

OUTOKUMPU CORPORATE GOVERNANCE POLICY

1. Governing bodies and governance principles

The governing bodies of Outokumpu Oyj, i.e. the General Meeting of Shareholders, the Board of Directors and the President and Chief Executive Officer (CEO), have the ultimate responsibility for the management and operations of the Outokumpu Group (“the Group”). The Outokumpu Leadership Team members report to the CEO and support and assist the CEO in the efficient management of the Group’s operations.

In its corporate governance and management, Outokumpu Oyj complies with the laws and regulations applicable to a Finnish public company and the company’s Articles of Association. Outokumpu Oyj follows the Finnish Corporate Governance Code, effective as of January 1, 2020. The Finnish Corporate Governance Code is issued by the Finnish Securities Market Association and adopted by Nasdaq Helsinki Ltd.

2. General Meeting of Shareholders

In accordance with the Finnish Companies Act, the General Meeting of Shareholders is the highest decision-making body of the Company. The Act provides that certain important decisions, such as amendments to the Articles of Association, approval of the financial statements, increasing or decreasing share capital, decisions on dividends, and the election of the Board of Directors and the auditors, are the exclusive domain of the General Meeting of Shareholders. In addition, the Annual General Meeting makes advisory resolutions on the Remuneration Policy and the Remuneration Report.

The Companies Act further stipulates that only the Board of Directors has the authority to convene General Meetings of Shareholders. The Board of Directors may decide to convene a General Meeting of Shareholders on its own initiative, but it has an obligation to do so in the event that the Company’s auditor or shareholders holding at least 10 percent of all the shares in the Company so request. The General Meeting of Shareholders typically convenes once a year.

Each shareholder has under the Companies Act the right to have a matter falling within the competence of the General Meeting included on the agenda of a General Meeting of Shareholders provided that a written request to that effect has been presented to the Board of Directors in sufficient time before a notice of meeting to convene the General Meeting of Shareholders is given.

According to the Company’s Articles of Association, the Company has only one class of shares, all shares thus having equal voting power.

3. Board of Directors

3.1 Duties and authority of the Board of Directors

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 tasks and responsibilities of the company’s Board of Directors are determined on the basis of the Finnish Companies Act as well as other applicable legislation.

The Board of Directors has general authority to decide and act in all matters not reserved for other corporate governance bodies by law or under the provisions of the Articles of Association. The general task of the Board of Directors is to organize and oversee 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 shall in the Charter of the Board of Directors further specify the duties of the Board as a whole, the duties of individual members and the Chairman of the Board as well as the Board’s practical ways of working.

3.2 Composition of the Board of Directors

According to the Articles of Association of the Company, the Board of Directors shall consist of no less than five and no more than twelve members.

Outokumpu's Annual General Meeting in 2012 resolved to establish a Shareholders' Nomination Board to annually prepare proposals to the Annual General Meeting for the election, composition and remuneration of the members of the Board of Directors.

The Annual General Meeting elects the Chairman, the Vice Chairman and the other members of the Board of Directors for a term expiring at the close of the following Annual General Meeting. The entire Board of Directors is therefore elected at each Annual General Meeting. A Board member may be removed from office at any time by a resolution passed by a General Meeting of Shareholders. Proposals to the Annual General Meeting concerning the election of Board members that have been made known to the Board of Directors prior to the Annual General Meeting will be made public if such a proposal is supported by shareholders holding a minimum of 10% of all the company's shares and voting rights and the person being proposed has consented to such nomination.

The General Meeting of Shareholders decides on the remuneration payable to the members of the Board of Directors.

3.3 Diversity Principles of the Board of Directors

Diversity of the Board of Directors supports the vision and the long-term objectives of the Group. Outokumpu recognizes the importance of a diverse Board, taking age, educational and international background, professional expertise and experience from relevant industrial sectors as well as a well-balanced gender representation into account. The Shareholders' Nomination Board shall take the Diversity Principles into consideration when preparing its proposals to the Annual General Meeting and the progress in achieving set objectives shall be disclosed annually.

3.4 Board Committees

The Board of Directors has set up two permanent committees consisting of Board members and has confirmed rules of procedure for these committees. Both committees report to the Board of Directors.

