

**Kemira Oyj: Proposals of the Board of Directors and the Nomination Committee to the Annual General Meeting 2011**

Following proposals will be submitted to the Annual General Meeting:

- Resolution on the use of the profit shown on the balance sheet and on dividends
- Remuneration and composition of the Board of Directors
- Remuneration and election of the auditor
- Share repurchase authorization
- Share issue authorization
- Proposal of the Board of Directors for the establishment of the Nomination Board

The Annual General Meeting of Kemira Oyj will be held in the Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland on Tuesday, March 22, 2011, at 1.00 pm. The invitation will be published on February 24, 2011 in Helsingin Sanomat, Kauppalehti and on Kemira's website.

**Resolution on the use of the profit shown on the balance sheet and on dividends**

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.48 per share be paid based on the adopted balance sheet for the financial year which ended on December 31, 2010. The dividend will be paid to a shareholder who is registered in the Company's Shareholder Register maintained by Euroclear Finland Ltd on the record date, March 25, 2011. The Board of Directors proposes that the dividend be paid out on April 1, 2011.

**Resolution on the remuneration of the Chairman, the Vice Chairman and the members of the Board of Directors**

The Board of Directors of Kemira Oyj decided on March 16, 2010, to assemble a Nomination Committee to prepare a proposal for the Annual General Meeting concerning the composition and remuneration of the Board of Directors. Kemira's Nomination Committee members are Jari Paasikivi, President and CEO of Oras Invest Oy; Kari Järvinen, Managing Director of Solidium Oy; Risto Murto, Chief Investment Officer, Varma Mutual Pension Insurance Company; Timo Ritakallio, Deputy CEO, Ilmarinen Mutual Pension Insurance Company and the Chairman of the Board of Directors Pekka Paasikivi as an expert member.

The Nomination Committee proposes to the Annual General Meeting that the remuneration paid to the members of the Board of Directors will be as follows: the Chairman will receive 74,000 euro per year, the Vice Chairman 45,000 euro per year and the other members 36,000 euro per year. A fee payable for each meeting of the Board and its committees would be for the members residing in Finland 600 euro, the members residing in rest of Europe 1,200 euro and the members residing outside Europe 2,400 euro. Travel expenses are proposed to be paid according to Kemira's travel policy.

In addition, the Nomination Committee proposes to the Annual General Meeting that the annual fee be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the company's shares owned by the company or, if this is not possible, shares purchased from the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of the Board of Directors within two weeks from the release of Kemira's interim report January 1 – March 31, 2011.

The meeting fees are proposed to be paid in cash.

**Resolution on the number of members of the Board of Directors and election of the Chairman, the Vice Chairman and the members of the Board of Directors**

The Nomination Committee proposes to the Annual General Meeting that seven members be elected to the Board of Directors and that the present members Elizabeth Armstrong, Wolfgang Büchele, Juha Laaksonen, Pekka Paasikivi, Kerttu Tuomas and Jukka Viinanen be re-elected as members of the Board of Directors and Winnie Kin Wah Fok be elected as a new member of the Board of Directors. The Nomination Committee proposes that Pekka Paasikivi will be elected to continue as the Chairman of the Board of Directors and that Jukka Viinanen will be elected to continue as the Vice Chairman.

Ms. Winnie Kin Wah Fok (b. 1956). Bachelor of Commerce, (University of New South Wales, Australia) is currently working as a Senior Advisor of Investor AB and of Husqvarna Group. She is currently also a Board member of AB SKF, Volvo Car Corporation and G4S plc. (UK). She is a citizen of Hong Kong, China.

Information on the individuals proposed to be elected as the members of the Board of Directors is available at Kemira's website at [www.kemira.com](http://www.kemira.com) > Investors > Corporate Governance > Annual General Meeting > Annual General Meeting 2011.

**Resolution on the remuneration of the auditor**

The Board of Directors proposes to the Annual General Meeting on the recommendation of the Audit Committee, that the Auditor's fees be paid against an invoice approved by Kemira.

**Election of the auditor**

The Board of Directors proposes to the Annual General Meeting on the recommendation of the Audit Committee, that KPMG Oy Ab be elected as the Company's auditor KHT Pekka Pajamo acting as the principal auditor.

