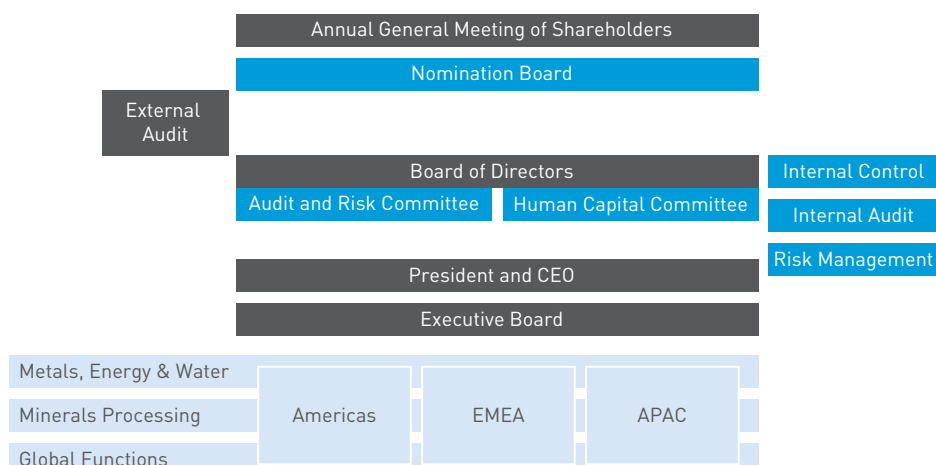


OUTOTEC'S
CORPORATE
GOVERNANCE
STATEMENT 2013

OUTOTEC'S CORPORATE GOVERNANCE STATEMENT 2013

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

OUTOTEC'S GOVERNING BODIES



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

Outotec follows the most recent Finnish Corporate Governance Code for listed companies issued by the Securities Market Association Helsinki in June 2010. The Corporate Governance Code is based on listed companies' self-regulation and it complements the statutory procedures.

The aim of the Code is to harmonize practices of the Finnish listed companies' corporate

governance as well as the information given to shareholders and other investors. It will also improve the transparency of the administration bodies and that the Finnish listed companies apply the corporate governance practices of a high international standard. The Code is available on the Securities Market Association homepage at www.cgfinland.fi.

Outotec's Corporate Governance Statement has been given separately from the financial statements and it is available on Outotec's web site at www.outotec.com. In addition, Outotec's Corporate Governance Policy in its entirety is published and maintained on Outotec's web site.

SELF-REGULATORY FRAMEWORK

Outotec has introduced the Outotec Management System for the purpose of ensuring the due functioning of its operational model. Outotec Management System became effective on February 2011 upon the approval by the Board of Directors. Outotec Management System defines governance, management principles, operational model, roles, responsibilities and authorities within Outotec. Outotec Management System documentation is based on European Foundation for Quality Management (EFQM) management system and processes framework criteria. Documentation defines compatibility and fulfillment of

Outotec systems against such standards as ISO 9001:2000 for Quality Management and ISO 14001 for Environmental Management.

Outotec Management System is based on the following general principles and guidance:

- One company principle
- Governance and decision-making
- Mission, strategic intent and vision
- Strategy
- Organization
- Corporate-wide policies, processes, information, applications and quality

Outotec policies constitute a vital part of the Management System. On December 2012 Outotec's Board of Directors approved Outotec's Code of Conduct. The Code of Conduct comprises the values that Outotec's behavior is based on, including human rights, compliance topics, anti-corruption issues, health and safety, insider rules, respecting laws and regulations, as well as free and fair trade practices. Disclosure policy provides for timely and accurate investor communication.

During 2013, in specific, Outotec has implemented a Compliance Helpline globally which enables anyone to raise their concerns or seek advice in a matter related to compliance, as well as built a compliance organization. Outotec has provided an e-learning training to its employees regarding the Code of Conduct and other compliance training to help Outotec employees on any concerns regarding ethical or compliant behaviour.

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 for 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.

NOMINATION BOARD

The Annual General Meeting on 26 March, 2013 decided to establish a permanent Shareholders' Nomination Board composed of shareholders or their representatives and of the Chairman of the Board of Directors for the purpose of preparing and presenting the election of the members of the Board of Directors and proposals for their remuneration to be submitted for the General Meeting as well as successor planning.