The Board *Audit Committee* consists of a minimum of three Board members. At least one of the Committee members shall have an appropriate education and special expertise in corporate finance, accounting or auditing. The Committee's task is, in greater detail than is possible for the Board as a whole, to deal with matters relating to financial statements, the company's financial position, auditing work, internal controls and compliance matters, the scope of internal and external audits, fees paid to auditors, the Group's tax position, the Group's financial policies, monitoring and assessing related party transactions and other procedures for managing Group risks. In addition, the Audit Committee prepares a recommendation to the Board of Directors concerning the election of an external auditor and auditing fees at a General Meeting. The Committee's rules of procedure shall be further defined in the Board Audit Committee Charter, approved by the Board.

The Board *Remuneration Committee* consists of the Chairman of the Board and a minimum of two additional Board members. The Committee's task is to prepare proposals to the Board concerning the appointment of the company's top management and principles relating to the compensation they receive as well as the Company's Remuneration Policy and Remuneration Report. The Committee's rules of procedure shall be further defined in the Remuneration Committee Charter, approved by the Board.

The Board of Directors may appoint additional committees from among its members and prescribe their agendas.

All Board committees shall report on their work to the Board of Directors. The Board committees shall act as preparatory bodies for the Board of Directors and shall not have an authority to take decisions on matters that fall within the Board's authority unless specifically so authorized by the Board.

4. Executive management

4.1 The CEO and the deputy to the CEO

The President and Chief Executive Officer (CEO) is responsible for the company's operational management, in which the objective is to secure significant and sustainable growth in the value of the company for its shareholders.

The CEO prepares decisions and other matters for the meetings of the Board of Directors, develops the Group's operations in line with the targets agreed with the Board of Directors, and ensures the proper implementation of Board decisions. The CEO is also responsible for ensuring that existing legislation and applicable regulations are observed throughout the Group. The CEO chairs the meetings of the Outokumpu Leadership Team. The deputy to the CEO is responsible for attending to the CEO's duties in the event that the CEO is prevented from doing so.

The CEO shall take his/her most important decisions in the Leadership Team meetings and such decisions shall be recorded in the minutes of those meetings.

4.2 Outokumpu Leadership Team

The Outokumpu Leadership Team consists of the CEO, his/her deputy (if one has been appointed) and other key members of senior management.

The Outokumpu Leadership Team assists the CEO in the overall management of Outokumpu's business. The members of the team have extensive authorities in their individual areas of responsibility, and their duty is to develop the Group's operations in line with the targets set by the Board of Directors and the CEO.

Individual members of the Leadership Team are responsible for the Business Areas and the Group Functions, respectively. Any disagreements between executives with overlapping responsibilities that are not agreed upon between the respective executives are referred to the CEO for resolution.

The Leadership Team meetings are convened by the CEO. Minutes shall be kept for each meeting.

4.3 Appointments and benefits

The CEO, his/her deputy (if applicable) and the other members of the Leadership Team are appointed and their areas of responsibility are defined by the Board of Directors based on proposals by the Remuneration Committee. Equally, the terms of service, including salaries, bonuses, pension benefits and other benefits, of the CEO and his/her deputy are determined and approved by the Board of Directors on the basis of proposals by the Remuneration Committee. The terms of service of the other executives are determined and approved by the Remuneration Committee. The terms of service shall be recorded in written contracts.

4.4. External board memberships

The members of the Leadership Team are allowed to accept memberships in boards of directors of other public companies and significant external private companies only with a prior approval. In case of the Chief Executive Officer and his deputy the approval is sought from the full Outokumpu Board of Directors and in case of the other members of the Leadership Team from the Remuneration Committee.

5. Auditing and internal controls

The extent and requirements of auditing the Company are governed by the laws and regulations applicable to Finnish public companies. Accordingly, an independent third party auditor audits annually the accounting records for each financial period, 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 Group as well as the relations between Group companies. This calls for cooperation between the auditor of the Company and the auditors or the other Group companies worldwide.

According to the Company's Articles of Association, the Company shall have one or two auditors as resolved by the Annual General Meeting. One of the auditors shall be required to be an entity of Certified Public

Accountants or an individual approved by the Central Chamber of Commerce in Finland. The Annual General Meeting elects the auditor(s) for one year at a time.

