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Remuneration 2019

Remuneration Statement 2019

Dear Shareholder,

The growth and transformation of Fortum continued during 2019. Following our large investment in Uniper in 2018, Fortum continued the co-operation with Uniper and its management throughout the year and in October we announced the transaction to buy an additional stake of approximately 20% of the shares, increasing our ownership to more than 70%. This opens up for deeper collaboration to the benefit of both companies. Fortum and Uniper will create a strong combination with the possibility to be a true leader in the energy transition. Together, the companies have a strong base in clean and low-carbon energy, offer much needed security of supply and balancing power e.g. through hydro power and gas, as well as have the competences to offer solutions globally for decarbonisation and sustainable materials.

Fortum has continued to develop its operations, with a strong near term focus on operational excellence and increased flexibility as a strategic priority for our large asset base, consisting of hydro and nuclear power-based generation as well as efficient combined heat and power generation. Our growth focus has been on clean energy and sustainable materials. We have made a number of investments in wind power both in Russia and the Nordics as well as in solar in India. In addition to power generation we continue the development of our recycling and waste competences in growing areas such as plastics, batteries and metals recycling. Based on our strategy, we continuously monitor and aim to optimise our business portfolio and are currently considering strategic options for some district heating assets. This transformation aims at positioning Fortum to have the best possible impact to drive the change for a cleaner world.

The ongoing transition requires new skills and competences as well as continuous development of our company culture. At the same time it will offer new exciting learning opportunities to our employees. During the year, we have continued to embed our Open Leadership principles through developing leadership skills for example in trainings, job rotation and 360 assessments. In line with our strategy, values and leadership

principles, we emphasize high performance and paying for concrete achievements. These matters are all essential for our future success in order to attract and retain competent employees and leaders.

During 2019, the Nomination and Remuneration Committee has prepared for the implementation of the European Union's Shareholders' Rights Directive and the Finnish Corporate Governance Code 2020. Fortum's Remuneration Policy for Governing Bodies was created to align with the new requirements, and it will be presented to the Annual General Meeting 2020 for an advisory resolution.

We value our employees and want to share Fortum's success with them. Therefore, the Nomination and Remuneration Committee has during 2019 prepared the design and implementation of an employee share savings programme, called 'forShares'. The objective of the programme is to motivate Fortum employees to invest and retain ownership in the company and to align the employees' interests with its shareholders. In October, the Board of Directors decided to establish the programme and commence the first savings period for the year 2020. More than 40% of the eligible employees took the opportunity to invest in the first employee share savings plan, which is an excellent result and shows the commitment of our employees. In December, the Board of Directors also decided to establish a Restricted Share programme for specific purposes, such as retention, to supplement the current LTI programme.

The criteria for Fortum's short-term incentive plan are set annually by the Board of Directors and are based on the company's financial and operational performance. 2019 was a good year for Fortum and the outcome of the short-term incentive financial targets were slightly below the target level. Our safety performance, measured as the combined lost work-day injury frequency improved from the previous year and reached the Group's safety target of 1.7. There was also a clear positive development in contractor safety, which I am especially pleased about, and the number of severe accidents decreased from four in 2018 to one in 2019. In 2019, there was, however, one occupational violence case in Russia, which was classified as a severe accident. We have a very high



ambition in safety, and will continue to do our utmost to improve our performance in the future.

The criteria for Fortum's long-term incentive plans are set by the Board of Directors at the beginning of each plan. The performance during the earnings period 2016–2018 reached the maximum performance level and the 2016–2021 long-term incentive plan resulted in an average pay-out of 93% of annual salary and approximately 415,000 shares being awarded to the eligible participants in 2019. During the past years, our earnings have improved clearly and the total shareholder return has been very good, both in absolute figures and compared to our peers. Consequently, the performance for the earnings period 2017–2019 was also high and reached 93% of the maximum.

With the right strategic direction, resolute implementation, good corporate culture and leadership skills, as well as the commitment and hard work of our employees we have every chance to continue the success story of Fortum. For this we need to retain, develop, and empower our employees and managers to secure that they have the skills and competences needed in the future.

Matti Lievonen

Chairman of the Nomination and Remuneration Committee

Remuneration Policy

Decision-making process in remuneration related matters

Remuneration at Fortum is governed by the Finnish Companies Act, Fortum’s Remuneration Policy, as well as guidance set out in the Government Resolution on State-Ownership Policy. This Remuneration Statement has been prepared and issued in accordance with the Finnish Corporate Governance Code 2015.

