

Corporate Governance Statement

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Corporate Governance in 2012

Regulatory framework

Outokumpu Oyj, the Group's parent company, is a public limited liability company incorporated and domiciled in Finland. In its corporate governance and management, Outokumpu Oyj complies with Finnish legislation, the company's Articles of Association and the Corporate Governance Policy resolved and approved by the company's Board of Directors.

Outokumpu Oyj follows the Finnish Corporate Governance Code (available at <http://cgfinland.fi/en/>), effective as of October 1, 2010 issued by the Securities Market Association and adopted by the NASDAQ OMX Helsinki Stock Exchange. Outokumpu Oyj complies with all regulations and recommendations issued by NASDAQ OMX Helsinki.

Tasks and responsibilities of governing bodies

The governing bodies of the parent company Outokumpu Oyj, i.e. the General Meeting of Shareholders, the Board of Directors, and the President and Chief Executive Officer (CEO), have ultimate responsibility for Group management and Group operations. The Outokumpu Leadership Team (formerly the Group Executive Committee) reports to the CEO and is responsible for the efficient management of the Group's operations. Outokumpu's primary corporate governance information source is the Group's corporate governance website at <http://www.outokumpu.com/Investors/Corporate-Governance/>. Please visit the website for the latest Corporate Governance Statement and the latest corporate governance information.

Outokumpu's organizational structure

In 2012, the Outokumpu organization consisted of three Business Areas (General Stainless, Specialty Stainless and Ferrochrome) and one Focus area, APAC, all supported by Group level functions and with each Business Area fully accountable for sales, profit and assets.

As of December 29, 2012, Outokumpu's new organization is based on four Business Areas with sales, profit, production and supply chain management responsibility, while Group Functions with global processes ensure efficiency.

The Business Areas are:

- Stainless Coil EMEA
- Stainless Coil Americas
- Stainless APAC
- High Performance Stainless and Alloys

Read more about the new organization in the Our group section of the Outokumpu Annual Report 2012.

General Meeting of Shareholders

The General Meeting of Shareholders normally convenes once a year. Under the Finnish Companies Act, certain important decisions such as the approval of financial statements, decisions on dividends and increases or reductions in share capital, amendments to the Articles of Association, and election of the Board of Directors and auditors fall within the exclusive domain of the General Meeting of Shareholders.

The Board of Directors convenes a General Meeting of Shareholders. The Board of Directors can decide to convene a General Meeting on its own initiative, but is obliged to convene a General Meeting if the auditor or shareholders holding at least 10% of Outokumpu's shares so request. In addition, each shareholder has the right to bring before a General Meeting any matter that falls within the domain of the General Meeting, provided that a written request to do so has been received by the Board of Directors early enough to allow the matter to be placed on the agenda included in the notice announcing the General Meeting. According to its Articles of Association, Outokumpu has only one single class of shares and all shares have equal voting power at General Meetings.

Board of Directors

The general objective of the Board of Directors is to direct Outokumpu's business in a manner that secures a significant and sustained increase in the value of the company for its shareholders.

Board members 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 governing bodies by law or under the provisions of the company's Articles of Association. The general task of the Board of Directors is to organize the company's management and operations. In all situations, the Board of Directors must act in accordance with the company's best interests.

The Board of Directors has established rules of procedure which define its tasks and operating principles. The main duties of the Board of Directors are as follows:

With respect to directing the company's business and strategies:

- To decide on Outokumpu's basic strategy and monitor its implementation;
- To decide on annual limits for the Group's capital expenditure, monitor related implementation, review quarterly plans and decide on changes;
- To decide on major and strategically important investments;
- To decide on major and strategically important business acquisitions and divestments;
- To decide on any significant financing arrangements; and
- To decide on any other commitments by any Group companies that are out of the ordinary in terms of either their value or nature, taking into account the size, structure and field of the Group's operations.

With respect to organizing the company's management and operations:

- To nominate and dismiss the CEO and his deputy, and to decide on their terms of service, including incentive schemes, on the basis of a proposal made by the Board's Remuneration Committee;
- To nominate and dismiss members of the Outokumpu Leadership Team, to define their areas of responsibility, and to decide on their terms of service, including incentive schemes, on the basis of a proposal made by the Board's Remuneration Committee;
- To monitor the adequacy and allocation of the Group's top management resources;
- To decide on any significant changes to the Group's business organization;
- To define the Group's ethical values and working methods;
- To ensure that policies outlining the principles of corporate governance are in place;
- To ensure that policies outlining the principles behind managing the company's insider issues are being observed; and
- To ensure that the company has guidelines for any other matters which the Board deems necessary and which fall within the scope of the Board's duties and authority.

With respect to the preparation of matters to be resolved by General Meetings of Shareholders:

- To establish a dividend policy and issue a proposal on dividend distribution; and
- To make other proposals to General Meetings of Shareholders.

With respect to financial control and risk management:

- To discuss and approve interim reports and annual accounts;
- To monitor significant risks related to the Group's operations and the management of such risks; and
- To ensure that adequate procedures concerning risk management are in place.

The Board of Directors also assesses its own activities on a regular basis.

The Board of Directors is quorate when more than half its members are present. A decision by the Board of Directors shall be the opinion supported by more than half of the members present at a meeting. In the event of a tie, the Chairman shall have the casting vote.

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 which 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.

Under the company's Articles of Association, the Board shall have a minimum of five and a maximum of twelve members. The company's largest shareholders have confirmed that they are in favor of a principle according to which members of the company's Board of Directors should, as a rule, be qualified experts from outside the company. According to the Articles of Association, a person aged 68 years or older cannot be elected as a member of the Board of Directors. A Board consisting of seven members was elected at the 2012 Annual General Meeting. In addition to the seven members, the 2012 Annual General Meeting decided that following the completion of the transaction to combine Outokumpu Oyj and Inoxum announced by Outokumpu on January 31, 2012, the Board of Directors would consist of eight members and Mr. Guido Kerkhoff, would be elected as the eighth Board member. Mr. Kerkhoff's Board membership took effect as of December 29, 2012, following the completion of the Innoxum transaction. Seven members of the current Board of Directors are independent of the company and its main shareholders and Mr. Kerkhoff is independent of the company.

The Board of Directors meets at least five times each year. In 2012, the Board of Directors met 19 times and the average attendance rate was 92%.

See the Members of the Board of Directors section in this report.

Shares and options of the members of the Board of Directors on December 31, 2012

Member	Shares
Ole Johansson	80 990
Iman Hill	13 441
Elisabeth Nilsson	23 681
Harri Kerminen	13 441
Heikki Malinen	13 441
Siv Schalin	23 681
Guido Kerkhoff	-
Olli Vaartimo	36 756
	205 431

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 Audit Committee comprises four Board members. The task of the Audit Committee is to deal with matters relating to financial statements, auditing work, internal controls, the scope of internal and external audits, billing by auditors, the Group's tax position, the Group's financial policies and other procedures for managing Group risks. In addition, the Audit Committee prepares a recommendation for the Annual General Meeting concerning the election of an external auditor and auditing fees. The Audit Committee met six times during 2012 and the average attendance rate was 91%.