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

The Group has an Internal Audit function which operationally reports to the Board Audit Committee. The purpose of the function is to assist the Board of Directors in supervising and controlling the Group. For this purpose, the Internal Auditor identifies and monitors the most important operative risks of the Group, ensures the functionality and fit of the internal control mechanisms of the Group and produces reliable information for the Board of Directors and its Audit Committee.

6. Insider management and related party transactions

The Board of Directors shall ensure that the Company has proper policies governing the management of insider issues and related party transactions in place at all times.

The Finnish insider laws and regulations as well as the EU Market Abuse Regulation constitute the primary legal framework in insider issues relevant to the Group and its employees. The Insider Rules are based on and comply with the Guidelines for Insiders by the Helsinki Stock Exchange.

The persons discharging managerial responsibilities in Outokumpu, in the meaning of the Market Abuse Regulation, include members of the company's Board of Directors, the CEO and other members of the Outokumpu Leadership Team ("the Management"). The Management together with the persons or companies closely associated with a member of the Management constitutes the so called "Notifying Persons".

Outokumpu applies a restricted period of thirty (30) calendar days before the announcement, as well as the day of the announcement, of an interim financial report, interim financial statement and a year-end report (the "Closed Window"). During this period the Management, the persons subject to trading restrictions, and any legally incompetent persons under their custody shall not conduct any transactions, on its own account or for the account of a third party, directly or indirectly, relating to the Company's shares or debt instruments, or derivatives or other financial instruments linked thereto.

The EU Second Shareholders' Rights Directive, the International Accounting Standards IAS 24, the Companies Act and the Securities Markets Act as well as the Finnish Corporate Governance Code constitute the primary legal framework in the Related Party Transaction principles relevant to the Outokumpu Group and its related parties.

Outokumpu Oyj's related parties are determined in accordance with the International Accounting Standards (IAS 24) and they include, i.a, the Group subsidiaries, members of the Parent Company's Board of Directors and the Leadership Team as well as their related persons and companies.

Any related party transactions that are not conducted in Outokumpu Group's ordinary course of business will require a decision by Outokumpu Oyj's Board of Directors and a transaction which would be deemed material for Outokumpu Oyj's shareholders will also have to be publicly disclosed. 7. External communication

The objective of Outokumpu's external communication is to provide stakeholders with sufficient information to have a true and fair picture of the Group's business structure, financial and market position, and especially of goals and the strategy to reach those goals. In general terms, the aim is to provide a sound basis for estimating the fair value of the Company's share.

The Group's external communication practices comply with Finnish legislation and other rules and regulations applicable to a company publicly listed on the Helsinki Exchanges.

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APPENDICES

Appendix 1: Board and Board Committee Charters

APPENDIX 1: BOARD AND BOARD COMMITTEE CHARTERS

I. CHARTER OF THE BOARD OF DIRECTORS

Particular duties of the Board of Directors

To perform its duties and in pursuit of its objective, the Board of Directors of Outokumpu Oyj (the “Company”) shall in particular:

a. With respect to directing the Company’s business and strategies

- Decide on Outokumpu’s strategy and the long-term targets of the Outokumpu Group (the “Group”) and monitor their implementation;
- Decide on annual business plans and monitor their implementation;
- Decide on the annual limits for the Group’s capital expenditure (the “Capex Frames”), monitor related implementation, review performance and decide on changes;
- Decide on any individual investments or expenditure included in the approved Capex Frames and having a value of more than €20 million as well as on any other major and strategically significant investments and monitor their implementation;
- Decide on any major and strategically important business acquisitions and divestments within the current scope of business, having a value of more than €10 million and monitor their implementation;
- Decide on the Group’s external financing and treasury matters as follows:
 - i. All long-term financing arrangements (including, without limitation, loans from financial institutions, structured financing and financing organized by way of public offerings but excluding items in ii. hereunder) by any Group company;
 - ii. Any leasing arrangements; sale of receivables programmes; short-term financing arrangements, including credit limits on bank accounts and supplier financing but excluding the use of such programs; and pledges and guarantees; which exceed €20 million or which have tenor exceeding five years, by any Group company;
 - iii. Any short-term derivatives which exceed €100 million or long-term derivatives which exceed €50 million or which have tenor exceeding five years, or any derivatives not done for hedging or liquidity management purposes; by any Group company;
 - iv. Any other significant financing and treasury transactions which are otherwise out of the Group’s normal course of business;
- Decide on any other commitments by any of the Group companies that are out of the ordinary either in terms of value or nature, taking into account the size, structure and field of the Group’s operations.