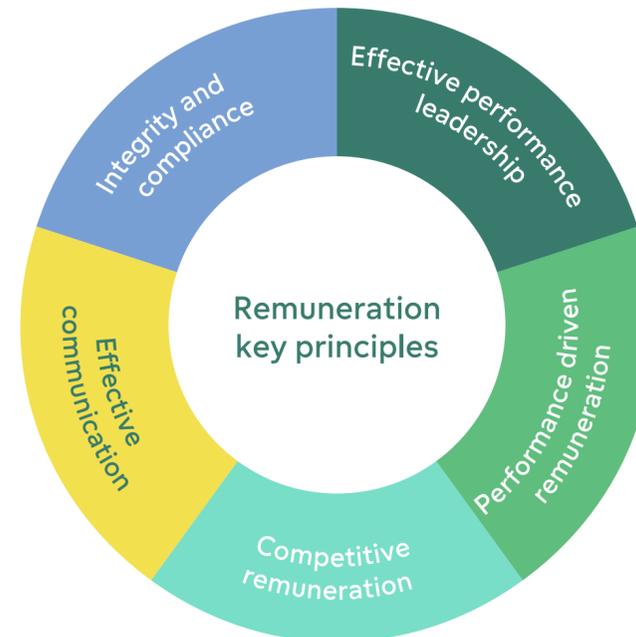
The Shareholders’ Nomination Board, the General Meeting of Shareholders, the Board of Directors, and the Nomination and Remuneration Committee are all involved in the preparations and decision-making regarding remuneration at Fortum.

Remuneration Principles

At Fortum, we strive for a performance-focused culture where our people understand:

- the company, its strategy, and performance targets,
- how they as individuals can impact the results,
- the link between business performance and remuneration, and
- the importance of delivering sustainable business results.

This philosophy underpins our remuneration principles which are designed to encourage and recognise high performance and behaviour in line with Fortum’s values. Fortum follows a total compensation approach where all remuneration elements are taken into account when setting and reviewing salaries; base salaries, short- and long-term incentive opportunities, as well as benefits. As a main rule, no separate remuneration is paid for acting in management bodies of Fortum Group companies.



Key Remuneration Principles

Effective performance leadership	We motivate our people by setting challenging targets. We encourage initiative taking, active leadership of own and team performance, as well as collaboration to enable the desired behaviour and achieve business success. We emphasise setting and cascading clear targets aligned with Fortum’s strategy as an essential part of good leadership on all levels. We emphasise cross-unit and cross-function collaboration in reaching our business objectives, which is also reflected in the target setting. Rewarding is tightly linked to the overall performance leadership in Fortum.
Performance driven remuneration	We reward concrete achievements in implementing Fortum’s strategy and achieving business targets and the desired change. We differentiate performance and pay for real achievement. Both low and high performance have consequences.
Competitive remuneration	We take into consideration relevant market and industry practices as well as different business models and their needs when defining the level and nature of remuneration, aiming at being an attractive employer for the relevant persons with needed skills and competences.
Effective communication	To gain full advantage of the rewarding programs, we emphasize clear, transparent, and regular communication about the company’s as well as the individual’s performance, in particular clarifying the link between performance and variable compensation. We invest in developing managers’ knowledge of performance and reward practices and programmes.
Integrity and compliance	We run our performance and reward processes and programmes with high integrity and follow local legislation in each country where we operate. We follow the Corporate Governance Code for Finnish listed companies as well as the guidelines regarding remuneration for the management of state-owned companies. We don’t accept any kind of compliance breach.

