

REMUNERATION POLICY

This remuneration policy sets the framework for the remuneration principles of the governing bodies, the members of the Board of Directors and the President and Chief Executive Officer in Outokumpu CorporationOyj.



Preamble

Outokumpu is a global metal processing company. We have strong roots in the Finnish and Nordic culture and business environment. With these roots, we compete in global metal processing markets with approximately 8,0500 professionals in close to 30 countries. More than 70% of our employees are located outside of Finland, generating 95% of our revenues.

As a company we operate in global markets and Helsinki as our headquarter competes with highly attractive locations across Europe and around the world for people with outstanding talent and experience, who are committed to creating sustainable value.

Our Remuneration Policy aims to translate our cultural heritage into a remuneration framework that attracts and retains people, who fit our business culture and deliver talent, international experience and attitude that match our long-term business ambitions.

This Policy is presented to the company's Annual General Meeting of Shareholders (hereinafter the "AGM") of the year 20264. It shall be applied until the AGM of the year 203028 unless earlier replaced with a new or revised remuneration policy presented to the AGM.



Remuneration of the Board of Directors

Main principles and purpose

The main element of the Board members' compensation in Outokumpu is an annual fee approved by the AGM. The purpose of the annual fee is to sufficiently compensate for the time commitment, knowledge and experience required for the Board members' contribution to the Board's work, as well as the level of responsibility they must bear. It should be competitive enough to attract and retain high caliber Board members with the experience and skills necessary in a company and business of this size and complexity and its global business environment. This enables the Board to set Outokumpu's strategy and long-term targets and to monitor their implementation. By contributing to the achievement of Outokumpu's strategic targets, the principles for Board remuneration contribute to Outokumpu's long-term financial performance and success.

Consideration of the pay and employment conditions of the employees

To safeguard the Board members' independence in the performance of their duties, they do not participate in the same remuneration nor incentive schemes with the executive management and other personnel.

Remuneration elements

The AGM decides on the remuneration payable to the Board Members, which may contain the elements described in the table on the right.

Remuneration element	Key features of the policy
Annual fee	<p>The annual fee may either solely comprise a cash payment or may be split into a component paid in shares of Outokumpu and in cash. Additional or higher compensation may be paid to Board members based on various grounds, such as (but not limited to) a specific role or position in the Board, for example as the Chairman or Vice Chairman of the Board or as the Chairman, Vice Chairman or member of a Committee established by the Board, or specific tasks designated to individual Board members.</p> <p><u>In the unlikely event that a Board members term of office would end prematurely for whatever reason, no portion of the already paid annual fee needs to be returned to the Company.</u></p>
Meeting fee	Meeting fees are paid for each meeting attended. Higher compensation may be paid based on the geographical location of the meeting. Travel expenses are compensated in accordance with the company policy.
Benefits	The Board members may be granted a mobile phone benefit.
No variable remuneration	The Board members are as a main rule not employed by the company nor any company belonging to its group. Thus, the Board members are not eligible for any other employment related benefits nor pension schemes.

Principles of management remuneration

Main principles and purpose

Outokumpu has adopted a compensation philosophy which includes shareholder value creation as the underlying focus of the reward strategy, business strategy aligned incentives, pay for performance and competitive remuneration. In line with the pay-for-performance principle, exceptional performance should provide correspondingly higher rewards.

The principles and purposes are presented below.

Consideration of the pay and employment conditions of the employees

Outokumpu's remuneration principles apply to all individuals serving in its group, including the CEO.

Remuneration elements

The remuneration payable to the CEO may include the compensation elements described on the next page. If Outokumpu decides to nominate a deputy to the CEO, the same principles of remuneration of the CEO described in this Policy shall for the relevant part apply to the remuneration of the CEO's deputy.

Transparency
Employees can verify that their own remuneration is equitable and know what they can do to earn more.



Fairness
Employees in equally demanding roles, with comparable level of experience, qualifications, and performance, earn the same level of compensation in the same market.



Non-discrimination
Pay levels are independent of gender, transgender identity or expression, ethnic origin, religion or other profession of faith, disability, sexual orientation, or age.



Competitive base salaries
Individual salaries vary between 80% and 120% of the market level, depending on experience, competences, and performance.



Pay for performance
Rewards are differentiated based on performance in the position both in terms of salary increases and variable pay.



Remuneration of the CEO

Remuneration element

Purpose, and link to strategy

Fixed compensation

Compensate for the job responsibilities and reflect the competencies, knowledge, and experience of the individual.

Application

The fixed monthly salary is defined as a gross salary which includes the taxable benefits. The CEO is not entitled to holiday allowance. The base salary is reviewed annually, as part of the review of the CEO's total compensation package. The Board of Directors will consider various factors when determining changes in the fixed compensation, including individual contribution, business performance and alignment with external market levels.

Benefits and pension

Enable focus on job responsibilities by releasing the individuals from the worry of organizing other aspects of their lives.

The CEO is entitled to benefits following the applicable company policy and may be amended from time. They can include for example a mobile phone, a company car, housing, and insurance policies.

