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Governance

2017

# Corporate Governance Statement 2017

Fortum Corporation (FORTUM) has been listed on Nasdaq Helsinki since 18 December 1998. Fortum's industrial sector, according to the Global Industry Classification Standard, is Electric Utilities. The State of Finland is the majority owner in Fortum with 50.76% of the shares as of 31 December 2017.

Corporate governance at Fortum is based on Finnish laws and the company's Articles of Association. Fortum complies fully with and has prepared this corporate governance statement in accordance with the Finnish Corporate Governance Code 2015. The corporate governance statement is issued separately from the operating and financial review, and it has been reviewed by the Audit and Risk Committee of Fortum's Board of Directors.

Fortum prepares consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Finnish Securities Markets Act as well as the appropriate Financial Supervision Authority's regulations and guidelines and Nasdaq Helsinki's rules. The company's operating and financial review and the parent company financial statements are prepared in accordance with the Finnish Companies Act, Accounting Act, Securities Markets Act, and the opinions and guidelines of the Finnish Accounting Board.

The auditor's report covers the consolidated financial statements and the parent company financial statements. The Finnish Corporate Governance Code 2015 is available on the website of the Securities Market Association at <http://www.cgfinland.fi>

## Description of Governance

### Governing bodies of Fortum

The decision-making bodies managing and overseeing the Group's administration and operations are the General Meeting of Shareholders, the Board of Directors with its two Committees, the Audit and Risk Committee and the Nomination and Remuneration

Committee, and the President and CEO, supported by the Fortum Executive Management.

Fortum also has an informal Advisory Council consisting of representatives of Fortum's stakeholder groups as invited by the Board of Directors. The Advisory Council aims to advance Fortum's businesses by facilitating a dialogue and exchange of views between Fortum and its stakeholders. During 2017, the Advisory Council consisted of 14 representatives of Fortum's stakeholder groups and three employee representatives.

As sustainability is an integral part of Fortum's strategy, the highest decision making of these issues falls on the duties of the Board of Directors, who share joint responsibility on sustainability matters. Therefore Fortum has not established a specific Sustainability Committee for decision making on economic, environmental and social issues. The Audit and Risk Committee, members of the Fortum Executive Management, and other senior

executives support the Board of Directors in the decision-making in these matters, when necessary.

### General Meeting of Shareholders

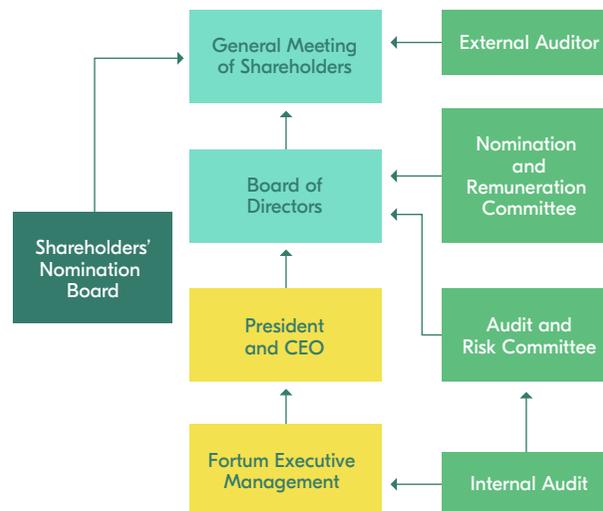
The General Meeting of Shareholders is the highest decision making body of Fortum. Every shareholder has the right to attend the General Meeting, propose items for the agenda of the General Meeting and exercise his/her power of decision in matters belonging to the General Meeting by law, as stipulated in the Finnish Companies Act. Each share is entitled to one vote. A shareholder who is present at the General Meeting of Shareholders also has the right to request information on matters to be considered at the meeting. Before the end of each financial year Fortum states on the Annual General Meeting website and in the Investor Relations calendar the date by which a shareholder must declare his/her proposals to the General Meeting.

Decisions at the General Meeting of Shareholders are primarily made by a simple majority of votes. Such decisions include, for example, resolutions on the adoption of the financial statements, payment of dividends, discharging the members of the Board of Directors and the President and CEO from liability, appointment of the Board of Directors and the external auditors, and deciding on their remuneration.

In accordance with Fortum's Articles of Association and the Finnish Companies Act, a notice to convene the General Meeting of Shareholders is issued by the Board of Directors. The notice is delivered no more than three months and no less than three weeks before the General Meeting of Shareholders by publishing the notice on the company's website or in two newspapers chosen by the Board of Directors. The Annual General Meeting of Shareholders is to be held once a year, in June at the latest.

An Extraordinary General Meeting of Shareholders shall be held whenever the Board of Directors finds it necessary or when it is required by law to convene such a meeting.

### Governing bodies of Fortum



### The main duties of Annual General Meeting of shareholders include:

- Adoption of the parent company financial statements and consolidated financial statements
- Resolution on the use of the earnings shown on the balance sheet and the payment of dividends
- Resolutions on the discharge from liability of the members of the Board of Directors and the CEO
- Resolution on the remuneration of the members of the Board of Directors
- Resolution on the number of members of the Board of Directors
- Election of the chairman, deputy chairman and members of the Board of Directors
- Resolution on the remuneration of the external auditor
- Election of the external auditor

### General Meetings in 2017

Fortum's Annual General Meeting was held at the Finlandia hall in Helsinki on 4 April. No Extraordinary General Meeting of Shareholders was held in 2017.

### Shareholders' Nomination Board

The Annual General Meeting on 9 April 2013 established a permanent Shareholders' Nomination Board. The purpose and task of the Shareholders' Nomination Board is to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal on the remuneration, size and members of the Board of Directors. In addition, the Shareholders' Nomination Board seeks candidates for potential board members.

The Shareholders' Nomination Board consists of four members, three of which are appointed by the company's three largest shareholders, who shall appoint one member each. The Chairman of the Board of Directors serves as the fourth member. The members are nominated annually and their term of office ends when new members are nominated to replace them. Fortum's three largest shareholders that are entitled to appoint members to the Shareholders' Nomination Board are determined on the basis of the registered holdings as of the first working day in September in the year concerned. In the event that a shareholder does not wish to exercise their right to appoint a representative, it shall pass the right to the next-largest shareholder who would not otherwise be entitled to appoint a member to the Nomination Board. The Shareholders' Nomination Board forwards its proposals for the Annual General Meeting to the Board of Directors by 31 January each year.

### Diversity Principles for the Board of Directors

The Shareholders' Nomination Board uses diversity principles for the Board of Directors in line with the Corporate Governance Code 2015. The principles are applied in preparing proposal concerning nomination of board members. The diversity principles include, among others, that the board composition shall include expertise from the geographical areas where Fortum conducts its business, the background profession of the board members shall include

such competences that support realisation of Fortum's strategy and that enable board members to challenge management decisions and to exercise their role of having oversight. In addition, the board composition shall include both genders. Fortum's target is to comply with the principles issued in the Government Resolution dated 17 February 2015 on equal gender representation in the boards of listed companies with the aim of the board consisting of at least 40% each of women and men by 2020. The Shareholders' Nomination Board reviews the diversity principles and their implementation annually.