The Remuneration Committee comprises the Chairman of the Board and three other Board members. The task of the Remuneration Committee is to prepare proposals for the Board of Directors concerning appointment of the company's top management and principles relating to the compensation they receive. The Board of Directors has authorized the Remuneration Committee to determine the terms of service and benefits enjoyed by the Outokumpu Leadership Team members other than the company's CEO. The Remuneration Committee met three times during 2012 and the average attendance rate was 100%.

To handle specific tasks, the Board of Directors can also set up temporary working groups consisting of Board members. These working groups report to the Board of Directors. No such working groups were set up in 2012.

See the Board of Directors section in this report.

Nomination Board

The Outokumpu 2012 Annual General Meeting decided to establish a Nomination Board to annually prepare proposals on the composition of the Board of Directors along with director remuneration for the Annual General Meeting.

The Outokumpu 2012 Annual General Meeting also decided that according to the Charter of the Nomination Board, the Nomination Board consists of the representatives of Outokumpu's four largest shareholders, registered in the Finnish book-entry securities system on October 1, who accept the assignment and that the Chairman of the Board should act as an expert member of the Nomination Board.

Outokumpu's largest shareholders were determined on the basis of shareholdings registered in the Finnish book-entry system. Holdings by shareholders who have an obligation under the Finnish Securities Markets Act to disclose changes in shareholdings (the flagging obligation) are divided into several funds or registers and will be summed when calculating the related share of voting rights, provided that a written request to this effect was presented by the shareholder or shareholders concerned to the Board of Directors of the Company no later than September 30, 2012. Should a shareholder not wish to use the nomination right, the right to nominate is transferred to the next largest shareholder who would otherwise not have a right to nominate.

Shareholder representatives on the Nomination Board in 2012 were: Solidium Oy, The Social Insurance Institution of Finland, Ilmarinen Mutual Pension Insurance Company and Varma Mutual Pension Insurance Company. These shareholders chose the following individuals as their representatives on the Nomination Board: Kari Järvinen, Managing Director of Solidium Oy, Tuula Korhonen, Investment Director of The Finnish Social Insurance Institution, Harri Sailas, Chief Executive Officer of the Ilmarinen Mutual Pension Insurance Company and Risto Murto, Executive Vice-President, Varma Mutual Pension Insurance Company. Kari Järvinen was elected as Chairman of the Nomination Board and Ole Johansson, Chairman of the Outokumpu Board of Directors, served as an expert member. Furthermore, according to a resolution of the 2012 Outokumpu Annual General Meeting the composition of the Shareholders' Nomination Board for the Annual General Meeting 2013 would include one expert member nominated by ThyssenKrupp AG. This resolution would only take effect on the day following the completion of the Inoxum transaction. Following completion of the Inoxum transaction on December 28, 2012, Mr. Kerkhoff was nominated to serve on the Nomination Board.

The Nomination Board has submitted its proposals regarding Board composition and director remuneration to Outokumpu's Board of Directors, and the Board has incorporated these proposals into the notice announcing the Outokumpu 2013 Annual General Meeting of Shareholders.

CEO and Deputy to the CEO

The 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 matters on which decisions are to be made by 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 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. Since 2011, the Group's Chief Financial Officer has acted as deputy to the CEO.

Leadership Team

The task of the Outokumpu Leadership Team (previously the Group Executive Committee) is the overall management of Outokumpu's business. Members of the team have extensive authority 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.

In 2012, the Group Executive Committee consisted of six members appointed by the Board of Directors. In 2012, the members of the Group Executive Committee held the following positions: Chief Executive Officer, Executive Vice President – Chief Financial Officer, Executive Vice President – General Stainless, Executive Vice President – Specialty Stainless, Executive Vice President – Ferrochrome, Group Research and Development and Executive Vice President – Human Resources and Health and Safety.

Since January 2013, the members of the Outokumpu Leadership Team hold the following positions: Chief Executive Officer, Executive Vice President – Chief Financial Officer, President – Stainless Coil EMEA, President – Stainless APAC, President – Stainless Coil Americas, President – High Performance Stainless and Alloys, Executive Vice President – Integration and Strategy, Executive Vice President – Communications, Marketing and IR, and Executive Vice President – HR and HSS. The Leadership Team typically meets at least once a month.

See the Members of the Leadership Team section in this report.

Shares and options of the Leadership Team members on December 31, 2012

Member	Shares	Share-based incentive program 2010–2012	Share-based incentive program 2011–2013	Performance Share Plan 2012–2014	Restricted Share Pool 2012–2014
Mika Seitovirta	200 000		96 000	544 000	
Esa Lager	224 000	36 000	36 000	170 000	
Ulrich Albrecht-Früh					117 284
Austin Lu				65 200*	
Jarmo Tonteri	144 282				
Reinhard Florey					117 284
Kari Tuutti	20 000			65 200	
Pii Kotilainen	12 000	36 000	36 000	170 000	
Kari Parvento	8 000	36 000	36 000	170 000	
Total	608 282	108 000	204 000	1 184 400	234 568
Board and Leadership Team	813 713				

*Due to local legislation, the possible LTI reward will be paid in cash instead of shares.

Group management

Outokumpu's corporate management consists of the Chief Executive Officer (CEO), members of the Outokumpu Leadership Team, and managers and experts who assist the CEO and members of the Leadership Team.

The task of corporate management is to manage the Group as a whole. Duties include the coordination and execution of strategy and corporate planning, integration, financial control, tax, internal audit, human resources, environment, energy, health and safety, communications and investor relations, corporate responsibility, R&D, legal affairs, corporate affairs and compliance and IPR, as well as treasury and risk management. Certain support functions have also been centralized at Group level. The Outokumpu Group is managed in accordance with the organization of its business, in which the Group's legal company structure also provides the legal framework for Outokumpu's operations. Clear financial and operational targets have been established for all the Group's operational businesses.

In 2012, Outokumpu's business model was based on three Business Areas, each fully accountable for sales, profit and assets, improving the Group's ability to respond rapidly to customer needs. The three Business Areas were:

- General Stainless: the Group's stainless steel operations in Tornio and a finishing plant in Terneuzen in the Netherlands,
- Specialty Stainless: Special Coil, Special Plate, Kloster and Long Products in Sweden and in the UK, including the Sheffield melt shop in the UK, and
- Ferrochrome: the Kemi Chrome Mine and ferrochrome production at Tornio in Finland.

Since 2011, OSTP, the Outokumpu's tubular products unit, in which Tubinoxia S.r.l. (an Italian company) is a majority owner, has been managed through OSTP's Board of Directors, on which Outokumpu has one seat.