The company may operate a defined contribution pension plan for the CEO with an annual insurance premium calculated based on annual earnings, including base salary, fringe benefits and actual short-term incentive payment but excluding share rewards. The CEO may be entitled to retire at the age of 63 at the earliest. Supplementary pension rights are assessed based on payments.

Short-term incentives

Support the achievement of Outokumpu's annual financial and strategic targets.

The CEO is eligible for participating in Outokumpu's short-term incentive (STI) plan as in detail decided by the Board.

The measures and targets applicable to the STI, and the different weightings ascribed to each of them, are set annually by the Board to ensure they are relevant to the CEO's position and take account of the most up-to-date business plan and strategy. The STI maximum is capped at set between 100% and 150% of the annual base salary and at the discretion of the Board of Directors. and there is no guaranteed minimum pay-out.

Long-term incentives

Align the interests with the shareholders and retain by creating a long-term equity interest. Promote shareholder value creation and the achievement of long-term strategic targets.

The CEO is eligible for participating in Outokumpu's long-term incentive (LTI) plans as in detail decided by the Board.

The LTI plans for the CEO may include one or several plan structures such as, but not limited to, performance share plan structures. The performance criteria may include measures linked to group level long-term strategic priorities, performance against competitors, relative or absolute shareholder return and shareholder value creation, sustainability, and other performance measures. The performance period is minimum three years. Measures are assessed by the Board and may vary year-on-year.

The LTI maximum is set between 150% and 200% of the annual base salary at the time of grant, at the discretion of the Board of Directors. The STI and LTI pay-out is capped together at 300150% of the annual base salary at the time of vesting. T-and there is no guaranteed minimum pay-out.

Additionally, the CEO may also be eligible for time-based share awards such as restricted shares and matching shares which require a personal investment by the CEO in Outokumpu shares.

Shareholding requirement

The CEO is expected to hold company shares equivalent to at least her/his annual gross base salary, received through the company's share-based incentive programs. Half of the net shares from these programs must be used to meet this ownership requirement.

Withholding and claw-back of rewards Guarantee pay for performance.	The Board may be entitled to withhold, postpone or reject the payment of unvested incentive rewards in certain exceptional or substantially changed circumstances. In exceptional cases of individual gross misconduct which has caused a misstatement of the financials based on which the performance measures have been set or the performance has been measured, the Board is entitled to cancel entitlement to the incentive reward or claim back and recover the reward already paid (claw-back).
Notice and severance pay Provide financial security in line with the risk level of the position.	The CEO's period of notice may be a maximum of six months, for both the company and nine months for the CEO. It may be agreed that the CEO is entitled to a total maximum of 12 months' severance pay upon the termination of the CEO's service.

Decision-making procedure in remuneration

The decision-making procedure in the Board's and CEO's remuneration in Outokumpu involves the AGM, the Shareholders' Nomination Board, the Board of Directors and the Remuneration Committee of the Board.

Decision-making with regard to the Policy, Board and CEO remuneration and the remuneration report

The Remuneration Committee prepares, and the Board submits a proposal for the Policy for AGM approval at least every four years. The Shareholders' Nomination Board submits a proposal concerning the remuneration payable to the Board of Directors for AGM approval annually. Based on preparation of the Remuneration Committee, the Board decides on the CEO's remuneration and incentives, in accordance with the Policy presented to the AGM.

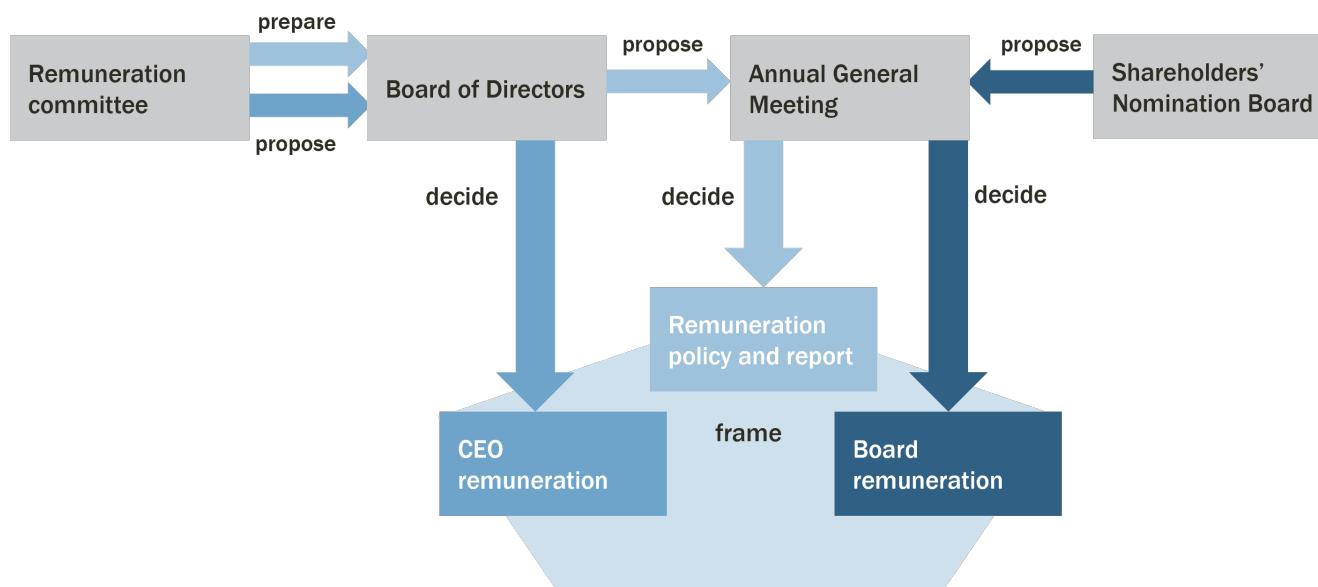
The remuneration report on the materialized remuneration of the Board and the CEO is prepared by the Remuneration Committee and is presented by the Board to the AGM annually.