Fortum reports the objectives, actions and progress of the diversity principles in its corporate governance statement. The Shareholders' Nomination Board has applied the diversity principles in preparing the proposal concerning nomination of board members for the Annual General Meeting 2017 and for the upcoming Annual General Meeting of 2018. The Shareholders' Nomination Board deems that the current board composition and the proposed board members for the Annual General Meeting 2018 include all the competences defined in the diversity principles in well balanced manner.

The proposal for the board members for the Annual General Meeting 2018 consists of 3 women and 5 men. The current Board of Directors consists of 3 women and 4 men, corresponding to a ratio of 42.9% and 57.1%.

### Shareholders' Nomination Board prior to the Annual General Meeting 2018

In October 2017, the following persons were appointed to the Shareholders' Nomination Board: Pekka Timonen, b. 1960, Doctor of Laws (LL.D.), Director General of Ministry of Economic Affairs and Employment (Chairman); Timo Ritakallio, b. 1962, D.Sc. (Tech.), LL.M., MBA, President and CEO, Ilmarinen Mutual Pension Insurance Company and Elli Aaltonen (b. 1953, D.Sc. (Soc.), docent, Director General, Social Insurance Institution of Finland (KELA). The Chairman of the Board of Directors, Sari Baldauf, acts as a member of the Shareholders' Nomination Board. The Nomination Board convened 4 times and the attendance rate was 100%.

The Shareholders' Nomination Board proposed to the Annual General Meeting 2018, which will be held on 28 March 2018, that the fees to be paid to the members of the Board of Directors are for a term ending at the end of the Annual General Meeting 2019 as follows: for the chairman, EUR 75,000 per year; for the deputy chairman, EUR 57,000 per year; and for each member, EUR 40,000 per year, as well as for the chairman of the Audit and Risk Committee EUR 57,000 per year if he/she is not at the same time acting as chairman or deputy chairman of the Board of Directors. In addition, for each Board of Directors and Board Committee meeting a fee of EUR 600 is proposed. For Board of Directors members living outside Finland in Europe, the proposed fee for each meeting will be doubled, and for Board of Directors members

living outside Europe, the proposed fee for each meeting will be tripled. For Board of Directors members living in Finland, the proposed fee for each Board of Directors and Board Committee meeting will be doubled for meetings held outside Finland and tripled for meetings held outside Europe. For Board of Directors and Committee meetings held as a telephone conference, the proposed fee will be paid as single to all members. No fee will be paid for decisions made without a separate meeting.

In addition, the Shareholders' Nomination Board proposed that the Board of Directors consists of 8 members and that the following persons be elected to the Board of Directors for the upcoming term: Heinz-Werner Binzel, Eva Hamilton, Kim Ignatius, Matti Lievonen (chairman), Anja McAlister, Veli-Matti Reinikkala, and as new

members: Essimari Kairisto and Klaus-Dieter Maubach (deputy chairman).

### Shareholders' Nomination Board prior to the Annual General Meeting 2017

In September 2016, the following persons were appointed to the Shareholders' Nomination Board: Eero Heliövaara, b. 1956, M.Sc. (Econ.) and M.Sc. (Eng.), Director General of the Government Ownership Steering Department, Prime Minister's Office; Timo Ritakallio, b. 1962, D.Sc. (Tech.), LL.M., MBA, President and CEO, Ilmarinen Mutual Pension Insurance Company and Liisa Hyssälä, b. 1948, M.Sc. (Soc.), D.D.S., Director General, Social Insurance Institution of Finland (KELA). In addition, the Chairman of the Board of Directors, Sari Baldauf, was a member of the Shareholders' Nomination Board. The Nomination Board convened 3 times and the attendance rate was 100%.

Following the retirement of Liisa Hyssälä, Director General of KELA, her successor Elli Aaltonen (b. 1953, D.Sc. (Soc.), docent, Director General) replaced her as a member of the Shareholders' Nomination Board as of 1 January 2017. Ms Hyssälä participated in two meetings and Ms Aaltonen in one meeting.

The Shareholders' Nomination Board presented its proposal covering the members of the Board of Directors and the remuneration to be paid to them, on 27 January 2017.

### Board of Directors

The Board of Directors is responsible for the company's strategic development and for supervising and steering the company's business and management. Further, under the Articles of Association and in line with the Companies Act, the Board of Directors represents the company and is responsible for the proper arrangement of the control of the company's accounts and finances. The Board of Directors is also responsible for defining the company's mission and values.

The Board of Directors comprises five to eight members who are elected at the Annual General Meeting for a one-year term of office expiring at the end of the first Annual General Meeting following



the election. The Annual General Meeting also elects the Chairman and the Deputy Chairman of the Board of Directors.

The Board of Directors convenes according to a previously agreed schedule to discuss specified themes and issues on its charter. The Chairman of the Board of Directors prepares the agenda for the Board of Directors meeting based on the proposal by the President and CEO. The members of the Board of Directors have the right to suggest specific matters and have them included on the agenda. More than half of the members must be present at the meeting to constitute a quorum. Decisions of the Board

of Directors shall be made by a simple majority. The Board of Directors has approved a written charter for its work, the main content of which is disclosed herein, including the duties of the Board of Directors.

The President and CEO, the Chief Financial Officer, and the General Counsel, as secretary to the Board of Directors, attend the Board meetings on a regular basis. Other Fortum Executive Management members and senior executives attend as required.

As part of its duties, the Board of Directors conducts an annual self-assessment in order to further develop its work. In

accordance with the Finnish Corporate Governance Code, the Board of Directors also annually evaluates which of the directors are independent of the company and which are independent of its significant shareholders.

### Board of Directors in 2017

Until the Annual General Meeting held on 4 April 2017, the Board of Directors comprised the following eight members: Chairman Sari Baldauf, Deputy Chairman Kim Ignatius, Minoo Akhtarzand, Heinz-Werner Binzel, Eva Hamilton, Tapio Kuula, Veli-Matti Reinikkala and Jyrki Talvitie.

The Annual General Meeting on 4 April 2017 re-elected Ms Sari Baldauf as Chairman, and Mr Heinz-Werner Binzel, Ms Eva Hamilton, Mr Kim Ignatius, Mr Tapio Kuula and Mr Veli-Matti Reinikkala as Members, in addition as new members Mr Matti Lievonen as Deputy Chairman, and Ms Anja McAlister as member until the end of the Annual General Meeting in 2017. In November 2017, Tapio Kuula passed away. After evaluation, the Shareholders' Nomination Board confirmed the Board of Directors' ability to function with 7 members until the Annual General Meeting 2018.

The Chairman, the Deputy Chairman and the members of the Board of Directors were, with the exception of Tapio Kuula (Mr. Kuula acted as President and CEO of Fortum until 31 January 2015), independent of the company and all were independent of the company's significant shareholders. Three members, including the Chairman, are female and four members are male.