As of December 29, 2012, Outokumpu's new organization is based on four Business Areas with sales, profit, production and supply chain management responsibility, with the focus being on improving the ability to respond rapidly to customer needs, while Group-level functions with global processes ensure efficiency.

The Business Areas are:

- Stainless Coil EMEA
- Stainless Coil Americas
- Stainless APAC
- High Performance Stainless and Alloys

As well as being responsible for their own sales, Business Areas are responsible for profit and operating cash flow and are supported by Group-level functions in key areas such as financial control, taxation, human resources, environment, energy, health and safety, communications, corporate responsibility, R&D, legal affairs, compliance and IPR, as well as treasury and risk management. The Business Areas are geared to achieve the Group's business and synergy targets while maintaining the focus on responding to customer needs.

Outokumpu Business Areas report directly to individual Leadership Team members.

Remuneration

As confirmed by the 2012 Outokumpu Annual General Meeting, annual remuneration for members of Outokumpu's Board of Directors are as follows: Chairman EUR 80 000, Vice Chairman EUR 45 500 and other members EUR 36 000, with 40% of this paid as Outokumpu shares purchased from the market and 60% paid in cash.

The annual fee is paid once a year and members of the Board are not entitled to any other share-based rewards. In addition to their annual remuneration, all members of the Board of Directors are paid a meeting fee of EUR 600 (EUR 1 200 for members of the Board of Directors residing outside Finland). The meeting fee is also payable for attending meetings of Board committees.

The service contract of Outokumpu's CEO is valid until further notice and may be terminated by Outokumpu with 12 months' notice or by the CEO with six months' notice. Upon termination by Outokumpu or a material change in ownership of Outokumpu, the CEO will receive additional compensation equivalent to his basic salary in the preceding 12 months plus the monetary value of his employee benefits at the moment of termination provided that his employment is terminated for a reason unconnected with his performance or events interpreted as him having failed in his duties. For the Finnish members of the Leadership Team (former Group Executive Committee), the notice period is six months for both parties, in addition to which there will be additional compensation equivalent to their basic salary in the preceding 12 months plus the monetary value of their employee benefits at the moment of termination provided that their employment is terminated for another reason than one caused by the employee. Based on earlier contractual obligations, the termination benefits of the Germany based Leadership Team members include an additional 12 months' salary during a transition period of 1,5 years after which the termination benefits will be gradually reduced to six months' notice and 12 months' severance. In line with earlier contractual obligations, the severance amount is calculated based on base salary, benefits and incentives.

In the 2013 financial year, the level of the performance-related incentive payable to the Group CEO and members of the Leadership Team in addition to their salary and employee benefits will be based on: the Group's EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) target and operational targets and individual targets set separately. The maximum level of this incentive payment is 50% of annual base salary for the CEO and other members of the Leadership Team. The total amount of short-term and long-term incentives must not exceed 200% of an individual's annual salary. Should this limit be exceeded, the share-based element of the incentive reward will be reduced accordingly.

No separate remuneration is paid to the Group CEO or members of the Leadership Team for membership of this committee or the Group's other internal governing bodies.

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The retirement age for the members of the Leadership Team is 63 years, with the exception of members who were appointed to the Group Executive Committee before December 2009, who are thereby entitled to retire at the age of 60. For Finnish members of the Leadership Team appointed to the Group Executive Committee before January 1, 2007, pension benefits amount to 60% of the total average annual salary in the last five full years of service. For other Finnish members of the Leadership Team, the targeted pension is 60% of the annual salary at the age of either 60 or 63 depending on the date when the executive concerned was appointed to the Group Executive Committee or Leadership Team. Earnings calculated from the year of appointment, including fringe benefits and performance-related short-term incentives, are used as the basis for the insurance premium. The maximum premium is 25% of an individual's annual earnings. In line with Outokumpu's policy, the CEO's retirement age is 63 and the targeted pension is 60% of the annual salary at the age of 63. One member of the Leadership Team resides in Sweden and is covered by the Swedish ITP pension plan and two members reside in Germany and are entitled to pension benefits in accordance with Essener Verband.

Outokumpu did not provide any guarantees or other similar commitments on behalf of members of its Board of Directors in 2012. No members of the Board of Directors or the Leadership Team or closely-related persons or institutions have any significant business relationships with the Group.

Fees, salaries and employee benefits paid

2012

€	Salaries and fees with employee benefits	Performance/ project-related bonuses	Annual remuneration***	Options	Total
Board of Directors					
Chairman of the Board, Johansson	12 600	-	80 000	-	92 600
Vice Chairman of the Board, Vaartimo	13 800	-	45 500	-	59 300
Board member, Henkes*	8 400	-	-	-	8 400
Board member, Nilsson	21 600	-	36 000	-	57 600
Board member, Nilsson- Ehle*	9 600	-	-	-	9 600
Board member, Pesonen*	3 600	-	-	-	3 600
Board member, Schalin	12 600	-	36 000	-	48 600
Board member, Hill	13 200	-	36 000	-	49 200
Board member, Kerminen	7 800	-	36 000	-	43 800
Board member, Malinen	9 000	-	36 000	-	45 000
CEO, Seitovirta	882 692**	90 000	-	-	972 692
Deputy CEO, Lager	300 341	70 636	-	-	370 977
Other Leadership Team Members****	1 390 112	194 314	-	-	1 584 426

* March 1–31, 2012

** This figure includes the compensation of 271 223 euros for taxes and social security contributions related to the Inoxum transaction incentive scheme.

*** Annual remuneration: 40% is paid as Outokumpu shares purchased from the market and 60% paid in cash.

**** Hautala Jan 1–Dec 28, 2012, Lu, Tuutti, Albrecht-Früh and Florey Dec 29–31, 2012

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2011

€	Salaries and fees with employee benefits	Performance/ project-related bonuses	Annual remuneration****	Options	Total
Board of Directors					
Chairman of the Board, Johansson	10 200	-	80 000	-	90 200
Vice Chairman of the Board, Vaartimo	8 400	-	45 500	-	53 900
Board member, Henkes	16 800	-	36 000	-	52 800
Board member, Nilsson	13 200	-	36 000	-	49 200
Board member, Nilsson- Ehle	20 400	-	36 000	-	56 400
Board member, Pesonen	9 000	-	36 000	-	45 000
Board member, Schalin	7 200	-	36 000	-	43 200
Board member, Saarinen	1 800	-	-	-	1 800
Board member, Soila	1 200	-	-	-	1 200
Board member, de Margerie	1 200	-	-	-	1 200
CEO, Seitovirta*	451 840	-	-	-	451 840
CEO, Rantanen**	2 323 074	149 648	-	-	2 472 722
Deputy CEO***	338 797	67 636	-	-	406 433
Other Group Executive Committee Members	2 136 405	246 582	-	-	2 382 987

* March 1–Dec 31, 2011

** Jan 1–Aug 17, 2011

*** Jan 1–Oct 31, 2011

**** Annual remuneration: 40% is paid as Outokumpu shares purchased from the market and 60% paid in cash.

Insider issues

Outokumpu's insider rules are based on and comply with the Guidelines for Insiders issued by the NASDAQ OMX Helsinki stock exchange. Permanent insiders with a duty to declare consist of members of the company's Board of Directors, the Auditor in Charge, the CEO, and other members of the Outokumpu Leadership Team.