Remuneration overview of the President and CEO and other members of the Fortum Executive Management

Element	Purpose	Description and performance measures
Base salary (fixed salary including taxable car and phone benefits)	Compensate for the job responsibilities and to reflect the skills, knowledge, and experience of the individual.	The remuneration of the President and CEO and Fortum Executive Management, including base salaries, are reviewed annually by the Nomination and Remuneration Committee and any changes are approved by the Board of Directors. A broad review of business and individual performance is included in the annual review.
Supplementary pensions	Provide a retirement benefit in addition to the statutory pensions, in line with local market practices.	All supplementary pension arrangements since the year 2008, including the pension plan for the President and CEO, are defined contribution plans with a maximum premium of 25% of the annual salary. For members joining the Fortum Executive Management after the end of the year 2016 as well for those current members to whom the premium has been below 20% of the annual salary, the pension premium is 20% of the annual base salary as of 1 January 2017. In case the contract is terminated before retirement age, the member is entitled to retain the funds that have accrued in the pension arrangement. The retirement age for the President and CEO Pekka Lundmark is 63, and for the other members of the Fortum Executive Management the retirement age varies between 62 and 65.
Short-term incentives	Support achievement of the Group's annual financial, strategic and sustainability targets.	The target incentive opportunity is 20% and the maximum 40% of the annual base salary. For the President and CEO, and function heads the incentive is based on Group's financial performance, safety, and individual strategic targets. For the division heads 50% of the financial and sustainability targets are based on divisional and 50% on Group level targets.
Long-term incentives	Support the delivery of sustainable long-term performance, align the interests of management with those of shareholders, and support in committing and retaining key individuals.	Under the current LTI programme a new LTI plan, with performance measures over a three-year earnings period, commences annually, subject to decision of the Board of Directors. If the minimum performance criteria are exceeded, the resulting award, net of tax, is paid in shares which are subject to the shareholding requirement. Awards vest based on Fortum's share-based performance measured over a three-year earnings period. The combined value of all variable compensation, before taxation, paid during a calendar year cannot exceed 120% of the participant's annual base salary. The President and CEO participates in the LTI programme starting from the 2014–2019 LTI plan. The awards for the LTI plans 2014–2019 and 2015–2020 were calculated on a pro rata basis from 7 September 2015, when Pekka Lundmark started as the President and CEO of Fortum.
Other benefits	Provide a competitive level of benefits.	Other benefits currently include insurance for permanent total disability and critical illness, life insurance, and voluntary participation in the sickness fund (in Finland).
Company rights and claw back provisions	Ensure that payments are based on real achievements.	At its discretion the Board of Directors has the right to adjust the set targets during the plan period for well-grounded reasons or cancel the STI and LTI plan reward or apply claw back provisions to the rewards in exceptional circumstances such as misconduct or misstatement of financial results.
Shareholding requirement	Ensure alignment of the interests of Fortum Executive Management with those of shareholders.	Members of the Fortum Executive Management (including the President and CEO) are required to build and maintain a holding in Fortum shares equivalent to 100% of their gross annual salary.
Service contracts	Ensure clarity of contractual terms.	For the President and CEO, the notice period for both parties is six months. If the company terminates the contract, the President and CEO is entitled to the salary for the notice period and a severance pay equal to 12 months' salary. For other members of the Executive Management, the notice period for both parties is six months, and in case the company terminates the contract, members are entitled to the salary for the notice period and a severance pay equal to 6 months' salary, except for one member who is entitled to a payment of 18 months' salary in case of notice by the company.

Short-term incentives (STI)

Fortum's STI programme is designed to support the achievement of the company's financial and other relevant targets on an annual basis. As a main principle, all employees are covered by the programme or alternatively by a business specific or a comparable local variable pay arrangement.

The Board of Directors determines the performance criteria and award levels for the Fortum Executive Management. The awards are based on the achievement of Group financial performance, divisional targets, and individual targets. The target incentive opportunity is 20% and the maximum incentive opportunity is 40% of the annual base salary. The Board of Directors assesses the performance of the President and CEO and the members of the Fortum Executive Management on a regular basis.

Awards for other employees are based on a combination of Group, divisional or functional, and personal or team targets. The targets are set in annual performance discussions held at the beginning of the year. Awards under the STI programme are paid solely in cash.

In addition to the STI programme, other variable pay mechanisms may be used to reward employees for limited specific purposes, e.g. projects with significant importance and impact on Fortum level or to reward for extraordinary commitment and effort.

Long-term incentives (LTI)

The purpose of Fortum’s long-term incentive programme is to support the delivery of sustainable long-term performance, align the interests of management with those of shareholders, and support in committing and retaining key individuals.

Fortum’s LTI programme provides participants with the opportunity to earn company shares. Under the LTI programme and subject to the decision of the Board of Directors, a new LTI plan commences annually.