The Board of Directors met 17 times, and the attendance rate was 97%.

The Board of Directors focused especially on the development and implementation of the company's strategy, growth options, investments and acquisitions, including the Hafslund and Uniper transactions. Other focus areas included the market outlook and market development, as well as Fortum's competitiveness in the energy market transition. Based on the self-assessment conducted during the previous year, the Board of Directors set certain focus areas and amended certain processes in an effort to further enhance the efficiency of the board work.

### The main duties of the Board of Directors include:

- Strategic development and steering of the company's business and fields of activity
- Confirming the Group's Code of Conduct, operating principles and Group policies, including sustainability, and overseeing their implementation
- Ensuring that the administration and operations of the company are properly organised
- Ensuring that the accounting, financial administration and the risk management are arranged appropriately
- Confirming the Group's business plan on an annual basis
- Setting and following up the annual performance targets for the company and its management
- Reviewing the interim reports and approving the consolidated financial statements, the parent company financial statements and the operating and financial review
- Defining the dividend policy
- Deciding on major investments, divestments and business arrangements
- Confirming the Group's organisational structure at the top management level, and appointing and dismissing the members of the Fortum Executive Management
- Appointing and dismissing the President and CEO; deciding on his/her remuneration
- Appointing the Chairman and Deputy Chairman as well as members of the Fortum Corporation Advisory Council
- Convening the Annual General Meeting and the Extraordinary General Meeting, when necessary
- Deciding on the donations policy

## Fortum's Board of Directors on 31 December 2017

	Born	Nationality	Education	Occupation	Member since	Attendance at Board Meetings	Attendance at Board Committee Meetings	Share ownership (31 Dec 2017)
Ms Sari Baldauf, Chairman	1955	Finnish	M.Sc. (Econ.)	Non-executive director, Independent member of the Board of Directors	2009	17/17	Nomination and Remuneration Committee, 4/4	2,300
Mr Heinz-Werner Binzel	1954	German	Economics and electrical engineering degree	Independent consultant, Non-executive director, Independent member of the Board of Directors	2011	17/17	Audit and Risk Committee, 5/5	0
Ms Eva Hamilton	1954	Swedish	B.A. Journalism	Non-executive director, Independent member of the Board of Directors	2015	16/17	Nomination and Remuneration Committee, 4/4	40
Mr Kim Ignatius	1956	Finnish	B.Sc. (Econ.)	Non-executive director, Independent member of the Board of Directors	2012	17/17	Audit and Risk Committee, 5/5	2,400
Mr Veli-Matti Reinikkala	1957	Finnish	Executive MBA	Non-executive Director, Independent member of the Board of Directors	2016	17/17	Audit and Risk Committee, 5/5, Nomination and Remuneration Committee, 1/1	3,000
<b>Member of Fortum's Board of Directors since 4 April 2017</b>								
Mr Matti Lievonen, Deputy Chairman	1958	Finnish	B.Sc. (Eng.), Executive MBA	President & CEO of Neste Corporation, Independent member of the Board of Directors	2017	11/13	Nomination and Remuneration Committee, 3/3	1,500
Ms Anja McAlister	1960	Finnish	M.Sc. (Energy technology), MBA	Pöyry PLC, Head of Transformation and Strategy, Independent member of the Board of Directors	2017	13/13	Audit and Risk Committee, 4/5	0
<b>Member of Fortum's Board of Directors until 7 November 2017</b>								
Mr Tapio Kuula	1957	Finnish	M.Sc. (Eng.) M.Sc. (Econ.)	Non-executive director, Independent of the significant shareholders, not independent of the company	2015	14/15	Nomination and Remuneration Committee, 2/3	-
<b>Member of Fortum's Board of Directors until 4 April 2017</b>								
Ms Minoo Akhtarzand	1956	Swedish	M.Sc. (Electrical Engineering)	Governor in the County of Västmanland, Independent member of the Board of Directors	2011	4/4		-
Mr Jyrki Talvitie	1966	Finnish	Executive MBA, LL.M.	Sperbank, Vice President, Strategic Partners and Investors, Independent member of the Board of Directors	2014	4/4		-

## Board Committees

The committees of the Board of Directors are the Audit and Risk Committee and the Nomination and Remuneration Committee. The committees assist the Board of Directors by preparing and reviewing in more detail matters falling within the duties of the Board of Directors.

The Board of Directors appoints members of the Audit and Risk Committee and the Nomination and Remuneration Committee from amongst its members. Each committee shall have at least three members. The members shall have the expertise and experience required by the duties of the respective committee.

Members are appointed for a one-year term of office expiring at the end of the first Annual General Meeting following the election. All the members of the Board of Directors have the right to attend the committee meetings. The Chairman of the committee reports on the committee's work to the Board of Directors regularly after each meeting, and the committee meeting materials and minutes are available to all members of the Board of Directors. The Board of Directors has approved written charters for the committees; the charters are reviewed regularly and updated as needed.

## Audit and Risk Committee

The Audit and Risk Committee assists the Board of Directors in matters relating to financial reporting and control in accordance with the duties specified for audit committees in the Finnish Corporate Governance Code. The Board of Directors regularly determines the role and duties of the Audit and Risk Committee in a written charter. The committee monitors the Group's reporting process of financial statements and the efficiency of the internal controls, internal audit and risk management systems. In addition, the committee monitors and assesses the legal compliance and the business ethics compliance.

Pursuant to the Finnish Corporate Governance Code, the members of the Audit and Risk Committee shall have the qualifications necessary to perform the responsibilities of the committee, and at least one of the members shall have expertise specifically in accounting, bookkeeping or auditing. The members

shall be independent of the company, and at least one member shall be independent of the company's significant shareholders.

The external auditors, Chief Financial Officer, Head of Internal Audit, Corporate Controller, and General Counsel, as secretary to the committee, attend the committee meetings on a regular basis. Other senior executives attend the meetings as invited by the committee.

The Audit and Risk Committee carries out a self-assessment of its work and approves the internal audit charter and the internal audit plan and its budget. The committee evaluates the independence of the external auditors, reviews the external auditor's audit plan and meets with them regularly to discuss the audit plan, audit reports and findings.

## Audit and Risk Committee in 2017

After the Annual General Meeting on 4 April 2017, the Board of Directors elected from amongst its members to the Audit and Risk Committee Kim Ignatius as Chairman and Heinz-Werner Binzel, Anja Mc Alister and Veli-Matti Reinikkala as members. Until the Annual General Meeting on 4 April 2017, the committee comprised Kim Ignatius as the Chairman, Minoo Akhtarzand, Heinz-Werner Binzel and Jyrki Talvitie as members.

In 2017, the members were all independent of the company and of its significant shareholders. The Audit and Risk Committee met 5 times in 2017 and the attendance rate was 95%.