Outokumpu maintains a public register of permanent insiders who have the duty to declare. Employees of the Group who receive inside information on a regular basis as a result of their position or the duties they perform are registered in a non-public register of permanent company-specific insiders. Permanent insiders must not purchase or sell securities issued by the company in the 14 days prior to the publication of interim reports or the company's annual accounts (the so-called "closed window").

Separate, non-public, project-specific insider registers are maintained for insider projects. Persons defined as project specific insiders are those who, in the course of their duties in connection with a project, receive information concerning the Group which, if or when realized, is likely to have a significant effect on the value of the company's publicly-traded securities.

Outokumpu's Head of Corporate Affairs and Compliance is responsible for the coordination and supervision of insider issues.

See the year-end 2012 shareholding of the Board of Directors in the Board of Directors section and Leadership Team in the Leadership Team section.

Up-to-date information on holdings by Outokumpu's permanent insiders who have a duty to declare see is available on Outokumpu's website.

Financial reporting

According to the Finnish Limited Liability Companies Act and the Finnish Code of Corporate Governance, the Board of Directors is responsible for a company's internal controls. The purpose of this chapter is to provide shareholders and other parties with a description of how internal control and risk management of financial reporting is organized in Outokumpu.

As a listed company, the Group has to comply with a variety of regulations. To ensure that all the stated requirements are met, Outokumpu has introduced principles for financial reporting and internal control and distributed these throughout the company's organization.

Control environment

The foundation for Outokumpu's control environment is the business culture established within the Group and its associated methods of operation. The basis for the company's control routines is provided by Group policies and principles which define the way in which Outokumpu's organization operates. These policies and principles are, for example, the Group's Corporate Responsibility Policy, Ethical Principles and the Outokumpu Leadership Principles. The Outokumpu Code of Conduct describes the Group's basic values and offers standardized, practical guidelines for managers and employees to follow. The Outokumpu performance management process is a key management activity and an important factor in enabling an efficient control environment. In all sections of the Group's operations, planning activities and the setting of both operational and financial targets are executed in accordance with Outokumpu's overall business targets. Management follow-up of related achievements is carried out through monthly management reporting routines and in performance review meetings.

Outokumpu operates in accordance with the risk management policy approved by the Group's Board of Directors. This policy defines the objectives of risk management activities, the approaches to be taken and areas of responsibility. As well as supporting Outokumpu strategy, risk management activities help in defining a balanced risk profile from the perspective of shareholders and other stakeholders such as customers, suppliers, personnel and lenders. More information on risk management within Outokumpu in the Risk management section.

Outokumpu's control process for financial reporting is based on Group policies, principles and instructions relating to financial reporting as well as on the responsibility and authorization structure within the Group. Policies relating to financial reporting are usually owned and approved by the CEO, the CFO or the Corporate Controller. Financial reporting in Outokumpu is carried out in a harmonized way using a common chart of accounts.

Financial reporting is prepared in accordance with International Financial Reporting Standards (IFRS). The Outokumpu Accounting Principles (OAP) are Outokumpu's application guidance as regards IFRS. The aim of the OAP and other financial reporting instructions is to ensure that unified financial processes and reporting practices are used throughout the Group. Financial statements by the parent company and stand-alone Finnish subsidiaries are prepared in accordance with generally accepted accounting principles in Finland, while foreign subsidiaries follow local accounting principles. Outokumpu also complies with regulations regarding financial reporting published by the Financial Supervisory Authority (FIN-FSA) and NASDAQ OMX Helsinki.

The Outokumpu Controller's Manual contains financial reporting policies and instructions. Policies and instructions for financial reporting are reviewed on a regular basis and revised when necessary. During the 2012 financial year, the instructions were updated with some minor changes and the language was revised. Also, as the corridor approach was eliminated, pension accounting instructions were updated to follow the new accounting policy. In 2013, Outokumpu will continue to follow changes in IFRS standards closely. No major implementations of new standards are expected.

Risk identification and assessment

Risk management processes connected with the Group's financial reporting are coordinated by Outokumpu's Treasury and Risk Management function. Related risks are classified as operational risks and can arise as a consequence of inadequate or failed internal processes, employee actions, systems or other events such as misconduct or crime. The aim of the Outokumpu risk management process is to identify, evaluate, control and mitigate such risks. Major risks are reported to and evaluated by the Audit Committee on a regular basis. Outokumpu's risk management process includes arranging workshops on the identification of key risks, including operational risks, for Business Areas and other Group functions. Deliverables include risk maps and risk identification plans.

Internal audit

Outokumpu's Internal Audit function has an independent role and a twofold objective: to provide assurance and to offer consulting services which add value and improve the organization's operations. Internal Audit's most important task is assisting the Audit Committee and the Leadership Team in fulfilling their control functions. To do this, Internal Audit identifies and monitors significant operational risks within the Group, ascertains the adequacy and effective operation of internal controls and provides the Audit Committee and the Leadership Team with a direct source of correct and reliable information. Other tasks carried out by Internal Audit include monitoring the Group's principles, controls and policies and follow-up of the audit conclusions by the company's external auditors.

The internal auditor reports to the Audit Committee and administratively to the CFO.

Control activities

In addition to the Board of Directors and Audit Committee, operational management teams in Outokumpu are responsible for ensuring that internal controls relating to financial reporting are in place at all Outokumpu units. The aim of control activities is to discover, prevent and correct potential errors and deviations in financial reporting. Control activities also aim to ensure that authorization structures are designed and implemented in a way that conflicting divisions of work do not exist (i.e. one person performing an activity and also being responsible for controlling that activity). Control activities consist of different kind of measures and include reviews of financial reports by Group management and in Business Area management teams, the reconciliation of accounts, analyses of the logic behind reported figures, forecasts compared to actual reported figures and analyses of the Group's financial reporting processes, among others. A key component is the monitoring of monthly performance against financial and operational targets. These control activities take place at different levels in the organization. The most important accounting items in Outokumpu are the valuation and reporting of inventories and other items of working capital. Also, in difficult market situations, asset impairment calculations and related sensitivity analyses are increasingly important. These items are carefully monitored and controlled both within Business Areas and at Group level.

Information technology and solutions play an important role in guaranteeing that the Group's internal controls have a solid foundation.

Information and communication

Group-wide policies and principles are available to all Outokumpu employees. Instructions relating to financial reporting are communicated to all the parties involved. The main communication channels employed are Outokumpu's intranet and other easily-accessible databases. Face-to-face controller meetings are also organized. Senior Controller meetings are organized on quarterly basis or more frequently when considered necessary to share information and discuss issues of topical interest to the Group.