The Board of Directors approves participation of the Fortum Executive Management members in each annually commencing LTI plan. Subject to a decision by the Board of Directors the President and CEO is authorised to decide on individual participants and potential maximum awards for other participants than the Fortum Executive Management in accordance with the nomination guidelines approved by the Board of Directors. Participation in the LTI plan precludes the individual from being an active member in the Fortum Personnel Fund.

Each LTI plan begins with a three-year earnings period, during which participants may earn shares if the performance criteria set by the Board of Directors are fulfilled. If the minimum performance criteria are not exceeded, no shares will be awarded. If performance is exceptionally good and the targets approved by the Board of Directors are achieved, the combined gross value of all variable compensation cannot exceed 120% of the participant’s annual salary during any calendar year.

After the earnings period has ended and the relevant taxes and other employment-related expenses have been deducted, participants are paid the net balance in the form of shares.

For LTI plans commencing in 2013 to 2016, any shares awarded to Fortum Executive Management members are subject to a three-year lock-up period in accordance with the State-Ownership Guidelines in force at the time the LTI plan was introduced. Subject to a decision by the Board of Directors, the lock-up period can be reduced to one year for those Fortum Executive Management members whose aggregate ownership of Fortum shares is greater than or equal to their annual salary. For other participants (i.e. below the Fortum Executive Management), the lock-up period is one year.

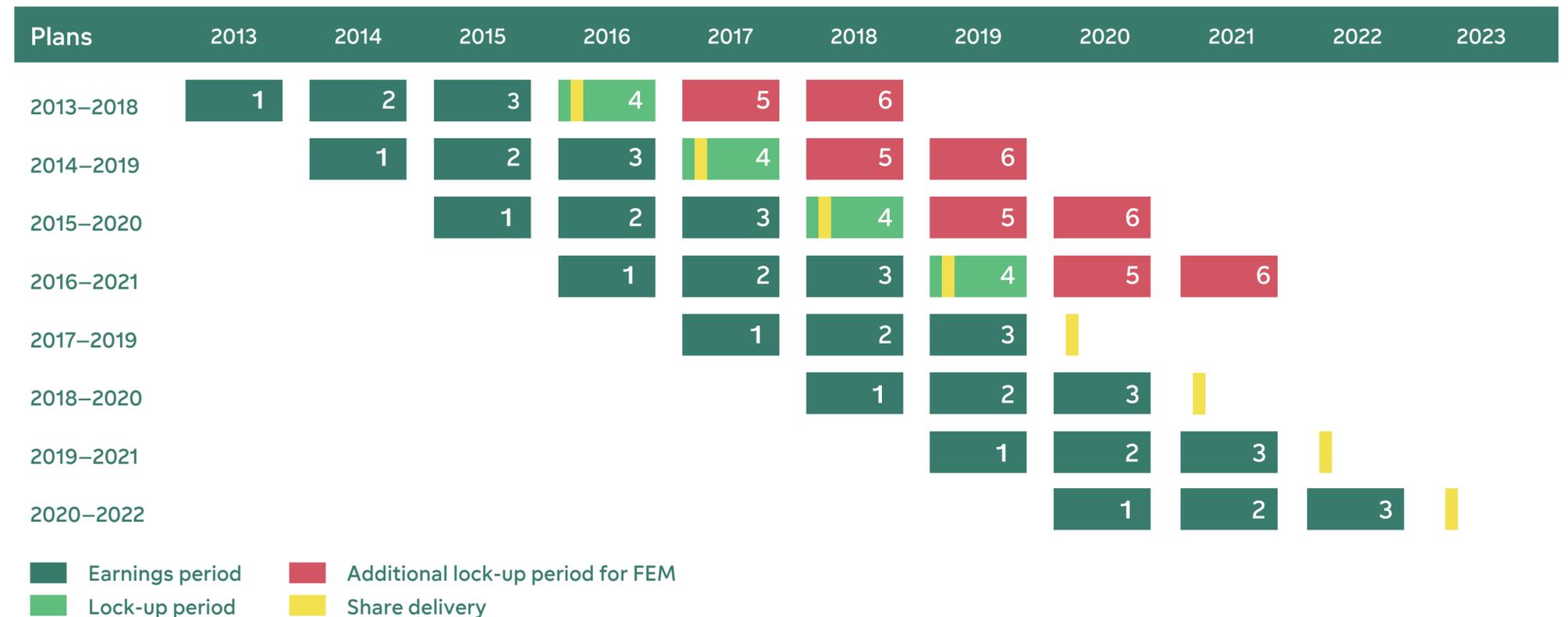
To reflect the changes in the State-Ownership Guidelines in 2016, for LTI plans commencing in 2017 and later, the share awards will not be subject to a minimum lock-up period. However, Fortum Executive Management members whose aggregate ownership of Fortum shares does not yet fulfil the shareholding requirement are required to retain at least 50% of the shares received until the required level of shareholding is met.