## The main duties of the Audit and Risk Committee include:

- Monitoring the financial position of the company
- Supervising the financial reporting process
- Monitoring the reporting process of financial statements
- Monitoring the statutory audit of the financial statements and consolidated financial statements
- Preparing for the Board of Directors the proposal for resolution on the election of the auditor
- Evaluating the independence of the statutory auditor or audit firm, particularly the provision of related services to the company to be audited and pre-approval of non-audit services
- Monitoring the efficiency of the company's internal control, internal audit, compliance and risk management systems
- Reviewing the description in the company's Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process
- Reviewing annually the Group Risk Policy and risk exposures
- Approving the internal audit charter, the annual audit plan, the budget of the internal audit function and reviewing the internal audit reports
- Monitoring and assessing legal compliance and business ethics compliance

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board of Directors in issues related to nomination and remuneration of the company's management. The committee has a written charter in which its duties have been defined. Pursuant to the Finnish Corporate Governance Code, the majority of the members of a remuneration committee shall be independent of the company. The regular participants at the committee meetings are the President and CEO, Senior Vice President of Strategy, People and Performance, and General Counsel as Secretary to the Committee.

The Nomination and Remuneration Committee conducts annually a self-evaluation of its work.

### Nomination and Remuneration Committee in 2017

After the Annual General Meeting on 4 April 2017, the Board of Directors elected from amongst its members to the Nomination and Remuneration Committee Matti Lievonen as Chairman and Sari Baldauf, Eva Hamilton and Tapio Kuula as members. Until the Annual General Meeting on 4 April 2017, the committee comprised Sari Baldauf as the Chairman and Eva Hamilton, Tapio Kuula and Veli-Matti Reinikkala as members.

In 2017, the members were all independent of the company, with the exception of Tapio Kuula (Mr Kuula acted as President and CEO of Fortum until 31 January 2015), and of its significant shareholders. The committee met 4 times during 2017 and the attendance rate was 93%.

### President and CEO

Mr. Pekka Lundmark is the President and CEO of Fortum Corporation. The President and CEO holds the position of Managing Director under the Companies Act and is the Chairman of the Fortum Executive Management. The President and CEO is in charge of the day-to-day management of the Group, in accordance with the Companies Act and the instructions and orders issued by the Board of Directors. Under the Companies Act, the President and CEO is responsible for ensuring that the accounts of the company comply with the applicable laws and that its financial affairs have been arranged in a reliable manner.

### The main duties of the Nomination and Remuneration Committee include:

- Preparing nomination and remuneration issues and proposals to the Board of Directors concerning the President and CEO, the executives reporting directly to the President and CEO as well as the Fortum Executive Management
- Reviewing and preparing succession plans for the President and CEO and for the members of the Fortum Executive Management
- Evaluating the performance and the remuneration of the President and CEO, the executives reporting directly to the President and CEO as well as the Fortum Executive Management
- Preparing for the Board of Directors recommendations on the Group's and its management's pay structures, bonus, and incentive systems and remuneration policy
- Monitoring the functioning of the bonus systems to ensure that the management's bonus systems will advance the achievement of the company's strategic objectives and that they are based on performance
- Monitoring, planning and promoting competence development in the Group based on strategic target setting

### Fortum Executive Management

The President and CEO is supported by the Fortum Executive Management. The Fortum Executive Management assists the President and CEO in implementing the strategic and sustainability targets within the framework approved by the Board of Directors, preparing the Group's business plans, and deciding on investments, mergers, acquisitions and divestments within its authorisation.

Financial and sustainability results are reviewed in the monthly reporting by the Fortum Executive Management. Quarterly Performance Review meetings with the management are embedded in the Fortum Performance Management process.

Each member of the Fortum Executive Management is responsible for the day-to-day operations and the implementation of operational decisions in their respective organisations. The Fortum Executive Management meets on a monthly basis.

### Fortum Executive Management in 2017

In February 2017, Fortum announced that it will reorganise the Group structure as of 1 March 2017. City Solutions was divided into two divisions, City Solutions and Consumer Solutions. The target of the new organisation was to enable the implementation of the company's vision and strategy announced on 3 February 2016. The new organisation comprises four divisions: Generation, City Solutions, Consumer Solutions and Russia. In addition, there are two development units focusing on growing new businesses: M&A and Solar & Wind Development and Technology and New Ventures. In addition, the organisation has four staff functions: Finance; Legal; Strategy, People and Performance; as well as Corporate Affairs and Communications.

At the same time, Fortum announced changes in the company's executive management team. Markus Rauramo, Executive Vice President, City Solutions was appointed Chief Financial Officer of the company following Timo Karttinen's resignation from his CFO duties and Per Langer was appointed Executive Vice President, City Solutions. Mikael Rönneblad, M.Sc. (Econ.) was appointed Executive Vice President heading the new Consumer Solutions division and member of Fortum's Executive Management as of 15 May 2017.

On 31 October 2017, Matti Ruotsala, Deputy CEO retired from the company.

### Generation

Generation division is responsible for the large scale power production, physical optimisation and trading activities in the Nordic area. The division comprises nuclear, hydro and thermal

power production, portfolio management and trading, industrial intelligence and nuclear services.

### City Solutions

City Solutions is responsible for developing sustainable city solutions into a growing business for Fortum. The segment comprises heating and cooling, waste-to-energy, biomass and other circular economy solutions. The business operations are located in the Nordics, the Baltic countries and Poland.

### Consumer Solutions

Consumer Solutions provides electricity and gas products, and develops new digital services and solutions for consumers. The segment comprises electricity sales and customer services in the Nordics and in Poland, as well as gas sales in Poland.

### Russia

Russia division comprises Fortum's power and heat generation and sales activities in Russia.

### Technology and New Ventures

Technology and New Ventures unit is responsible for Fortum's research and development activities and is the in-house incubator for start-ups. It is also responsible for direct and indirect investments in external start-ups as well as cooperation with universities and research institutions.

### M&A and Solar & Wind Development

M&A and Solar & Wind Development is responsible for Fortum's mergers and acquisitions activities and developing Fortum's solar and wind portfolio.

## Fortum Executive Management on 31 December 2017

	Position and responsibility area	Born	Education	Member since	Share ownership 31 December 2017
Mr Pekka Lundmark	President and CEO, Chairman of the Fortum Executive Management	1963	M.Sc. (Eng.)	2015	60,713
Mr Alexander Chuvaev	Executive Vice President, Russia Division	1960	M.Sc. (Eng.)	2009	14,713
Mr Kari Kautinen	Senior Vice President, M&A and Solar & Wind Development	1964	LL.M.	2014	30,720
Mr Per Langer	Executive Vice President, City Solutions	1969	M.Sc. (Econ.)	2009	31,570
Mr Risto Penttinen	Senior Vice President, Strategy, People and Performance	1968	M.Sc. (Econ.)	2016	10,588
Mr Markus Rauramo	Chief Financial Officer	1968	M.Sc. (Econ. and Pol. Host.)	2012	32,032
Mr Arto Rätty	Senior Vice President, Corporate Affairs and Communications	1955	Lieutenant General (Ret.)	2016	0
Mr Mikael Rönnblad	Executive Vice President, Consumer Solutions	1969	M.Sc. (Econ.)	15 May 2017	0
Ms Sirpa-Helena Sormunen	General Counsel	1959	LL.M.	2014	4,777
Ms Tiina Tuomela	Executive Vice President, Generation	1966	M.Sc. (Eng.), MBA	2014	15,554
<b>FEM member until 28 February 2017</b>					
Mr Timo Karttinen	Chief Financial Officer	1965	M.Sc. (Eng.)	2004	-
<b>FEM member until 31 October 2017</b>					
Mr Matti Ruotsala	Deputy CEO	1956	M.Sc. (Eng.)	2009	-

All the members of the Executive Management Team report to the President and CEO, apart from the General Counsel who administratively reports to the CFO.