The tasks of the Nomination Board consist of

1. Preparation and presentation to the General Meeting of Shareholders of matters pertaining to the remuneration of the members of the Board of Directors;
2. Preparation and presentation to the General Meeting of the Shareholders of matters pertaining to the number of the members of the Board of Directors in accordance with the Articles of Association;
3. Preparation and presentation to the General Meeting of the Shareholders of matters pertaining to the appointment of the members of the Board of Directors and its Chairman; and
4. Successor planning for the members of the Board of Directors.

The Nomination Board consists of four (4) members. Three of the members shall represent the three shareholders who on 1 October preceding the Annual General Meeting represent the largest number of the votes of all shares in the company. The Chairman of the Board of Directors shall be the fourth member of the Nomination Board.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and the representative of the largest shareholder shall be the Chairman of the Nomination Board unless otherwise decided by the Nomination Board. The Nomination Board shall submit its proposals to the Board of Directors at the latest on 15 January preceding the Annual General Meeting.

The composition of the Shareholders' Nomination Board in 2013 was **Kari Järvinen**, Managing Director (Solidium Oy), **Harri Sailas**, CEO (Ilmarinen Mutual Pension Insurance Company), **Poju Zabłudowicz**, CEO (Tamares Nordic Investments B.V.) and **Matti Alahuhta** (Chairman of the Board of Directors of Outotec Oy).

BOARD OF DIRECTORS

According to the Articles of Association of the company, the Board of Directors shall consist of no fewer than five (5) and no more than eight (8) members. The General Meeting of Shareholders elects the Chairman and other members of the Board of Directors. Vice Chairman is elected by the Board from among its Members.

The Board's composition:

Matti Alahuhta, Doctor of Technology, Doctor of Technology h.c.
b. 1952, Finnish citizen
Chairman of the Board of Directors and Human Capital Committee as of 2013
Board member as of 26 March, 2013
Independent of the company and owner
President of KONE Corporation since 2005 and President and CEO of KONE Corporation since 2006

Timo Ritakallio, LL.M., MBA
b. 1962, Finnish citizen
Vice Chairman of the Board of Directors as of 2013
Board member as of 2011
Member of the Audit and Risk Committee as of 2011
Independent of the company and owner
Deputy CEO of Ilmarinen Mutual Pension Insurance Company

Eija Ailasmaa, M. Pol. Sc, Graduate of the Sanoma School of Journalism
b. 1950, Finnish citizen
Board member as of 2010
Member of the Human Capital Committee as of 2012
Independent of the company
Not independent of owner
President and CEO of Sanoma Media B.V. until 2011

Tapani Järvinen, M.Sc. (Eng.), Lic.Sc. (Tech.)

b. 1946, Finnish citizen
Board member as of 2010
Member of the Human Capital Committee as of 2010
Independent of the company and owner
Retired from Outotec Oyj in 2009

Anja Korhonen, Master of Science (Economics)

b. 1953, Finnish citizen
Board member as of March 26, 2013
Member of the Audit and Risk Committee as of 2013
Independent of the company and owner
Senior Vice President, Corporate Controller of Nokia Corporation until 2011

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

b. 1957, Finnish citizen
Board member as of 2006
Chairman of the Audit and Risk Committee as of 2006
Independent of the company and owner
Senior Executive Vice President and Chief Financial Officer of SRV Group Plc

Poju Zabłudowicz, B.A. (Economics and International Relations)

b. 1953, Finnish citizen
Board member as of 2012
Member of the Audit and Risk Committee as of 2012
Independent of the company and owner
Chairman and CEO of Tamares Group

Carl-Gustaf Bergström, B.Sc. (Econ.)

b. 1945, Finnish citizen
Chairman of the Board of Directors and Human Capital Committee as of 2010 until 2013
Board member as of 2006 until March 26, 2013
Independent of the company and owner
Retired from Cargotec Corporation in 2006

Karri Kaitue, LL. Lic.

b. 1964, Finnish citizen
Vice Chairman of the Board of Directors as of 2006
Board member as of 2006 until March 26, 2013
Member of the Human Capital Committee as of 2010 until 2013
Independent of the company and owner
Deputy CEO of Outokumpu Oyj until 2011

Duties of the Board

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

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

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

In the field of directing the company's business and strategies the Board of Directors shall decide on the basic strategies of the Outotec Group (the "Group") and monitor their implementation, decide on the authority frames for capital expenditure for the Group and monitor their implementation, decide on major business acquisitions and divestments as well as on any other major and strategically significant investments,

decide on all individual major sales contracts and all contracts that represent an exceptional risk position taking into account the size of the Group. The Board of Directors shall further decide on any major financing arrangements by any Group company, or which are organized by way of public offerings, or which are otherwise out of the Group's normal course of business.