Outokumpu has established different networks and communities in which financial reporting and internal control issues and related instructions are discussed and reviewed. These networks usually consist of personnel from the Business Areas and Group functions. The aim of these networks, communities and common instructions is to ensure that unified financial processes and reporting practices are used throughout the Group. The networks and communities play an important role in establishing the effectiveness of internal controls relating to financial reporting and in developing Outokumpu policies, instructions and processes.

Follow-up

Both management in all Outokumpu companies and personnel in accounting and controlling functions are responsible for the follow-up and monitoring of internal controls connected with financial reporting. The Internal Audit and Risk Management functions also engage in follow-up and control activities. The findings of the follow-up procedures are reported to the Audit Committee and the Outokumpu Leadership Team on a regular basis.

Auditors

Under its Articles of Association, the company shall have a minimum of one and a maximum of two auditors who are qualified auditors or firms of independent public accountants authorized by the Central Chamber of Commerce of Finland.

The Annual General Meeting elects the auditors to a term of office ending at the close of the next Annual General Meeting. Proposals to the Annual General Meeting on the election of auditors, which have been made known to the Board of Directors prior to the Annual General Meeting, will be made public if the proposal is made by the Board Audit Committee or if it is supported by shareholders holding a minimum of 10% of all the company's shares and voting rights and the person or company proposed has consented to such nomination. The company's auditors submit the statutory auditor's report to the company's shareholders in connection with the company's financial statements. The auditors also report their findings to the Board Audit Committee on a regular basis and at least once a year to the full Board of Directors. The parent company, Outokumpu Oyj, is audited by KPMG Oy Ab, and the responsible auditor is Virpi Halonen, Authorized Public Accountant. KPMG Oy Ab is also responsible for overseeing and coordinating the auditing of all Group companies.

Both Outokumpu and KPMG Oy Ab emphasize the requirement that an auditor be independent of the company being audited. In its global independence policy, KPMG Oy Ab has stated its commitment to observing and complying with the Code of Ethics of the International Federation of Accountants (IFAC).

Outokumpu's Board Audit Committee continuously monitors non-audit services purchased by the Group from KPMG Oy Ab at a global level. In 2012, auditors were paid fees totaling EUR 5.7 million, of which non-auditing services accounted for EUR 3.8 million.

Risk management

Outokumpu operates in accordance with the risk management policy approved by the company's Board of Directors. This defines the objectives, approaches and areas of responsibility in the Group's risk management activities. As well as supporting Outokumpu strategy, the aim of risk management is identifying, evaluating and mitigating risks from the perspective of shareholders, customers, suppliers, personnel, creditors and other stakeholders.

Risk management organization

The Outokumpu Board of Directors carries ultimate responsibility for risk management within the Group.

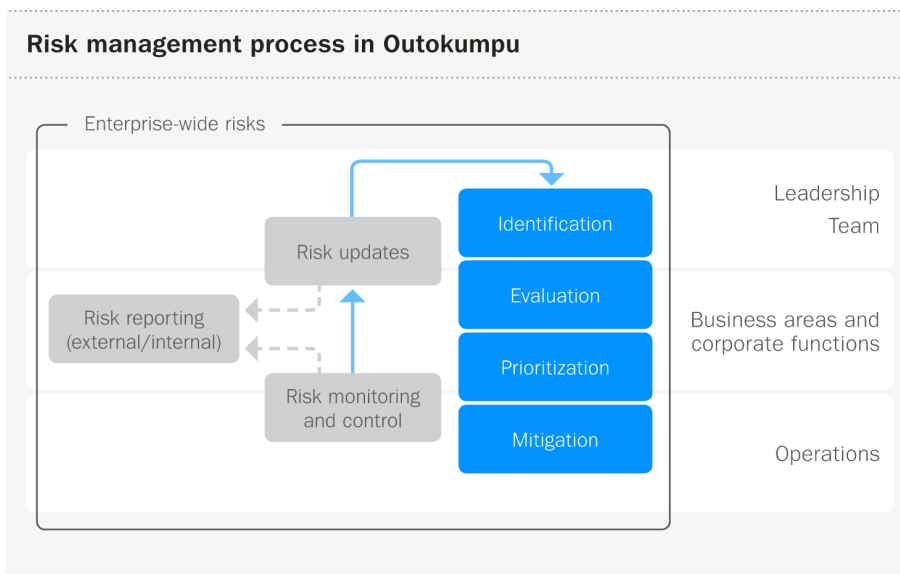
Outokumpu's CEO and members of the Leadership Team are responsible for defining and implementing risk management procedures, and for ensuring that risks are both properly addressed and taken into account in strategic and business planning. Business Areas and Group functions are responsible for managing risks connected with their own operations.

Auditors and Internal Audit monitor risk management processes, and the Leadership Team, the Board's Audit Committee and the Board of Directors review both key risks and actions taken to manage these risks on a regular basis. The Treasury & Risk Management function supports implementation of Outokumpu's risk management policy, facilitates and coordinates risk management, and prepares quarterly risk reports for management, the Board's Audit Committee and the Group's auditors.

Risk management process

Outokumpu has defined risk as anything that could have an adverse impact on achieving the Group's objectives. Risks can therefore be threats, uncertainties or lost opportunities connected with current or future operations. Outokumpu's appetite for risk and risk tolerance are defined in relation to Group earnings, cash flows and capital structure. The risk management process is an integral part of overall management processes and is divided into four stages: risk identification, risk evaluation, risk prioritization and risk mitigation.

Within Outokumpu, the risk management process is monitored and controlled at different organizational levels in a systematic manner. Regular risk updates are performed to make sure that the process is operating in an uninterrupted manner. The monitoring and analysis of results and risk updates also ensure that accurate information is provided both internally – to Business Area management teams and members of the Leadership Team – and externally to parties such as shareholders and other stakeholders.



Focus areas 2012

Risk updates and reviews

In 2012, Outokumpu's risk management process was mainly carried out through quarterly risk updates and reviews by the Group Executive Committee and other senior management, but also through risk workshops at operational levels within Outokumpu production sites. The updates and reviews covered the subjects of risk identification, evaluation, prioritization and mitigation. In April 2012, the Group's risk management policy was updated, including risk tolerance and compliance with the ISO 31000 standard. Risk workshops held during 2012 focused mainly on departments and functions at the Group's Tornio site and continued a process initiated in 2011, providing guidance on identifying, evaluating and mitigating operational risks.

Inoxum transaction

The Inoxum transaction was announced in January 2012. Implementation of the transaction, integration planning for the combined entity and related tasks included risk management activities were important focus areas for risk management during 2012. Risks associated with different phases of the transaction were identified, assessed, mitigated and reported according to the Group's risk management policy.