### The main features of the Internal Control and Risk Management Systems

The internal control and risk management systems relating to financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and aim to ensure compliance with applicable laws and regulations.

#### Risk management systems

Fortum's Board of Directors approves the Group Risk Policy that defines the objective, main principles and division of responsibilities for risk management. The Group Risk Policy also includes a description of the main features of the risk management process which is applicable to all processes including financial reporting.

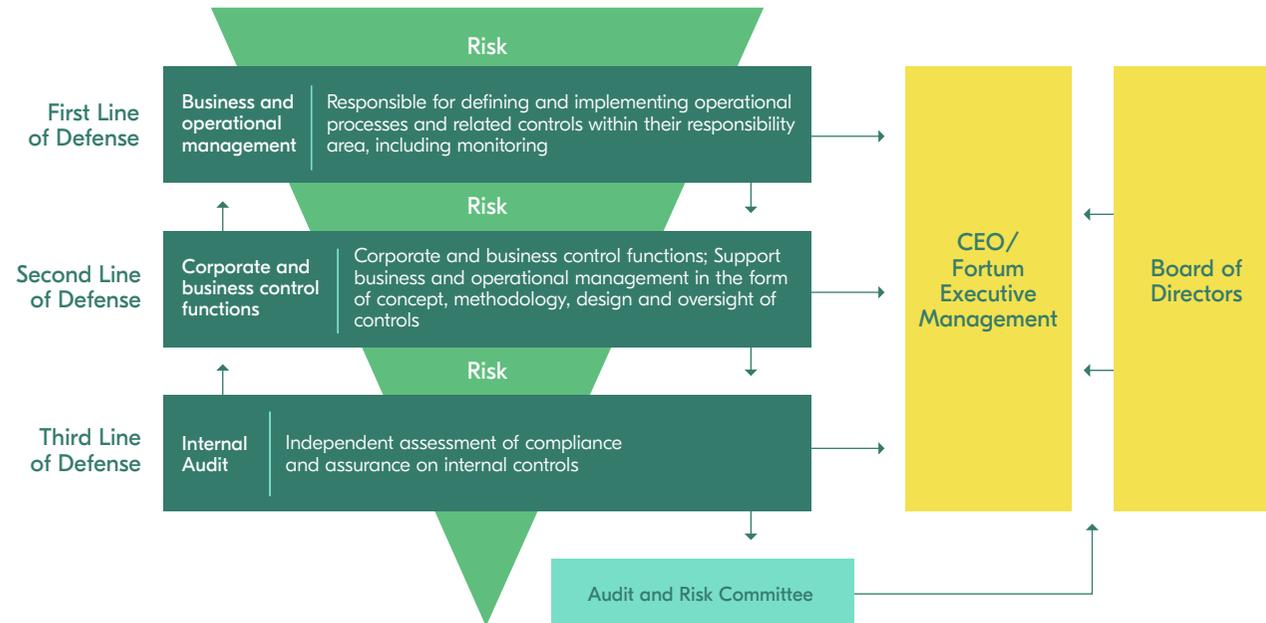
#### Internal controls in relation to financial reporting

Fortum's internal control framework is based on the main elements from the framework introduced by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The controls including financial reporting controls, have been defined based on the main risks in the process. Internal controls are an integral part of compliance in Fortum covering key areas of business ethics, regulatory compliance and internal controls.

### Financial reporting framework in Fortum



## Fortum's Control Governance



### Control environment

The standards, processes and structures in internal control are set through Group policies, Group instructions and the Fortum internal control framework. Fortum's internal control framework is designed to support operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. The internal control framework defines the key controls and minimum requirements for the key processes. During 2017, Group Instruction for Compliance Management was implemented also describing the roles and responsibilities in terms of internal controls. Corporate Accounting and Control is responsible for the overall control structure of the financial reporting process. Fortum Controllers' manual defines instructions and guidelines relating to financial reporting.

Fortum's organisation is decentralised, and a substantial degree of authority and responsibility is delegated to the divisions in the form of control responsibilities. Fortum's control governance follows the so-called "Three lines of defense" model as illustrated in the graphic.

### Risk assessment

Risks are continuously identified and analysed as part of the risk management process. Material risks, that might, if realised, have financial impact or lead to non-compliance are reported at least annually to the ARC, and follow-up of actions and improvements are integrated in operational management. The currently ongoing Internal Controls Quality Programme is to review and enhance

existing controls to ensure that the key risks in the processes are mitigated.

### Control activities

Control activities are applied in the processes and, from the financial reporting perspective, they ensure that errors or deviations are prevented or detected and corrected.

The Corporate Accounting and Control unit together with the Record-to-Report internal controls process team determine the control requirements and the scope covering the financial reporting process. Divisions and units define their controls based on these common requirements. Responsibilities are assigned for the control activities and for ensuring that the control coverage is in accordance with the defined requirements and scope.

Control requirements for the financial reporting process include controls regarding the initiation, recognition, measurement, approval, accounting and reporting of financial transactions as well as disclosure of financial information. The general IT controls support the financial reporting controls in areas like access control and back-up management.

Responsibilities are assigned to finance functions ensuring that analyses of the business performance, including analyses on volumes, revenues, costs, working capital, and asset values are performed in accordance with the control requirements.

### Information and communication

The Controllers' manual includes the Fortum Accounting manual, Investment manual and reporting instructions, and other instructions relating to financial reporting. Regular core controllers' meetings, headed by the Corporate Controller, steer the Finance function. Regular Accounting Network Forum meetings are to inform about upcoming changes in IFRS, new accounting policies and other changes in reporting requirements.

### Monitoring and follow-up

Financial performance and key short-term risks and uncertainties related to business operations are reported monthly to the Fortum Executive Management.

As part of the Fortum internal control framework, divisions and units regularly assess the maturity of the control activities they are responsible for including the financial reporting process controls. The Head of Internal Controls reports the maturity assessments results and improvement actions to the management and to the ARC. Internal control design and operating effectiveness are also assessed as part of the audits by Internal Audit. Audit results, including corrective actions and their status, are regularly reported to the management and to the Audit and Risk Committee.

## Auditing

### Internal Audit

Fortum's Internal Audit is an independent and objective assurance function that is responsible for examining and evaluating the appropriateness and effectiveness of the Group's management and corporate governance processes, internal control system, risk management, and operational processes. The Standards for the Professional Practice of Internal Audit form the basis for the work of Internal Audit.