In the field of organizing the Company's management and operations the Board of Directors appoints and dismisses the Chief Executive Officer (the "CEO"), his/her possible deputy and the other members of the Executive Board and decide on their terms of service, including incentive schemes, monitor issues relating to top management resources, decides on any significant changes in the business organization of the Group, defines the company's ethical values and modes of activity, ensures that policies outlining the principles of corporate governance are in place, ensures that policies outlining the principles of managing the company's insider issues are in place, ensures that other policies, as the Board may consider appropriate, concerning issues within the Board's duties and authorities are in place.

In the field of preparing issues for the General Meeting of Shareholders for resolution the Board of Directors establishes a corporate policy for dividend distribution and makes proposals regarding dividend distribution to the General Meeting of Shareholders, and makes proposals to the General Meeting of Shareholders concerning other decisions within the authority of the General Meeting of Shareholders.

In the field of financial control and risk management the Board of Directors discusses and approves the interim reports and annual accounts, monitors issues pertaining to significant risks and risk management activities related to the Group operations, and ensures that adequate policies for risk management are in place.

In 2013, the special focus areas of the Board of Directors have been Outotec's long-term strategy,

Outotec's organizational structure and its scalability as well as challenges on global macroeconomic environment.

In 2013, the Board of Directors met or had teleconference meetings 19 times. The average attendance of members at Board meetings was 97%. Fees paid to the Board of Directors in 2013 totaled EUR 382,800.

Participation in 2013	Meetings
Alahuhta Matti (as of 26 March, 2013)	17/17
Ritakallio Timo	19/19
Ailasmaa Eija	19/19
Järvinen Tapani	19/19
Korhonen Anja (as of 26 March, 2013)	17/17
Linnoinen Hannu	19/19
Zabludowicz Poju	15/19
Bergström Carl-Gustaf (until 26 March, 2013)	2/2
Kaitue Karri (until 26 March, 2013)	2/2

Evaluation of Board's work

The Board of Directors conducts an annual evaluation of its operations and working methods. The purpose of this evaluation is to establish how the Board has executed its tasks during the year and to act as a basis for the development of the Board's work.

Board's Committees

The practical ways of working of the Board's Committees shall be further defined in their Charters 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 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.

Audit and Risk Committee

The Board has established an Audit and Risk Committee consisting

of four Board members, who are independent of the company. The Audit and Risk Committee's task is to monitor the statutory audit of the financial statements and consolidated financial statements, to evaluate the independence of the statutory auditor or audit firm, particularly the provision of related services to the company, and to prepare the proposal for resolution on the election of the auditor.

The Audit and Risk Committee's operation procedures have been specified further in the Board Audit and Risk Committee Charter, approved by the Board.

In 2013, Outotec's Audit and Risk Committee focused especially on new financial segment reporting as per organizational change on 1 July, 2013, as well as on Outotec's internal risk management systems and internal controls.

The members of the Audit and Risk Committee were **Hannu Linnoinen** (Chairman), **Eija Ailasmaa** (until 26 March, 2013), **Anja Korhonen** (as of 26 March, 2013), **Timo Ritakallio**, and **Poju Zabludowicz**, all having appropriate education and experience in corporate finance. In 2013, the Audit and Risk Committee met six times.

The attendance of members in Audit and Risk Committee meetings was the following (92%):

Participation in 2013	Meetings
Ritakallio Timo	6/6
Korhonen Anja (as of 26 March, 2013)	5/5
Linnoinen Hannu	6/6
Zabludowicz Poju	4/6
Ailasmaa Eija (until 26 March, 2013)	1/1

Human Capital Committee

The Board has established in November 2010 a Human Capital Committee, which consisted of three members in 2013. The Human Capital Committee shall, in addition to the customary duties belonging to remuneration committees, assume a strong role in duties pertaining to human resources policies and processes.

The Human Capital Committee is charged with duties relating to employee benefit plans and compensation as well as remuneration of the CEO and other executives. The Human Capital Committee will also prepare matters pertaining to the appointment of the CEO and his/her possible deputy and other executives as well as the identification of their successors.

The Human Capital Committee operation procedures have been further specified in the Board Human Capital Committee Charter, approved by the Board.

The members of the Human Capital Committee in 2013 were **Matti Alahuhta** (Chairman as of 26 March, 2013) **Eija Ailasmaa**, **Tapani Järvinen**, **Carl-Gustaf Bergström**, (Chairman until 26 March, 2013) and **Karri Kaitue** (until 26 March, 2013). The Human Capital Committee convened three times during 2013.