b. With respect to organizing the Company’s management and operations

- Nominate and dismiss the Chief Executive Officer (the “CEO”) and his/her deputy, if any, monitor his/her performance and decide on the CEO’s terms of service, including incentive schemes, on the basis of a proposal by the Board’s Remuneration Committee;
- Nominate and dismiss the members of the Outokumpu Leadership Team and define their areas of responsibility based on a proposal by the Board’s Remuneration Committee;
- Monitor the adequacy and allocation of the Group’s top management resources;
- Decide on any significant changes to the Group’s business organization;
- Decide on the Group’s ethical values and modes of activity;
- Ensure that policies outlining the principles of corporate governance are in place;
- Ensure that policies outlining the principles of managing the Company’s insider issues and related party transactions are being observed;
- Ensure that the company has guidelines for any other matters that the Board deems necessary and that fall within the scope of the Board’s duties and authority.

c. With respect to the preparation of matters to be resolved by the General Meeting of Shareholders

- Establish a dividend policy and issue a proposal to the Annual General Meeting on dividend distribution;
- Make a proposal to the Annual General Meeting concerning the election of an external auditor and auditing fees;
- Make proposals to the Annual General Meeting concerning the Company's Remuneration Policy and Remuneration Report
- Make other proposals to General Meetings of Shareholders.

d. With respect to internal control and risk management

- Discuss and approve interim reports, statements and annual accounts;
- Monitor significant risks related to the Group's operations and the management of such risks;
- Ensure that adequate policies for risk management are in place;
- Monitor financial position, liquidity and debt maturity structure;
- Monitor the Group's control environment;
- Monitor and assess how agreements and other legal acts between the company and its related parties meet the requirements of the ordinary course of business and arm's -length terms; Reassess its activities on a regular basis.

Duties of individual members and Chairman of the Board of Directors

All members of the Board of Directors shall have the same responsibility for the Board's work.

The Chairman of the Board will preside over the Board of Directors and has a casting vote in the event of a split vote among the Board. It is the general duty of the Chairman to control the administrative work of the Board so that its duties are carried out appropriately and effectively. For this purpose, the Chairman shall:

- be responsible for the planning of the Board's activities;
- see to it that each Board meeting is convened as scheduled and that extraordinary Board meetings are convened as necessary;
- approve the agenda, based on a proposal by the CEO, for each meeting;
- grant rights to be present at Board meetings; and
- see to it that minutes are prepared of the meetings.

When the Chairman is prevented from attending to his/her duties, the Vice Chairman shall be responsible for attending to the aforementioned duties.

Board Meetings

Board meetings will be held as regularly as deemed necessary, but at least five times every year. According to the Company's Articles of Association, the Board of Directors constitutes a quorum with more than half of its members present. Minutes shall be prepared for each meeting of the Board of Directors.

II. BOARD AUDIT COMMITTEE CHARTER

1. The composition and the responsibilities of the Board Audit Committee are determined by the Board of Directors. The responsibilities are specified in the Board Audit Committee Charter approved by the Board.
2. The Committee's task is, in greater detail than is possible for the Board as a whole, to deal with matters relating to financial reports and statements, the company's financial position, auditing work, fees paid to the auditors', internal controls and compliance matters, the scope of internal and external audits, the Group's tax position, the Group's financial policies, monitoring and assessing related party transactions and other procedures for managing the Group's risks. A particular purpose of the Committee is to assist the Board in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process.