### External Audit

The Group and the parent company have one external auditor, which shall be an audit firm certified by the Central Chamber of Commerce. Due to ongoing mergers and acquisition processes some of the target companies have other audit firms during the transition period. The external auditor is elected by the Annual General Meeting for a term of office that expires at the end of the first Annual General Meeting following the election.

Fortum's Annual General Meeting on 4 April 2017 elected Authorised Public Accountant Deloitte Oy as the company's external auditor, with Authorised Public Accountant Reeta Virolainen having the principal responsibility.

The Annual General Meeting decided on 4 April 2017 that the auditor's fee be paid pursuant to invoice approved by the company.

The fee paid to the auditor for services rendered and invoiced in 2017 totalled approx. EUR 1,448,000. In addition, the audit

firm was paid a total of approx. EUR 1,158,000 for non-audit and advisory services rendered and invoiced.

### Code of Conduct and Compliance Programme

Fortum's Code of Conduct is based on the shared corporate values which form the ethical basis for all work at Fortum. Fortum values were updated in 2017. Fortum's Code of Conduct was rebranded and relaunched in 2017 (originally launched in 2007 and updated 2015) to whole company, including Recycling and Waste Solutions and Hafslund, and is published in ten languages. The Code of Conduct has been approved by the Board of Directors. Fortum employees are responsible for reporting any suspected misconduct to their own supervisors, to other management members or, if necessary, directly to Internal Audit. Additionally, Fortum employees and partners can report suspicions of misconduct confidentially to the Fortum Head of Internal Audit via the "raise-a-concern channel" on Fortum's internal and external web pages. The report can be submitted in several languages and anonymously if necessary. In Russia, Fortum even has a separate compliance organisation with compliance officers in place.

Prevention of corruption is one of the Code of Conduct's focus areas. Fortum has procedures for anti-corruption including prevention, oversight, reporting and enforcement based on the requirements prescribed in international legislation. Fortum also has a country and partner risk evaluation process to support the understanding and management of compliance needs at the local business and partner level. These also cover export control and anti-money laundering aspects.

Fortum has a compliance programme which covers key areas of regulatory compliance and business ethics. It is managed with risk-based prioritisation. Internal Controls are integral part of the compliance and both the Group Compliance Officer and the Head of Internal Controls report to the General Counsel independently of the business.

The Code of Conduct and compliance topics and instructions are communicated through internal and external communication channels. Alignment is enforced by top management with their full commitment.

## Insider Administration

Fortum complies with the EU regulation No. 596/2014 on market abuse (MAR) and EU regulation No. 1227/2011 on wholesale Energy Market Integrity and Transparency (REMIT) and related regulation. Fortum complies also with the Guidelines for Insiders issued by Nasdaq Helsinki.

### Persons discharging managerial responsibilities

Persons discharging managerial responsibilities and the persons associated with them are under a duty to disclose their transactions with Fortum's financial instruments. Fortum has defined persons discharging managerial responsibilities to be the members of the Board of Directors and Fortum Executive Management.

### Duty to disclose and Closed Window

Fortum's Board of Directors and Executive Management members as well as persons related to them are under a disclosure duty towards Fortum and the Finnish Financial Supervision Authority regarding their transactions with Fortum's financial instruments. Fortum makes the said transactions public with a stock exchange release.

Fortum's Board of Directors and Executive Management members as well as other Fortum personnel defined to have access to sensitive financial information of Fortum may not trade in Fortum's financial instruments within 30 days prior to the publication of interim reports and financial statements (Closed Window).

### Internal supervision of insider affairs

Fortum's own internal insider rules are regularly updated and made available to all employees of Fortum. Fortum arranges training on insider rules. The coordination and control of insider affairs are included in the responsibilities of Fortum's General Counsel. Fortum regularly monitors the trading of its insiders.

## Board of Directors 31 December 2017



Born 1955, nationality: Finnish

M.Sc., Business Administration, honorary doctorate degrees in Technology (Helsinki University of Technology) and Business Administration (Turku School of Economics and Business Administration, and Aalto University School of Business)

Independent member of Fortum's Board of Directors since 2009

Member of the Nomination and Remuneration Committee

Fortum shareholding on 31 December 2017: 2,300 (31 December 2016: 2,300)

**Main occupation:**  
Non-executive Director

**Primary work experience:**

- Nokia Corporation, several senior executive positions. Member of the Group Executive Board until 2005

**Key positions of trust:**

- Vexve Holding Oy, Chairman of the Board
- Daimler AG, Member of the Supervisory Board
- Deutsche Telekom AG, Member of the Supervisory Board
- DevCo Partners Oy, Senior Advisor
- Tukikummit-säätiö, Member of the Board
- Kasvuryhmä ry, Member of the Board



Born 1958, nationality: Finnish

B.Sc. (Eng.), eMBA, D.Sc. (Tech.) h.c.

Independent member of Fortum's Board of Directors since 2017

Chairman of the Nomination and Remuneration Committee

Fortum shareholding on 31 December 2017: 1,500 (31 December 2016: not disclosed)

**Main occupation:**  
President & CEO, Neste Corporation

**Primary work experience:**

- President of the Fine and Speciality Papers Division at UPM-Kymmene Corporation, and number of other senior positions at UPM 1986–2008, and prior to that at ABB, Member of UPM-Kymmene's Executive Board 2002–2008

**Key positions of trust:**

- European Business Leaders' Convention, Member of the Board
- East Office of Finnish Industries Oy, Member of the Board

- Chemical Industry Federation of Finland, Member of the Board
- Suomen Messut Osuuskunta, Member of the Supervisory Board
- National Emergency Supply Agency (HVK), Member of the Supervisory Board
- The Finnish Business and Policy Forum (EVA), Member of the Supervisory Board
- Nynäs AB, Member of the Board
- SSAB AB, Member of the Board



Heinz-Werner Binzel

Born 1954, nationality:  
German

Economics and Electrical  
Engineering degree

Independent member of  
Fortum's Board of Directors  
since 2011

Member of the Audit and Risk  
Committee

Fortum shareholding on  
31 December 2017: 0  
(31 December 2016: 0)

**Main occupation:**  
Independent consultant

**Primary work experience:**

- RWE Energy AG, Member of the Executive Board, procurement and sale of electricity, gas, and water 2003–2005
- RWE Solutions AG, Member of the Executive Board as CFO 1999–2002 and as CEO 2002–2003
- NUKEM GmbH, several senior executive positions in Germany and the USA 1981–1999

**Key positions of trust:**

- TÜV Rheinland Holding AG, Member of the Supervisory board, Chairman of the Audit Committee



Eva Hamilton

Born 1954, nationality:  
Swedish

B.A. Journalism, honorary  
doctorate degree at  
Mid Sweden University  
(Mittuniversitetet)