The attendance of members in Human Capital Committee meetings was the following (100%):

Participation in 2013	Meetings
Alahuhta Matti (as of 26 March, 2013)	2/2
Ailasmaa Eija	3/3
Järvinen Tapani	3/3
Bergström Carl-Gustaf (until 26 March, 2013)	1/1
Kaitue Karri (until 26 March, 2013)	1/1

DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER (CEO)

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

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

It is further the duty of the CEO to ensure that the company's operations are in compliance with the laws and regulations applicable at the time.

The CEO may have a deputy who will attend to the duties of the CEO in the event that the CEO is prevented from doing so him/herself. The CEO shall make his/her most important decisions in the Executive Board meetings, and such decisions shall be recorded in the minutes of these meetings. On June 4, 2009, the Board of Directors of Outotec Oyj appointed Mr. **Pertti Korhonen**, born 1961, M. Sc. (Eng) as the new President and Chief Executive Officer of Outotec Oyj. Mr. Korhonen joined Outotec on September 1, 2009, served as Chief Operating Officer as of October 1, 2009 and has assumed the duties of CEO as of January 1, 2010. No deputy to CEO has been appointed.

EXECUTIVE BOARD

The Executive Board consists of the CEO, his/her deputy (if one has been appointed), the Chief Financial Officer and the Executive Vice Presidents and Senior Vice Presidents responsible for the regions, business areas and global functions. The role of the Executive Board is to manage the Group's business as a whole. The Executive Board members

have extensive authorities in their individual areas of responsibility and have the duty to develop the Group's operations in line with the targets set by the Board of Directors and the CEO. Executive Board meetings are convened by the CEO on a regular basis and all decisions made are recorded in minutes.

In 2013, the Executive Board special focus areas have been Outotec's long-term strategy, Outotec's organizational structure and its scalability as well as challenges on the business environment and the EUR 50 million cost saving program announced in October 2013.

OUTOTEC EXECUTIVE BOARD:

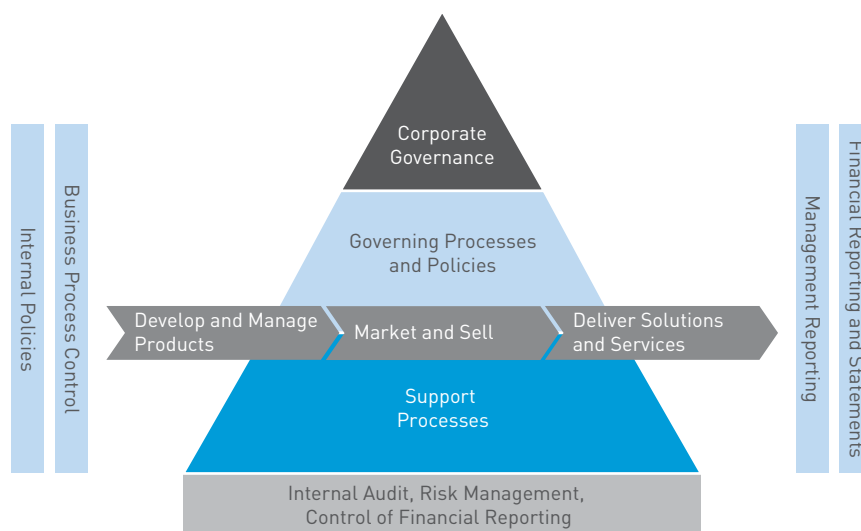
Pertti Korhonen, President and CEO
Jari Rosendal, President of Americas Region
Peter Weber, President of EMEA Region
Kimmo Kontola, President of APAC Region (as of 1 July, 2013)
Robin Lindahl, President of Metals, Energy and Water Business Area
Kalle Härkki, President of Minerals Processing Business Area

Michael Frei, Senior Vice President – Supply & CPO
Kari Knuutila, Chief Technology Officer
Olli Nastamo, Senior Vice President – Operational Excellence (as of 1 August, 2013)
Minna Aila, Senior Vice President – Communications and Corporate Responsibility
Mikko Puolakka, Chief Financial Officer
Kirsi Nuotto, Senior Vice President – Human Resources (as of 9 January, 2013)
Nina Kiviranta, General Counsel (as of 18 March, 2013)
Pia Kåll, Senior Vice President – Strategy and M&A (as of 1 July, 2013)
Ari Jokilaakso, Senior Vice President – Human Capital (until 9 January, 2013)
Pekka Erkkilä, President, Ferrous Solutions business area (until 30 June, 2013)
Mika Saariaho, Chief Strategy Officer (until 30 June, 2013)
Tapio Niskanen, Senior Vice President – Business Infrastructure (until 31 July, 2013)

CONTROL SYSTEMS

The general governance principles and Outotec's self-regulatory framework provide the basis for Outotec's operations. In order to ensure the proper functioning of the governance model Outotec Oyj's Board of Directors has defined the principles for Outotec's internal control.