Decision-making for the payment of remuneration in the form of shares of Outokumpu to the Board members shall be as described above in connection with Board remuneration. Decision-making on share-based incentives for the CEO shall be as described above in connection with CEO remuneration except that the delivery of company shares shall either be based on a decision of the AGM or on an authorization granted by the AGM to the Board.

Decision-making in reviewing the implementation of the Policy

The Shareholders' Nomination Board, which prepares the Board remuneration proposals to the AGM, annually reviews and evaluates how this Policy has been implemented with regard to the Board. Based on preparation by the Remuneration Committee, the Board regularly reviews and evaluates how this Policy has been implemented with regard to the CEO.

The review carried out by both the Shareholders' Nomination Board and the Remuneration Committee considers benchmarking of the different components of remuneration to the market practices and competitive levels in corresponding positions in the relevant peer group in a global context. The results of the review of the implementation and materialization of the Policy are presented in the remuneration report which is annually presented to the AGM and published externally.



Measures for the avoidance and management of conflicts of interest

The governance principles and decision-making procedures in remuneration matters followed by Outokumpu aim also at preventing and managing conflicts of interest. No corporate body or individual may determine their own remuneration or participate in decisions regarding remuneration when their personal interest conflicts with the interest of Outokumpu.

The Remuneration Committee shall consist of non-executive Board members only. The Chairman of the Board of Directors, who is a member of the Shareholders' Nomination Board, does not however take part in the preparation nor decision-making regarding Board remuneration matters.

If the Remuneration Committee or any other corporate body retains external advisors in the preparation of remuneration related issues, the advisor may not at the same time be engaged by Outokumpu's operative management in a manner which would constitute a conflict of interest with the first-mentioned mandate. Outokumpu observes the rules set in the Finnish Companies Act and the Finnish Corporate Governance Code which stipulate governance procedures and rules for the avoidance of conflicts of interest.



Deviation from this policy

If the continued adherence to the Policy would in the opinion of the Shareholders' Nomination Board (with respect to Board remuneration) or the Board (with respect to CEO remuneration), after careful consideration, not be appropriate in the following circumstances and on the following grounds, Outokumpu may temporarily deviate from this Policy in order to safeguard its long-term interests. In the assessment of its long-term interest Outokumpu may among other aspects take into account its long-term financial success, performance and competitiveness, safeguarding the continuation of its business and the undisturbed implementation of its strategy and the development of shareholder value.

Provided that they occur after this Policy was presented to the AGM, the grounds for a temporary deviation from this Policy may include, but are not limited to:

- a structural change (change in Outokumpu's corporate, group or business structure or a material change in Outokumpu's ownership structure),
- a personnel change (such as personnel changes in the Board or in the top management of Outokumpu or the need to recruit a new director),
- other exceptional or unexpected events or materially changed circumstances in Outokumpu or in its business or operating environment or a material change in Outokumpu's strategy or business plan,
- a material change in Outokumpu's financial position or outlook,
- regulatory or judicial changes, changes in governmental or administrative orders or in taxation or taxation practice,
- other changes or circumstances not specified above if it is after careful consideration deemed that a deviation is necessary or advisable in order to safeguard Outokumpu's long-term interests or sustainability.

The temporary deviation from this Policy may in the Board's full discretion concern any and all the elements of this Policy and of payable remuneration, including, but not limited to, the amount, type, elements and conditions of payable remuneration and the terms applied thereto. Where necessary in case of the recruitment of a new CEO, additional benefits may also be provided such as, but not limited to, relocation support and expatriate allowance and other benefits which reflect local market practice and relevant legislation.

The procedure to be followed in the deviation from this Policy shall be the same as the decision-making procedure described above. If the deviation concerns Board remuneration, the decision-making may involve an annual or extraordinary shareholder meeting as applicable in the individual circumstances. The deviation and its grounds shall be reported in the next annual remuneration report and presented to the AGM.

Outokumpu may temporarily deviate from this policy in order to safeguard its long-term interests, such as its financial success, performance, and competitiveness, or safeguarding the continuation of its business, the undisturbed implementation of its strategy, and the development of shareholder value.