Independent Member of  
Fortum's Board of Directors  
since 2015

Member of the Nomination  
and Remuneration Committee

Fortum shareholding on  
31 December 2017: 40  
(31 December 2016: 40)

**Main occupation:**  
Senior adviser

**Primary work experience:**

- Sveriges Television (SVT), CEO, 2006–2014
- Sveriges Television (SVT), Head of SVT Fiction, 2004–2006
- Sveriges Television (SVT), Head of News, 2000–2004
- Sveriges Television (SVT), Foreign Correspondent, Brussels 1993–1996
- Aftonbladet 1978–1979, Svenska Dagbladet 1979–1988, Dagens Industri 1988–1989: news reporter

**Key positions of trust:**

- Nexiko Media AB, Chairman of the Board
- Kungliga Dramatiska Teatern AB, Member of the Board
- LKAB, Member of the Board
- Lindex AB, Member of the Board
- IVA (Royal Swedish Academy of Engineering), Member of the Board, Chairman of Näringslivsrådet
- Moment Group AB, Member of the Board
- Swedish Film & TV Producers Association, Chairman
- Arholma Landsort AB, Member of the Board



Kim Ignatius

Born 1956, nationality: Finnish

BSc (Econ), Helsinki School of Economics and Business Administration

Independent member of Fortum's Board of Directors since 2012

Chairman of the Audit and Risk Committee

Fortum shareholding on 31 December 2017: 2,400 (31 December 2016: 2,400)

**Main occupation:**  
Non-executive Director

**Primary work experience:**

- Sanoma Corporation, Chief Financial Officer 2008–2016, Executive Vice President 2017
- TeliaSonera AB, Executive Vice President and CFO 2003–2008
- Sonera Oyj, Executive Vice President and CFO 2000–2002
- Tamro Oyj, Group CFO 1997–2000

**Key positions of trust:**

- Rovio Entertainment Corporation, Member of the Board
- RR Holding Oy, Chairman of the Board



Anja McAlister

Born 1960, nationality: Finnish

M.Sc., Energy technology, MBA

Independent member of Fortum's Board of Directors since 2017

Member of the Audit and Risk Committee

Fortum shareholding on 31 December 2017: 0 (31 December 2016: not disclosed)

**Main occupation:**  
Head of Transformation and Strategy, Pöyry PLC

**Primary work experience:**

- Pöyry PLC, President Energy Business Group 2015–2016
- Pöyry Management Consulting Oy, Vice President 2014–2015
- Renewa Oy (biomass boiler manufacturer), Managing director 2013
- UPM Group, Senior Vice President, Head of Energy Business 2004–2013
- Electrowatt-Ekono Oy (part of the Pöyry Group), Senior Vice President, Head of the Management Consulting Northern Europe 2000–2004

- Ministry of Trade and Industry, Finland, Industrial Counsellor, Head of Energy Policy & Analyses team 1998–2000
- Kymppivoima Oy, Operations Manager and Managing Director 1995–1998
- Energia-Ekono Oy, Senior Consultant 1993–1995
- Sheffield Heat and Power Ltd., Sheffield, UK, Technical Manager 1990–1993
- City of Kuopio, Finland, Operations Manager of 100/200 MW biomass CHP plant 1984–1989



Born 1957, nationality: Finnish

Executive Master of Business Administration

Independent Member of Fortum's Board of Directors since 2016

Member of the Audit and Risk Committee

Fortum shareholding on 31 December 2017: 3,000 (31 December 2016: 3,000)

**Main occupation:**  
Non-executive Director

**Primary work experience:**

- ABB, President of Region Europe 2015 and Member of the Group Executive Committee 2006–2015
- ABB, President of Process Automation division 2006–2014, Head of Business Area Process Automation 2005
- ABB China, Automation Technologies Division Manager 2003–2004
- ABB Drives & Power Electronics, Business Area Manager 2002
- ABB Drives, Manager, 1996–2002

- ABB Industry Oy, CFO 1994–1996
- Before 1994, various positions in paper and packaging companies in Finland

**Key positions of trust:**

- Cramo Plc, Chairman of the Board
- UPM-Kymmene Corporation, Member of the Board

## Executive Management Team 31 December 2017



Born 1963, nationality: Finnish

M.Sc. (Eng.)

Member of the Executive Management Team since 2015

Employed by Fortum since 2015

President and CEO since 2015

Fortum shareholding on 31 December 2017: 60,713 (31 December 2016: 56,250)

### Previous positions:

- Konecranes Plc, President and CEO, 2005–2015
- Konecranes Plc, Group Executive Vice President, 2004–2005
- Hackmann Oyj Abp, President and CEO, 2002–2004
- Startupfactory Oy, Managing Partner, 2000–2002
- Nokia Corporation, various executive positions, 1990–2000

### Key positions of trust:

- Finnish Energy, Chairman of the Board
- Confederation of Finnish Industries, Member of the Board
- Helsinki Metropolitan Smart & Clean Foundation, Chairman of the Board
- East Office of Finnish Industries, Member of the Board
- Climate Leadership Council, Member of the Board
- Fortum Foundation, Chairman of the Board



Born 1960, nationality: Russian

M.Sc. (Eng.)

Member of the Executive Management Team since 2009

Employed by Fortum since 2009

Executive Vice President, Russia Division and General Director of PAO Fortum since 2009

Fortum shareholding on 31 December 2017: 14,713 (31 December 2016: 14,713)

### Previous positions:

- GE Oil & Gas, Regional Executive Director, Russia and CIS 2009
- SUEK, Investment Development Director, Russia 2008–2009
- JSC Power Machines, Managing Director, Russia 2006–2008
- GE Oil & Gas, Regional General Manager, Russia 2006
- JSC OMZ, Chief Operations Officer, Russia 2005–2006
- GE, various positions in the USA and Canada 1999–2005
- Solar Turbines Europe S.A., various positions in Europe and the USA 1991–1999

### Key positions of trust:

- Energy Producers Council, Deputy Head of the Supervisory Board
- Russian Union of Industrialists and Entrepreneurs, Member of the Board, Chairman of Commission on Public Utility
- TGC-1, Member of the Board
- Government Commission on the Development of the Electric Power Industry, Member
- Aggreko Eurasia LLC, Non-executive member of the Management Board
- Wind Power AM LLC, General Director



Born 1964, nationality: Finnish

LL.M

Member of the Executive Management Team since 2014

Employed by Fortum since 1998

Senior Vice President, M&A and Solar & Wind Development since 2016

Fortum shareholding on 31 Dec 2017: 30,720 (31 December 2016: 29,246)

**Previous positions:**

- Fortum Corporation, Senior Vice President, Strategy, Mergers and Acquisitions 2014–2016
- Fortum Corporation, Vice President, Strategy, Mergers and Acquisitions 2012–2014
- Fortum Corporation, Vice President, Mergers and Acquisitions 2007–2012
- Fortum, several managerial positions 1998–2007

**Key positions of trust:**

- TGC-1, Member of the Board of Directors



Born 1969, nationality: Swedish

M.Sc. (Econ.)