INTERNAL CONTROL FRAMEWORK AND RISK MANAGEMENT



INTERNAL AUDIT

Internal audit is a fundamental part of Outotec's corporate governance and management systems. Internal audit assists the Board of Directors in supervising and controlling the company. The role of internal audit activity is to monitor that the company's operations are efficiently managed and profitable, risk management is at sufficient level and the provided reports for external and internal purposes are accurate. The internal audit system also verifies that the defined principles, policies and instructions are followed and internal audit assists in the investigation of suspected fraudulent activities within the organisation.

Internal audit is designed to add value and improve Outotec's operations by acting as an independent, objective assurance and consulting service. Internal audit helps Outotec to support a good organizational governance, gives an independent perspective for the management in considering

and reviewing company operations, and accomplishes its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

The company's Internal Audit function reports administratively to the Chief Financial Officer but in matters related to the internal audit directly to the Board's Audit and Risk Committee and the CEO. The Audit and Risk Committee approves the annual and long-term internal audit plans. Audit findings, recommendations and management corrective actions are reported regularly to the Audit and Risk Committee.

In 2013, specific audits were conducted in following areas; supply function and processes, vendor and customer master data maintenance as well as integration of the acquired energy products business. Furthermore, follow-up audits were carried out in order to verify the

implementation of the corrective actions from past audits.

RISK MANAGEMENT

Risk management is an integral part of Outotec management system and internal control framework. It aims at assessing the risks in a systematic way in order to facilitate profound planning and decision making process. Risk management covers all parts of the organization and captures risks from strategic to operational risks. Risk management supports the management and the Board of Directors to ensure that the company can execute its strategy effectively.

Outotec operates in accordance with its enterprise risk management policy, which specifies the objectives, approaches and areas of responsibility of risk management. Outotec's risk management includes Group level and project-specific risk management processes, which all increase the reliability of the financial reporting. The enterprise

risk management policy acts as an umbrella for all risk management activities within Outotec. Outotec's PRIMA (Project Risk Identification and Management) process, financial risk management activities, QEHS (Quality, Environment, Health and Safety) systems, and Corporate responsibility policy form an integral part of the enterprise risk management.

Outotec's Board of Directors oversees and approves Outotec Risk Management Policy and the related processes. The policy defines the objectives, principles, operating procedures, organization and responsibilities of risk management as well as the reporting and follow-up procedures. Board's Audit and Risk Committee is responsible for reviewing the risk assessments and reports to the Board. The Audit and Risk Committee also oversees how the management monitors compliance with the Group's risk management policies and procedures

and reviews the adequacy of the risk management framework in relation to the risks faced by Outotec. The CEO and the Executive Board are responsible for defining and implementing risk management processes and for ensuring that risks are taken into account in the company strategy planning and operative business. Business Areas, Regions and Global Functions are responsible for achieving their strategic targets and for mitigating and managing all their risks with support from risk management and contract management.

Risk management and operational control is managed by the Corporate Finance & Control function headed by the Chief Financial Officer. Functionally risk management has direct access to the Executive Board, the CEO, the Audit and Risk Committee and the Board of Directors.