3. In discharging its oversight role, the Committee is empowered to investigate any matter within its scope of authority, including access to all records and personnel of the Company and it also has the authority to retain outside expertise for this purpose.
4. The Committee should, in particular, consider the following matters:
 - a. For the purposes of each Annual General Meeting and otherwise as necessary, preparing a recommendation to the Board of Directors concerning the election of an external auditor and auditing fees at a General Meeting
 - b. Any questions of resignation or dismissal of the external auditor;
 - c. The scope of the audit, and co-ordination where more than one audit firm is involved, as well as invoicing by external auditors;
 - d. Defining and monitoring the acceptable level of non-audit services purchased from the auditors and their related companies in order not to jeopardize the auditors' independence from the companies to be audited;
 - e. Reviewing with the external auditor the annual financial accounts and the interim reports and statements before submission to the Board for final decision, focusing particularly on: (i) any changes in accounting policies and practices, (ii) major judgmental areas, (iii) significant comments and adjustments resulting from the audit, (iv) compliance with accounting standards, (v) compliance with stock exchange, legal and other regulatory requirements and (vi) potential impairment risks;
 - f. Reviewing the Group's tax position and tax strategy;
 - g. Problems and issues arising from the interim and final audits, plus other matters the external auditor may wish to discuss;
 - h. Reviewing the external auditor's management letter and the management's response;
 - i. Reviewing the internal audit charter and the annual internal audit program, ensuring co-ordination of internal and external audit work and ensuring that the internal audit function is adequately resourced and has an appropriate standing in the Company;
 - j. Reviewing potential misconduct cases and major findings of internal investigations and management's response;
 - k. Reviewing risk management procedures, including asset protection and operational risk management;
 - l. Reviewing internal controls, compliance and the information system environment related to financial reporting and internal control environment;
 - m. Monitoring and assessing related party transactions
 - n. Reviewing Company policies relevant to the responsibilities of the Committee;
 - o. Other Corporate Governance issues, as appropriate including annual review of the Corporate Governance Statement by the Company;
 - p. Monitoring the changes in International Accounting Standards and potential implications of them on accounting policies applied by the Company;
 - q. Monitoring the materialization of the financial impact of major investments and acquisitions;
 - r. Together with management and at regular intervals, potential development needs of the financial reporting by the Company to the Board; and
 - s. Other topics, as may be defined by the Board.
5. The Chairman of the Committee has the responsibility to lead the Committee's work and to ensure that the Committee attends to the tasks that fall within its authority.
6. The Committee reports on its work to the Board of Directors.
7. The secretary to the Committee shall be nominated by the Board. Minutes shall be prepared for each meeting.

III. BOARD REMUNERATION COMMITTEE CHARTER

1. The composition of the Remuneration Committee is determined by the Board of Directors.

2. The tasks of the Committee are to discuss and prepare recommendations to the Board regarding new nominations in and compensation principles applicable to the Group's executive and senior management. The tasks of the Committee include in particular:
 - a. Making recommendations to the Board as to the nomination of a new Chief Executive Officer ("CEO") and his/her possible deputy;
 - b. Making recommendations to the Board as to the remuneration (including bonuses, option programmes etc.) of and other terms of contract with the CEO, if applicable;
 - c. In cooperation with the CEO, making recommendations to the Board as to new nominations to the Outokumpu Leadership Team (other than the CEO) as well as definitions of the areas of responsibility of the members of the Outokumpu Leadership Team;
 - d. Making recommendations to the Board as to succession plans and backup arrangements;
 - e. Monitoring on a continuous basis the implementation of any ongoing incentive schemes as well as making recommendations to the Board concerning such schemes and their operation;
 - f. Making recommendations to the Board as to other essential nomination and remuneration practices within the Group;
 - g. Preparing proposals to the Board for the Company's Remuneration Policy and Remuneration Report.
3. The Committee determines and approves the terms of service, including salaries, bonuses, pension benefits and other benefits, of the Outokumpu Leadership Team members other than the CEO.
4. The Committee shall aim at securing levels of remuneration that are sufficient to attract, retain and motivate executives to run the Group successfully, but it should avoid arrangements that offer more favourable compensation and terms of contract than are customary for comparable positions outside the Group. This includes the obligation of Committee members to stay adequately informed about relevant benchmarks. In pursuing this aim, the Committee shall consider all terms and conditions of the respective service contracts, including the period of the contract and the notice period.
5. The Committee shall periodically evaluate the performance of the CEO and the members of the Outokumpu Leadership Team and present its findings, opinions and possible recommendations to the Board.
6. Where the Committee considers it necessary or feasible, it will work together with the Human Resources function of the Company. The Committee has the authority to request the Company to prepare studies, or to have studies prepared, about issues relevant to the work of the Committee.
7. The Committee shall convene as necessary, but at least once a year.
8. The Committee reports on its work to the Board of Directors.
9. The secretary to the Committee shall be nominated by the Board. Minutes shall be prepared for each meeting.

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