Member of the Executive Management Team since 2009

Employed by Fortum since 1999

Executive Vice President, City Solutions as of 1 March 2017

Fortum shareholding on 31 December 2017: 31,570 (31 December 2016: 29,212)

**Previous positions:**

- Fortum Corporation, Senior Vice President, Technology and New Ventures 2016–2017
- Fortum Corporation, Executive Vice President, Hydro Power and Technology 2014–2016
- Fortum Power and Heat Oy, Executive Vice President, Heat Division 2009–2014
- Fortum Power and Heat Oy, President of Heat 2007–2009
- Fortum Power and Heat Oy, President of Portfolio Management and Trading 2004–2007
- Fortum Oy, managerial positions 1999–2004

- Gullspång Kraft, managerial positions 1997–1999

**Key positions of trust:**

- Fortum Oslo Varme AS, Deputy Chairman of the Board
- AB Fortum Värme Holding samägt med Stockholms stad, Deputy Chairman of the Board
- Exeger Sweden AB, Member of the Board



Born in 1968, nationality: Finnish

M.Sc. (Economics)

Member of the Executive Management Team since 2016

Employed by Fortum since 2011  
Senior Vice President, Strategy, People and Performance since 2016

Fortum shareholding on 31 December 2017: 10,588 (31 December 2016: 8,795)

**Previous positions:**

- Fortum Corporation, Vice President, Corporate Strategy 2014–2016
- Fortum Power Division, Vice President, Strategic Ventures 2011–2014
- McKinsey & Company, Partner 2005–2011
- McKinsey & Company, Consultant and Project Leader 1996 and 1997–2005

**Key positions of trust:**

- Varma Mutual Pension Insurance Company, Member of the Supervisory Board



Born 1968, nationality: Finnish

M.Sc. (Econ. and Pol. Hist.)

Member of the Executive Management Team since 2012

Employed by Fortum since 2012  
Chief Financial Officer as of 1 March 2017

Fortum shareholding on 31 December 2017: 32,032 (31 December 2017: 27,847)

**Previous positions:**

- Fortum Corporation, Executive Vice President, City Solutions 2016–2017
- Fortum Corporation, Executive Vice President, Heat, Electricity Sales and Solutions 2014–2016
- Fortum Corporation, Chief Financial Officer 2012–2014
- Stora Enso Oyj, Helsinki, CFO and Member of the GET 2008–2012
- Stora Enso International, London, SVP Group Treasurer 2004–2008
- Stora Enso Oyj, Helsinki, VP Strategy and Investments 2001–2004

- Stora Enso Financial Services, Brussels, VP Head of Funding 1999–2001
- Enso Oyj, Helsinki, several financial tasks 1993–1999

**Key positions of trust:**

- Wärtsilä Oyj Abp, Member of the Board
- Teollisuuden Voima Oyj, Member of the Board



Born 1955, nationality: Finnish  
Lieutenant General (Ret.)

Member of the Executive Management Team since 2016  
Employed by Fortum since 2016  
Senior Vice President, Corporate Affairs & Communications since 2016

Fortum shareholding on 31 December 2017: 0  
(31 December 2016: 0)

#### Previous positions:

- Permanent Secretary at the Ministry of Defence of Finland 2011–2015 and Director of the National Defence Policy Unit 2005–2008

Various positions within Finnish Defence Forces including:

- Deputy Chief of Staff, Operations at Defence Command 2009–2010
- Chief of Staff at Army Command 2008–2009
- Brigade Commander, Pori Brigade 2000–2002
- Commanding Officer of the Finnish Battalion in KFOR, Kosovo 2000
- Deputy Chief of the International Department, Defence Command 1997–2000
- Director of the National Defence Courses of the Finnish Government 2003–2004
- Finnish Liaison Officer at NATO HQ and PCC SHAPE,

Brussels, Belgium, 1994–1997

#### Key positions of trust:

- Destia Oy, Chairman of the Board
- Aalto University Executive Education Oy, Member of the Board
- Suomi Gas Distribution Holding Oy, Member of the Board
- Fennovoima Oy, Deputy member of the Board
- Ahlström Capital Cleantech Fund I, Member of the Board
- Fortum Art Foundation, Member of the Board
- Urlus Foundation, Member of the Board



Born 1969, nationality: Finnish  
M.Sc. (Econ.)

Member of the Executive Management Team as of 15 May 2017  
Employed by Fortum since 15 May 2017  
Executive Vice President, Consumer Solutions as of 15 May 2017

Fortum shareholding on 31 December 2017: 0  
(31 December 2016: not disclosed)

#### Previous positions:

- Elisa Corporation, SVP & GM, New Digital Services Businesses and Consumer Customers Executive Board Member 2009–2017
- Elisa Corporation, VP, Corporate Strategy and Acquisitions 2004–2009
- ABN AMRO Global Equities, London, Director and Global Head of Nordic Sector 2000–2004
- Pannon, Budapest, General Manager and Head of Department 1999–2000
- Sonera Corporation, Manager, Corporate Venturing and International Mobile Operations 1997–2000

- Hanken Swedish School of Economics, Project Director and Assistant Professor (acting) 1995–1997
- Vectia Ltd, Junior Strategy Consultant 1994–1995
- Nokia Corporation, In-house Consultant, Major Accounts Sales 1991–1993

#### Key positions of trust:

- Nikus Oy Ab, Chairman of the Board



Born 1959, nationality: Finnish  
LL.M, Trained on the bench  
Member of the Executive Management Team since 2014  
Employed by Fortum since 2014  
General Counsel since 2014  
Fortum shareholding on 31 December 2017: 4,777 (31 December 2016: 3,000)

**Previous positions:**

- Patria Oyj, General Counsel 2012–2014
- Nokia and Nokia Siemens Networks, several legal and managerial positions (NSN) 2004–2012
- TeliaSonera Finland Oyj, Vice President, Head of Legal, Mergers and Acquisitions and Finance 2003–2004
- Sonera Oyj, Senior Legal Counsel, Head of Legal, Merger and Acquisitions 2000–2002

**Key positions of trust:**

- Nammo AS, Member of the Board of Directors
- Association of Finnish Fine Arts Foundations, Member of the Board
- Fortum Art Foundation, Chairman of the Board



Born 1966, nationality: Finnish  
M.Sc. (Eng.), MBA  
Member of the Executive Management Team since 2014  
Employed by Fortum since 1990  
Executive Vice President, Generation since 2016  
Fortum shareholding on 31 December 2017: 15,554 (31 December 2016: 12,991)

**Previous positions:**

- Fortum Corporation, Executive Vice President, Nuclear and Thermal Power Division 2014–2016
- Fortum Power and Heat Oy, Vice President, Finance in Power Division 2009–2014
- Fortum Power and Heat Oy, Vice President, Business Control and Support, Generation 2005–2009
- Fortum, several managerial positions 1990–2005

**Key positions of trust:**

- Kemijoki Oy, Chairman of the Board
- YIT Corporation, Member of the Board
- Teollisuuden Voima Oyj, Member of the Board