Risks are assessed regularly and reported to the CEO and the

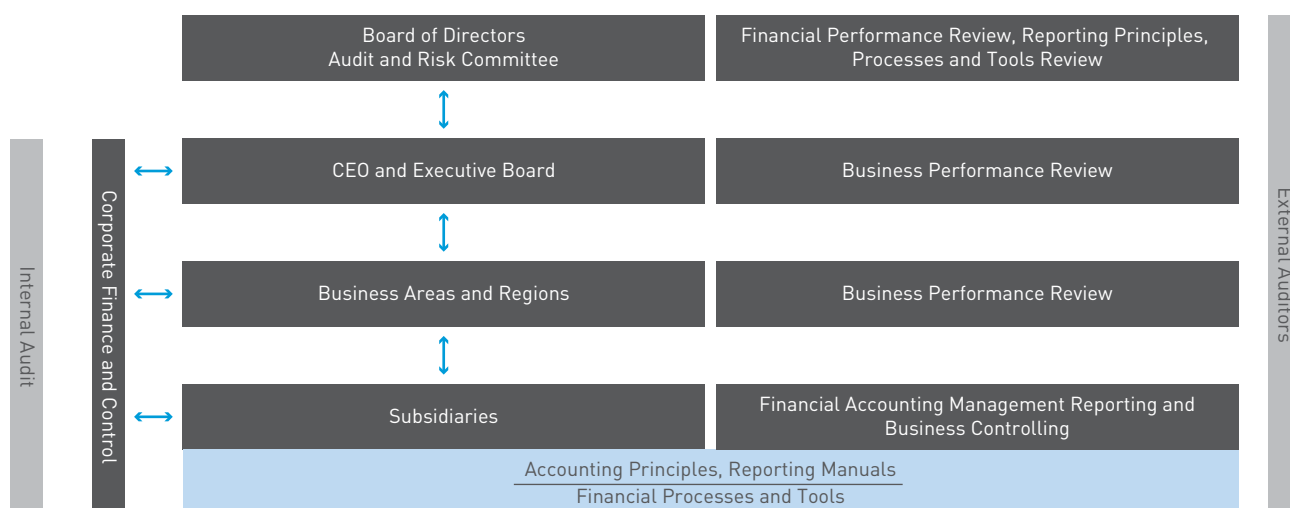
Executive Board, the Audit and Risk Committee and the Board of Directors on risk identification and risk management measures. The main risks related to Outotec are strategic, operational, project and finance risks, which may affect significantly Outotec's reported financial information. Most significant risks and uncertainties related to Outotec's business are described in the Board of Director's report. Financial risks are described in the notes to financial statements and operational and project risks according to PRIMA process are described in the company's web site.

In 2013, the risk management activities have been conducted on the basis of the Outotec Enterprise Risk Management Policy. Special focus has been put in harmonizing the project risk assessment and management principles across the company.

FINANCIAL REPORTING CONTROLS

Internal control in the framework of financial reporting aims at providing assurance that the financial reporting is reliable and in line with the generally accepted accounting principles, applicable laws and regulations as well as internal reporting principles. The financial reporting framework in Outotec is based on Group wide instructions, financial processes and common reporting platform. This framework is supported by Outotec's values, honesty and high ethical standards as well as frequent training and information exchange through meetings where information about financial processes is shared.

OUTOTEC FINANCIAL REPORTING CONTROLS



The Board of Directors bears the overall responsibility for the internal control over financial reporting. Financial performance is reviewed by the Board. The Board has appointed an Audit and Risk Committee, which in addition to other tasks monitors on regular basis also the financial reporting principles and accuracy of the financial reporting. The CEO and the Executive Board as well as the management teams in Business Areas and Regions conduct a monthly review of the historical financial performance and business outlook. Central part of the review is the

financial performance of delivery projects. Controlling functions in subsidiaries are responsible for ensuring that the business transactions are reported according to the Group accounting principles. The Internal Audit function performs regular checks on the financial reporting and reports directly to the Audit and Risk Committee and the CEO. The corporate wide financial management and control is coordinated by the Corporate Finance & Control function headed by the Chief Financial Officer. The operational responsibility for

internal controls lies in subsidiaries, Business Areas, Regions and Global Functions.

The Corporate Finance & Control function maintains common instructions for financial reporting, acts as process owner for financial processes and controls centrally the reporting platforms. The application and interpretation of accounting standards for the Group wide purposes is done by the Corporate Finance & Control and those principles are documented in the Outotec Accounting Policy and reporting manual. Reporting

principles are implemented by the network of controllers in Business Areas, Regions and Global Functions. Outotec's internal and external financial transactions are recorded in several different financial transaction systems. The company is in a process of reducing the number of these systems significantly in the coming years. The financial information is collected from the financial transaction systems to a common consolidation system to ensure standardized external and internal financial information. Internal management reporting is always matched with the external reporting in order to ensure that the internal and external reporting is based on the same information. Changes in accounting system master data are managed centrally to ensure data integrity. Automatic interfaces between financial transaction platforms and the consolidation systems are applied when reasonable. User rights for the financial IT systems and segregation of duties as well as consistent and well documented processes are an important part of the internal control.