**Proposal of the Board of Directors for authorizing the Board of Directors to decide on the repurchase of the company's own shares**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to decide upon repurchase of a maximum of 4,500,000 Company's own shares ("Share repurchase authorization").

Shares will be repurchased by using unrestricted equity either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or otherwise than in proportion to the existing shareholdings of the Company's shareholders in public trading on the NASDAQ OMX Helsinki Ltd (the "Helsinki Stock Exchange") at the market price quoted at the time of the repurchase.

The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.

Shares shall be acquired and paid for in accordance with the Rules of the Helsinki Stock Exchange and Euroclear Finland Ltd.

Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the Company's capital structure, improving the liquidity of the Company's shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the Company.

The Board of Directors will decide upon other terms related to share repurchase.

The Share repurchase authorization is valid until the end of the next Annual General Meeting.

#### **Proposal of the Board of Directors for authorizing the Board of Directors to decide on share issue**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to decide to issue a maximum of 15,600,000 new shares and/or transfer a maximum of 7,800,000 Company's own shares held by the Company ("Share issue authorization").

The new shares may be issued and the Company's own shares held by the Company may be transferred either for consideration or without consideration.

The new shares may be issued and the Company's own shares held by the Company may be transferred to the Company's shareholders in proportion to their current shareholdings in the Company, or by disapplying the shareholders' pre-emption right, through a directed share issue, if the Company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the Company, improving the liquidity of the Company's shares or if this is justified for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the implementation of the Company's share-based incentive plan.

The subscription price of new shares shall be recorded to the invested unrestricted equity reserves. The consideration payable for Company's own shares shall be recorded to the invested unrestricted equity reserves.

The Board of Directors will decide upon other terms related to the share issues.

The Share issue authorization is valid until May 31, 2012.

#### **Proposal of the Board of Directors for the establishment of the Nomination Board**

The Board of Directors proposes that the Annual General Meeting decides to establish a Nomination Board as follows:

1. The Annual General Meeting decides to establish a Nomination Board comprising of the shareholders or the representatives of the shareholders to prepare proposals concerning the composition and remuneration of the Board of Directors for the next Annual General Meeting.
2. The tasks of the Nomination Board are

- a. preparation of the proposal for the Annual General Meeting concerning the composition of the Board of Directors;
  - b. preparation of the proposal for the Annual General Meeting concerning the remuneration of the Board of Directors;
  - c. identification of successor candidates for the members of the Board of Directors; and
  - d. presentation of the proposal concerning the composition and remuneration of the Board of Directors to the Annual General Meeting.
3. The Nomination Board shall consist of the four largest shareholders or the representatives of such shareholders and the Chairman of the Board of Directors of Kemira Oyj acting as an expert member. The four shareholders having the most voting rights on August 31, 2011 according to the company's shareholders' register maintained by Euroclear Finland Ltd, shall have a right to appoint a member to the Nomination Board. In case a shareholder, who has a duty to disclose certain ownership changes based on the Securities Market Act (disclosure obligation of holdings), presents no later than on August 30, 2011 a written demand to the Board of Directors of the company concerning the matter, the shareholdings of such shareholder which are registered in several funds or registers shall be summed up when calculating the voting rights of such shareholder. In case a shareholder does not wish to use his right to appoint a member to the Nomination Board, such right will pass on to the shareholder who according to the shareholder register is the next largest shareholder and who otherwise would not have the appointment right.
  4. The Nomination Board shall be convened by the Chairman of the Board of Directors. The Nomination Board shall elect a Chairman among its members.
  5. The Nomination Board shall deliver its proposal to the Board of Directors no later than on February 1, 2012.

According to the view of the Board of Directors, it is in the best interest of the company and its shareholders that the biggest shareholders participate in preparing nomination and compensation issues related to the Board of Directors.

**For more information, please contact**

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**Kemira** is a global two billion euro chemicals company that is focused on serving customers in water-intensive industries. The company offers water quality and quantity management that improves customers' energy, water, and raw material efficiency. Kemira's vision is to be a leading water chemistry company.

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