

PROPOSAL OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING - ELECTION OF AUDITOR

The Board proposes on the recommendation of the Audit Committee that accounting firm PricewaterhouseCoopers Oy be elected as the auditor for the term of office ending at the end of the next Annual General Meeting. The auditor's assignment also includes giving the auditor's statement on the discharge of the members of the Board of Directors and the CEO from liability and on the proposal of the Board of Directors for distribution of profit.

Whilst making the proposal, the Board has taken the attached (Annex 1) proposal of the Audit Committee into consideration.

Annex 1 (Recommendation of the Audit Committee)

This recommendation is based on the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

In accordance with the obligations set out in Article 16(2) of the Regulation the Audit Committee of the Board of Directors of Outokumpu Oyj has to give a recommendation to the Board of Directors of Outokumpu Oyj on the selection of the statutory auditor. Audit committee's recommendation shall be justified and contain at least two choices for the audit engagement and the audit committee shall express a duly justified preference for one of them.

The Audit Committee has received three good proposals made by candidate auditors. The proposals have been prepared in accordance with the selection criteria predefined in the tender documents. The Audit Committee has evaluated the proposals based on the selection criteria and has paid special attention to experience for auditing PIE companies, business and industry experience within the audit team and auditor firm, understanding the key issues e.g. impact of metal pricing, the risks the company is facing, and a proactive and discussive audit approach.

Audit Committee recommends to the Board of Directors that the statutory auditor for Outokumpu Oyj to be appointed would be PricewaterhouseCoopers Oy. Secondary choice for the audit engagement would be Ernst & Young Oy.

Audit Committee states that its recommendation is free from influence of any third party and that the audit committee has not been obligated to follow the clause set out in Article 16(6) of the Regulation.