Outotec's monthly financial review process forms a key control mechanism when measuring the effectiveness of operations and the development of the company versus the set financial targets. Monthly reporting includes detailed analysis of deviations between actual results, budget, previous year and latest forecast. In addition to the financial information the reporting covers also other key performance indicators for measuring the operational performance of the Group, Business Areas and Regions as well as cost development of Global Functions. As project deliveries represent majority of Outotec's sales, project risk management and project control are the key processes for providing information for financial control and reporting.

Financial performance and outlook are reviewed on monthly basis on all organizational levels. Special emphasis is put on the review of project related contractual risks, project provisions and financial performance. Project related financial performance and risks are reviewed also by the Audit and Risk Committee on quarterly basis. Controllers participate in evaluating the performance as well as in planning activities. Controllers' responsibility is also to ensure that the reporting follows corporate guidelines and time schedules.

During year 2013, special emphasis was put on training specific areas of the Outotec Accounting Policy and management reporting, further harmonizing financial processes as well as taking into use the new management reporting system to increase the transparency over matrix organization. The implementation of a common ERP system (SAP) continued in 2013 after the three first pilots were implemented in 2012. Roll-outs are expected to continue over the next few years.

AUDITORS

The company has one auditor which shall be an auditing firm authorized by the Central Chamber of Commerce. The auditor is elected by the Annual General Meeting to audit the accounts for the ongoing financial year and its duties cease at the close of the subsequent Annual General Meeting. The audit firm performs an annual audit of the accounting records for each financial year, the annual accounts and the corporate governance of the company. The audit of the company also includes an examination of the consolidated annual accounts for the company, as well as the relationships between the Group companies. This calls for cooperation between the auditor of the company and the auditors of the

other Group companies world-wide. In the scope of the audit, it is taken into account that the company has its own separate internal audit function. On closing of the annual accounts, the external auditor submits the statutory auditor's report to the company's shareholders, and it also regularly reports the findings to the Board of Directors' Audit and Risk Committee. An auditor, in addition to fulfilling general competency requirements, must also comply with legal independence requirements guaranteeing the execution of an independent and reliable audit.

In 2013, the company paid a fee of EUR 856,000 (2012: 679,000) for the auditing services. Additionally, the company paid EUR 608,000 (2012: 886,000) for non-auditing related consultation.

In the Annual General Meeting on March 26, 2013, Public Accountants PricewaterhouseCoopers Oy was elected as the company's auditor.

REMUNERATION

Outotec has adopted a compensation policy reflecting the following principles:

- The total compensation package should closely align the interests of Outotec, its shareholders, and all employees of Outotec
- A significant proportion of total compensation should be based on the company's operating performance in the short- and long-term, and on each employee's individual performance
- In order to attract and retain highly competent professionals, the total compensation package of employees with key competence and a high level of individual performance should be competitive compared to relevant labor market compensation

In 2013, the total compensation in Outotec includes the following components which vary by employee:

- 1) Base salary
- 2) Short-term incentives
 - Outotec's global annual bonus system, or project bonus
- 3) Long-term incentives
 - Share-based Incentive Program or comparable system for selected employees
 - Share Savings Plan or comparable for all personnel
 - CEO and Executive Board share ownership plan
- 4) Rewards for innovation
- 5) Ad-hoc rewarding for extraordinary achievements
- 6) Pension and life insurance benefits

Short-term incentives

At Outotec, annual bonuses are determined on the basis of attainment of the company's financial targets, as well as targets set for the employees or departments concerned. Personal targets form at most one third of one's total incentive bonus. As a general rule, the total bonus percentage ranges from 10 to 60 percent of the employee's annual salary, depending on the job grade or the position of the employee. The annual bonus program covers almost all personnel of Outotec. In addition, the Board may decide to set some project-related bonuses.

Long-term incentives

Share-based Incentive Program 2013–2015

Outotec's Board of Directors decided on 16 January, 2013 to adopt a Share-based Incentive Program for the company's key personnel for years 2013–2015. The Board of Directors determines annually the maximum number of allocated shares, the participants, the length of earning period, the amount of the maximum reward for each individual, the earning criteria and the targets established for them. The length of the earning and measurement period can vary from one to three years. A

precondition for the Executive Board members for being eligible for the Share-based Incentive Program is that s/he also participates in Outotec's Employee Share Savings Plan.

Earning period 2013

The Board of Directors authorized the CEO to approve the participants for the program's 2013 earning period and set targets for earnings per share, order intake and sales growth compared to key competitors. At the end of 2013, there were 172 participants with right to earn, on the basis of achievements of set targets, a maximum number of 824,125 shares of the company and cash to cover income taxes.

