designed to add value and improve

Outotec's operations by acting as an independent, objective assurance and consulting service. Internal audit helps Outotec to support a good organizational governance, give an independent perspective for management in considering and reviewing company operations, and accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

The purpose is to assist the Board of Directors in supervising and controlling the company. For this purpose, the internal auditor identifies and monitors the most important operational risks of the company, ensures the functionality and fit of the internal control mechanisms of the company and produces reliable information for the Board of Directors and its Audit Committee.

Audit

Independent third-party auditor performs an annual audit of the accounting records for each financial year, the annual accounts and the corporate governance of the company. The audit of the company also includes an examination of the consolidated annual accounts for the company, as well as the relationships between group companies. This calls for cooperation between the auditor of the company and the auditors of the other group companies worldwide.