Management of credit risks

All external sales contracted by Outokumpu must be covered by approved credit limits or secured payment terms. Most of the Group's current outstanding trade receivables have been secured by credit insurance which typically covers approximately 90% of an insured credit loss. Part of the credit risk which relates to trade receivables is managed through letters of credit, advance payments and bank guarantees. In 2012, because of changes in the centralized sales and marketing organization and related corporate resources, the Group's credit management was steered towards a decentralized model to gain more flexibility and also provide better support for local sales organizations.

Negative impacts on the outlook regarding increasing insolvency rates within Europe and credit limit availability from major credit risk insurers are likely if the European financial crisis continues. This would mean that Outokumpu will be exposed to increased credit risks as customers' liquidity and the credit limits available to them weaken. Country-specific actions by credit risk insurers may also expand in the future. This challenging situation, particularly in Europe, resulted in Group exposure to credit risks being closely monitored and analyzed in 2012.

Realized risks

No material damage to Outokumpu's property or significant business interruptions occurred in 2012. The most significant risks to the Group's operations during the year were associated with overcapacity in stainless steel markets, the continuing negative influence of global economic uncertainty, and declining prices for nickel, molybdenum and the Talvivaara share. The deepening debt crisis in Europe continued to have a negative impact on demand for stainless steel with a resultant negative effect on Outokumpu's profitability and gearing.

Members of the Leadership Team

On December 31, 2012



Mika Seitovirta

CEO

b. 1962, Finnish citizen

M.Sc. (Econ.)

CEO since 2011

Chairman of the Outokumpu Leadership Team (previously called the Group Executive Committee) since 2011

Responsibility: Group management

Employed by the Outokumpu Group since 2011

President and CEO: Glaston Corporation (former Kyro Corporation)
2007–2009

Managing Director: Hartwall Oy 2003–2006

Managing Director: Volvo Auto 1998–2003

Finance Director, Deputy to Sales Company President: Volvo Deutschland
1994–1998

Several positions at Volvo Auto and Aro-Yhtymä 1986–1994

Deputy Chairman of the Board of Directors: Shanghai Krupp Stainless Co. Ltd.
2013–

Board member: Federation of Finnish Technology Industries 2013–

Board member: Association of Finnish Steel and Metal Producers 2011–

Member of the Supervisory Board: Varma Mutual Pension Insurance Company
2011–

Board member: Are 2009–2011

Senior Advisor, Advisory Group: Ratos 2008–2011

Board member: Aro-Yhtymä 2006–2011

Board member: Handelsbanken Finland 2004–2011



Esa Lager

CFO

b. 1959, Finnish citizen

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

Executive Vice President – Chief Financial Officer (CFO) 2005–, deputy to the CEO 2011–

Member of the Outokumpu Leadership Team (previously called the Group Executive Committee) since 2001

Responsibility: Finance and Control, Finance Integration and Transformation, Taxation, Treasury and Risk Management, Internal Audit, Corporate Affairs and Compliance, and Energy

Employed by the Outokumpu Group since 1990

Executive Vice President – Finance and Administration 2001–2004, Corporate Treasurer 1996–2000 and Assistant Treasurer 1991–1995: Outokumpu Oyj
Manager, Head Office/London Branch: Kansallis Banking Group 1984–1990

Vice Chairman of the Board 2010–2011 and Board member 2003–2008:
Okmetic Oyj

Vice Chairman of the Board: Olvi Plc 2002–

Board member: Ilkka-Yhtymä Oyj 2011–



Ulrich Albrecht-Früh

President – Stainless Coil EMEA

b. 1964, German citizen

Ph.D. (Eng.), Diploma in Process Engineering

President – Stainless Coil EMEA since 2012

Member of the Outokumpu Leadership Team since 2012

Responsibility: Stainless Coil EMEA

Employed by the Outokumpu Group since 2012

Member of the Executive Board, CTO: Inoxum GmbH (Germany), 2011–2012

CEO: ThyssenKrupp Stainless USA, LLC (USA), 2008–2012

Co-Head US-Site Selection Stainless, ThyssenKrupp Stainless GmbH (Germany) 2007

Director Meltshop: ThyssenKrupp Nirosta GmbH (Germany), 2004–2007

Head of Stripcasting: ThyssenKrupp Nirosta GmbH (Germany), 2002–2004

Project Leader EUROSTRIP (European R&D Consortium): ThyssenKrupp Nirosta GmbH (Germany), 1999–2002

Several Positions at ThyssenKrupp Nirosta GmbH (Germany), 1997–1999

Research Assistant/Group Leader: Technical University Aachen (Germany), 1992–1997

Board member (Associate Director): MSCI 2011–2012



Kari Parvento

President – Stainless Coil Americas

b. 1957, Finnish citizen

M.Sc. (Eng.)

President – Stainless Coil Americas since 2012

Member of the Outokumpu Leadership Team (previously called the Group Executive Committee) since 2010

Responsibility: Stainless Coil Americas

Employed by the Outokumpu Group since 2010

Executive Vice President – Ferrochrome, Group Research and Development and Environment and Quality: Outokumpu 2012

Executive Vice President – Group Sales and Marketing: Outokumpu Oyj 2010–2011

President, Underground Mining: Sandvik Group 2009–2010

President, Underground Hard Rock Mining: Sandvik Group 2007–2009

Managing Director, Sandvik Mining and Construction Oy ("SMC Oy"): Sandvik Group 2007–2010

Managing Director, Sandvik Mining and Construction Australia and Sandvik Materials Handling Pty Ltd. Australia: Sandvik Group 2005–2007

Business Development Manager, Sandvik Tamrock Finland: Sandvik Group 2004–2005

Managing Director, Kuusakoski Sverige AB: Kuusakoski Group 2003–2004

Country Manager, Scandinavia: Kuusakoski Group 2000–2004

Managing Director, Kuusakoski AB: Kuusakoski Group 2000–2003

Chairman of the Board: SMC Austria GmbH 2009–2010

Board member: SMC Oy 2007–2010



Austin Lu

President – Stainless APAC

b. 1971, Chinese citizen (People's Republic)

MBA, General Management, BS (Econ.)