Share-based Incentive Program 2010–2012

Outotec's Board of Directors decided on 23 April, 2010, to adopt a share-based Incentive Program 2010–2012 for the company's key personnel.

Earning period 2011

A total of 498,072 Outotec shares were allocated for the 2011 earning period with a cost of approximately EUR 9,3 million, which is booked for the financial periods 2011–2013.

Earning period 2012

A total of 514,160 Outotec shares were allocated in 2013 for the 2012 earning period with a cost of approximately EUR 10.0 million, which is booked for the financial periods 2012–2014.

CEO and Executive Board share ownership plan

In 2010, Outotec's Board of Directors determined a share ownership plan directed to CEO and the members of the Outotec Executive Board. As part of the plan, the CEO and the Executive Board members established Outotec Management Oy, the entire share capital of which

was owned by them. The CEO and the Executive Board members invested their own funds into Outotec Management Oy to finance the purchase of Outotec shares. In addition the purchase of Outotec shares to Outotec Management Oy was financed by an interest-bearing loan at the maximum amount of EUR 4,980,000 which Outotec Oyj's Board of Directors granted to Outotec Management Oy.

An announcement to dissolve Outotec Management Oy in accordance with its terms and conditions was made on October 25, 2012. Before the dissolution the CEO and the Executive Board members held 203,434 shares (813,736 shares after the share split) or 0.44% of Outotec shares through Outotec Management Oy.

Outotec Board of Directors decided on May 8, 2013 to execute a share exchange where Outotec issued 442,115 existing Outotec Oyj shares to the shareholders of Outotec Management Oy (CEO's portion: 81,048 shares) against the net assets of Outotec Management Oy. Based on the decision, Outotec Oyj became the sole shareholder of Outotec Management Oy and the owner of the 813,736 Outotec shares held by Outotec Management Oy. Outotec Management Oy was merged to Outotec Oyj on 31 December, 2013.

Employee Share Savings Plan

Outotec's Board of Directors decided on 25 September, 2012, to launch an Employee Share Savings Plan for Outotec employees globally. The plan commenced from 1 January, 2013, with the first savings period being one calendar year.

Outotec employees have a possibility to save a proportion of their salary for purchasing Outotec shares. To encourage participation, Outotec offers each employee participating in the Plan in 2013 one free share for each acquired share

(in 2014 one free share for each two acquired shares) after a designated holding period of approximately three years. Free shares are taxable income for the recipient and will be paid partly in Outotec's shares and partly in cash. The cash proportion is

intended for covering taxes and tax-related payments.

Board of Directors decided on 3 September, 2013 to continue the plan also in 2014. The following savings periods are subject to a separate Board decision.

The total savings of employees have been capped to EUR 7 million in 2013 and EUR 6 million in 2014.

Globally approximately 34% of Outotec employees in 2013 and 33 % in 2014 are participating in Employee Share Savings Plan.

Remuneration paid to the Board of Directors, EUR	2013	2012
Alahuhta Matti, Chairman (as of March 26, 2013)	78,600	-
Ritakallio Timo, Vice Chairman	60,600	52,900
Ailasmaa Eija	43,800	52,400
Järvinen Tapani	43,800	54,400
Korhonen Anja (as of March 26, 2013)	46,800	-
Linnoinen Hannu	60,600	67,900
Zabludowicz Poju	46,200	39,600
Bergström Carl-Gustaf (until March 26, 2013)	1,200	96,400
Kaitue Karri (until March 26, 2013)	1,200	69,400
Soila Anssi (until March 23, 2012)	-	11,000

Remuneration paid to the CEO and Executive Board members in 2013, EUR					
	Wages	Benefits	Bonuses	Share based benefits	Total
CEO	578,301	24,311	208,111	658,003	1,468,727
Other Executive Board	2,914,356	550,532 ¹⁾	797,133	2,840,616	7,102,636

¹⁾Three members of the Executive Board are assigned temporarily abroad. As a difference to previous years, benefits include compensation of costs related to these foreign assignments for example accommodation and car lease.

In addition, CEO and part of Executive Board members received Outotec shares through share exchange when dissolving Outotec Management Oy (CEO and Executive Board share ownership plan). Details can be found in paragraph "CEO and Executive Board share ownership plan" on page 9.

Remuneration paid to the CEO and Executive Board members in 2012, EUR					
	Wages	Benefits	Bonuses	Share based benefits	Total
CEO	538,014	19,028	300,537	630,153	1,487,732
Other Executive Board	2,475,304	159,787	874,236	2,861,032	6,370,359