President – Stainless APAC since 2012

Member of the Outokumpu Leadership Team since 2012

Responsibility: Stainless APAC

Employed by the Outokumpu Group since 2011

Senior Vice President, APAC Focus Area: Outokumpu Oyj 2011–2012

Member of China Executive Council, Vice President, Regional General

Manager: General Electric, China 2009–2011

Member of China Executive Board, Business Leader, Life Science Ingredient:

Lonza Group, China 2008–2009

Member of China Executive Board, Marketing Director: General Electric

Plastics, China 2005–2008

Global Product Manager: General Electric Plastics, USA and China

2004–2005

Regional General Manager, Southern and Eastern China: General Electric

Plastics, China 1999–2004

Commercial Specialist: General Electric Plastics, China 1999

Commercial Operations Manager, Eastern China: General Electric Plastics,

China 1998–1999

Commercial Operations Specialist, Southern China: General Electric Plastics,

China 1996–1998

Several positions in China MinMetals Co. 1993–1996



Jarmo Tonteri

President – High Performance Stainless and Alloys

b. 1952, Finnish citizen

M.Sc. (Econ.), M.Sc (Technology)

President – High Performance Stainless and Alloys since 2012

Member of the Outokumpu Leadership Team (previously called the Group

Executive Committee) since 2011

Responsibility: High Performance Stainless and Alloys

Employed by the Outokumpu Group since 2011

Executive Vice President – Specialty Stainless: Outokumpu Oyj 2011–2012

Managing Director: Ovako Group, Sweden 2005–2011

Managing Director and member of Rautaruukki management Board: Fundia

(Rautaruukki Group), Sweden 2000–2005

Managing Director: Gasell (Rautaruukki Group), Sweden 1992–2000

Managing Director: Lokomo Steel (Repola Group), USA 1990–1992

Director of the metallurgical division: Kuusakoski, Finland 1985–1990

Sales engineer on metallurgical process technology: Outokumpu, Finland

1978–1985

Board member: Dannemora Mineral AB 2012–

Board member: FN Steel Group 2010–



Reinhard Florey

Executive Vice President – Integration and Strategy

b. 1965, Austrian citizen

M.Sc. (Eng., Econ.), M.A. (Cultural Studies)

Executive Vice President – Integration and Strategy since 2012

Member of the Outokumpu Leadership Team since 2012

Responsibility: Integration Management, Strategy, M&A, IT/IS, Raw Materials, General Procurement, Legal

Employed by the Outokumpu Group since 2012

Member of the Executive Board, CFO: Inoxum GmbH (Germany) 2011–2012

Member of the Executive Board, CFO: ThyssenKrupp Nirosta GmbH (Germany) 2011–2012

Member of the Executive Board, CFO: ThyssenKrupp Steel Americas, LLC (USA) 2010–2011

Membro Efetivo do Conselho Deliberativo da Sociedade: ThyssenKrupp Companhia Siderúrgica do Atlântico (Brasil) 2010–2011

Member of the Executive Board: Business Area Steel Americas of the ThyssenKrupp AG (USA) 2009–2011

Member of Board of Managers: ThyssenKrupp Steel and Stainless USA, LLC. (USA) 2009

Head of Corporate Center Mergers and Acquisitions: ThyssenKrupp AG (Germany) 2005–2009

Head of Corporate Development/M and A: ThyssenKrupp Steel AG (Germany) 2002–2005

Several Positions at McKinsey & Company (Austria) 1995–2002

Chairman of the Board of Directors: Inoxum Italia S.p.A. (Italy) 2011–

Chairman of the Board of Directors: Inoxum Nederland B.V., (the Netherlands) 2011–

Board member: Shanghai Krupp Stainless Co. Ltd. 2011–

Board member: Inoxum Holding USA, Inc., 2011–

Board member: ThyssenKrupp Acciai Speciali Terni (Italy) 2011–2012

Board member: ThyssenKrupp Mexinox S.A. de C.V. (Mexico) 2011–2012



Kari Tuutti

Executive Vice President – Marketing, Communications and Investor Relations

b. 1970, Finnish citizen

M.Sc. (Econ.)

Executive Vice President – Marketing, Communications and IR since 2012

Member of the Outokumpu Leadership Team since 2012

Responsibility: Marketing, Communications and Investor Relations

Employed by the Outokumpu Group since 2011

SVP – Marketing, Communications and IR: Outokumpu Oyj 2011–2012

Director, Marketing Creation: Nokia Oyj 2009–2011

Vice President, Communications: Nokia Oyj 2008

Director, Communications, Multimedia Business Group: Nokia Oyj 2002–2007

Senior Manager, Investor Relations: Nokia Oyj 1999–2002

Manager, Treasury (Finland and Geneva): Nokia Oyj 1995–1999

Analyst, Treasury: Merita Bank 1994–1995



Pii Kotilainen

Executive Vice President – Human Resources and Health, Safety and Sustainability

b. 1960, Finnish citizen

M.Sc. (Econ.)

Executive Vice President – HR and Health, Safety and Sustainability (pro tem) since 2012

Member of the Outokumpu Leadership Team (previously called Group Executive Committee) since 2009

Responsibility: Human Resources and Health, Safety and Sustainability
Employed by the Outokumpu Group since 2009

Executive Vice President – Human Resources and Health and Safety: Outokumpu Oyj 2012

Executive Vice President – Human Resources: Outokumpu Oyj 2009–2011

Senior Vice President, Group Human Resources: Huhtamaki Oyj 2006–2008

Vice President, Human Resources, Technology Platforms: Nokia Oyj 2004–2006

Senior Vice President, Human Resources, Nokia Mobile Phones: Nokia Oyj 2000–2004

Head of Nokia Learning Center Network: Nokia Networks, Milan, Italy 1998–2000

Vice President, Human Resources: Nokia Oyj 1994–1998

Senior Manager, Nokia Treasury Center: Nokia Oyj 1991–1994

Board member: HSE Foundation 2012–

Board member: Componenta Oyj 2010–

Members of the Board of Directors

On December 31, 2012



Ole Johansson

Chairman

b. 1951, Finnish citizen

B.Sc. (Econ.)

Outokumpu Board member 2002–

Chairman of the Board 2008–

Vice Chairman of the Board 2004–2008

Chairman of the Remuneration Committee

President and CEO: Wärtsilä Corporation 2000–2011

President and CEO: Wärtsilä NSD Oy 1998–2000

Chairman of the Board: eQ Oyj 2011–

Chairman of the Board: Confederation of Finnish Industries EK 2011–2012

Chairman of the Board 2007–2009 and Board member 2010–2012:

Federation of Finnish Technology Industries

Vice Chairman of the Board: Varma Mutual Pension Insurance Company
2005–2012

Vice Chairman of the Board: Confederation of Finnish Industries EK
2007–2009

Board member: Svenska Handelsbanken AB 2012–

Board member: The Research Institute of the Finnish Economy ETLA
Supporters' Association 2011–2013

Board member: The Finnish Business and Policy Forum EVA 2011–2013

Board member: Wärtsilä Corporation 2010–2011

Independent of the company and its significant shareholders



Olli Vaartimo

Vice Chairman

b. 1950, Finnish citizen

M. Sc. (Econ.)

Outokumpu Board member 2010–

Vice Chairman of the Board 2011–

Chairman of the Audit Committee

CFO: Metso Oyj 2003–2011

Executive Vice President, Deputy to the President and CEO: Metso Oyj
2003–2010

Member of the Executive Team 1999–2011 and Vice Chairman of the
Executive Team 2004–2010: Metso Oyj

President and CEO (acting): Metso Oyj 2003–2004

President and CEO: Metso Minerals Oy 1999–2003

President and CEO: Nordberg Group, Rauma Oyj 1993–1999

Executive Vice President: Rauma Oyj 1991–1998

Chairman of the Board: Valmet Automotive Oy 2003–

Chairman of the Board 2012– and Board member 2008–2012: Kuusakoski
Oy

Board member: Kuusakoski Group Oy 2008–

Board member: Alteams Oy 2008–

Independent of the company and its significant shareholders



Iman Hill

b. 1963, British citizen

B.Sc. (Biochemistry), M.Sc. (Computer Science)

Outokumpu Board member 2012–

Member of the Audit Committee

General Manager – Technical and Operational Services Directorate: Sasol
Petroleum International 2012–

Strategic Adviser: Aurelian Oil and Gas PLC 2012

Senior Vice President Group Well Risk: BG Group PLC 2010–2011

Senior Vice President Developments and Operations: BG Group PLC
2009–2010

Senior Vice President BG Brasil: BG Group PLC 2008–2009

Vice President & General Manager Developments: BG Group PLC 2005–2008

Managing Director: Shell Egypt and Chairwoman of Shell Companies in Egypt
2004–2005

Senior Adviser (Africa) to the Committee of Managing Directors: Shell
International 2002–2004

General Manager Field Developments and Regional Exploration Africa and
South America: Shell International 2001–2002

Business Interface Manager, Middle East: Shell International 1998–2001

Principal Reservoir Engineer Malaysia: Shell International 1997–1998

Chief Petroleum Engineer: Monument Oil and Gas 1996–1997

Independent of the company and its significant shareholders



Harri Kerminen

b. 1951, Finnish citizen

M.Sc. (Eng.), MBA

Outokumpu Board member 2012–

Member of the Remuneration Committee

President and CEO: Kemira Oyj, 2008–2012

President of the Kemira Pulp & Paper business area: Kemira Oyj 2006–2007

President of the Kemira Specialty business area: Kemira Oyj 2000–2006

Managing Director: Kemira Pigments Oy 2002–2003

Vice President, Human Resources: Kemira Chemicals Oy 1996–2000

Manager of Oulu plant: Kemira Oyj 1994–1996

Production Manager: Kemira Kemi AB 1990

Project Manager: Kemira Oy/Kemira Oyj, plant construction projects in

Finland, Sweden, Belgium and the US 1989–1994

Chairman of the Board: MetGen Oy 2012–

Chairman of the Board: Finpro ry 2011–

Chairman of the Board: Finnish Industry Investment 2012

Chairman of the Board: Chemical Industry Federation of Finland 2011–2012

Vice Chairman of the Board: Chemical Industry Federation of Finland
2009–2011

Board member: Tikkurila Oyj 2012–

Board member: Achemos Grupe 2012–

Board member: Normet Oy 2012–

Board member: Finnair Oyj 2011–

Board member: Confederation of Finnish Industries and Employers TT-
Foundation 2011–

Board member: Confederation of Finnish Industries EK 2011–2012

Board member: Formia Emissions Control 2012

Board member: CEFIC 2008–2012

Board member: Finpro ry 2010– 2011

Independent of the company and its significant shareholders



Heikki Malinen

b. 1962, Finnish citizen
M.Sc. (Econ.), MBA (Harvard)
Outokumpu Board member 2012–
Member of the Audit Committee

President and CEO: Itella Corporation 2012–
President and CEO: Pöyry PLC 2008–2012
Executive Vice President, Strategy, member of the UPM Executive Team: UPM-Kymmene Corporation, Helsinki, Finland 2006–2008
President: UPM North America, Chicago, USA 2004–2005
President of Sales: UPM North America, Chicago, USA 2002–2003
Managing Partner: Jaakko Pöyry Consulting, New York, USA 2000–2001
Engagement Manager: McKinsey & Co, Atlanta, USA 1997–1999
Director, Business Development UPM Paper Divisions, Helsinki, Finland 1994–1996

Chairman: American Chamber of Commerce (AmCham Finland) 2009–
Board member: The Federation of Finnish Technology Industries 2012–
Board member: Botnia Oy 2006–2008
Independent of the company and its significant shareholders



Elisabeth Nilsson

b. 1953, Swedish citizen
M.Sc. (Tech.)
Outokumpu Board member 2011–
Member of the Remuneration Committee

Governor: Östergötlands län 2010–
President: Jernkontoret (Swedish Steel Producers Association) 2005–2010
General Manager, Metallurgy Division: SSAB Oxelösund 2003–2005
Managing Director: SSAB Merox 2001–2003
Manager, Department for Environment, Health and Safety: SSAB 1996–2001
Manager, Continuous Casting Department: SSAB Oxelösund 1991–1996

Chairman of the Board: Göta Kanalbolaget 2011–
Chairman of the Board: Risbergska donationsfonden 2010–
Chairman of the Board: Tåkernfonden 2010–
Chairman of the Board: Övralidsstiftelsen 2010–
Chairman: Foundation Mefos 2005–2010
Chairman: Svenska Bergsmannaföreningen 2007–2009
Member: Royal Swedish Academy of Engineering Science IVA 2007–
Board member: Sveaskog AB 2010–2012
Board member: 4:e AP-fonden 2010–2011
Board member: Swerea AB 2008–2011
Board member: Euromaint AB 2004–2007
Board member: Swedish Maritime Administration 1996–2006
Independent of the company and its significant shareholders



Siv M. Schalin

b. 1962, Finnish citizen
M.Sc. (Econ.), MBA
Outokumpu Board member 2011–
Member of the Audit Committee

CEO: Docrates Oy 2012–
President and General Manager, Patient Care Solutions: GE Healthcare
Finland Oy 2008–2012
Vice President, Service: GE Healthcare EMEA 2005–2008
General Manager: GE Healthcare Sweden 2004–2005
Director, Critical Care: Instrumentarium Oyj 2003–2004
Area Manager, Nordic Countries: Instrumentarium Oyj 2002
Vice President, Components Division: Össur hf. 2000–2001
President: Össur USA Inc. 1997–2000

Supervisory Board member, Arcada University of Applied Sciences 2009–
Chairman, Managing Director and member of the Board of several GE
Healthcare group companies 2008–2012
Vice Chairman: FIHTA (Finnish Healthcare Technology Association)
2008–2012
Independent of the company and its significant shareholders



Guido Kerkhoff

b. 1967, German citizen
M.Sc. (Business Administration)
Outokumpu Board member 12/2012–
Member of the Remuneration Committee

Chief Financial Officer and Member of the Executive Board: ThyssenKrupp AG
2011–
Member of the Board of Management: Deutsche Telekom AG 2009–2011
Head of Group Accounting and Controlling: Deutsche Telekom AG 2006–2009
Senior Vice President Accounting and Controlling: Bertelsmann AG
1996–2002
Manager Group Accounting: VEW AG 1995–1996

Independent of the company