If the value of the shares decreases or increases during the lock-up or retention period, the participant will carry the potential loss or gain.

The Board of Directors has the right to revise the targets set in the incentive plans, deviate from the payment based on achievement of the set earnings criteria, or to discontinue any ongoing incentive plan. Remuneration that has been paid out without grounds shall be reclaimed in accordance with the regulations on returning an unjust enrichment and remuneration. A payment which has been influenced by the recipient’s unethical conduct, may be recovered based on the terms of the LTI programme.

To include more precise malus and clawback clauses for the LTI programme, the Board of Directors decided to update the terms and conditions of the LTI programme in December 2019, valid for the plans commencing as of the beginning of 2020. In addition, the Board of Directors decided in December 2019 to establish a Restricted Share programme as of the beginning of 2020 to supplement the current LTI programme. The Restricted Share programme will follow the main terms and conditions of the general LTI programme with the exception that the allocated shares will be delivered after the three-year plan period independent of performance measures, subject to continued employment. The Restricted Share programme is designed for special purposes defined by the Board of Directors, such as retention. Commencement of any new plan will require a separate decision by the Board of Directors.

The Nomination and Remuneration Committee is using independent advisors in support of its work.



Employee share savings (ESS) programme

In October 2019, the Board of Directors decided to establish an employee share savings (ESS) programme and to launch the savings period for the year 2020 under that programme. The objective of the ESS programme is to motivate Fortum employees to invest and retain ownership in the company and to align the employees' interests with its shareholders.

The ESS programme consists of annually commencing savings periods during which the employees can save a proportion of their salaries and purchase Fortum shares with the accrued savings. The Board of Directors will annually decide on the potential launch of each individual savings period.

For the 2020 savings period commenced on 1 January 2020, participants will, as a gross reward, be granted one matching share for each two purchased savings shares after approximately three years from the beginning of the savings period in spring 2023. The prerequisites for receiving matching shares are that a participant holds the purchased savings shares until the end of the holding period, and that his or her employment has not ended before the end of the holding period.

More than 40% of the eligible employees took the opportunity to invest in the first employee share savings plan.

Pensions

Members of the Fortum Executive Management in Finland participate in the Finnish TyEL pension system, which provides a retirement benefit based on earnings in accordance with the prescribed statutory system. In the Finnish pension system earnings are based on base pay, annual bonuses, and taxable fringe benefits, but gains realised from the LTI plans are not included. Members of the Fortum Executive Management outside Finland participate in pension systems based on statutory pension arrangements and market practices in their local countries.

In addition to the statutory pensions, the members of the Fortum Executive Management have supplementary pension arrangements. The Group principle is that all new supplementary pension arrangements for the President and CEO as well as the Fortum Executive Management are defined contribution plans.

The retirement age for Fortum's President and CEO is 63, and for the other members of the Fortum Executive Management the retirement age varies between 62 and 65. For the President and CEO and other members of the Fortum Executive Management, the maximum supplementary pension premium is 25% of the annual base salary. For members joining the Fortum Executive Management after the end of the year 2016 as well as for those current members to whom the premium has been below 20% of the annual salary, the pension premium is 20% of the annual base salary as of 1 January 2017. Finnish members of the Fortum Executive Management, who joined Fortum prior to 1 January 2009, are entitled to a supplementary defined benefit pension plan. This currently applies to only one member of the Fortum Executive Management and in this case, the pension is provided by Fortum's Pension Fund.

Fees for the Board of Directors

The Shareholders' Nomination Board is responsible for presenting a proposal for remuneration of the members of the Board of Directors to the Annual General Meeting (AGM). The decision on the remuneration of the members of the Board of Directors is made in the AGM. The AGM on 26 March 2019 confirmed the following annual fees for the members of the Board of Directors:

EUR thousand	2019	2018
Chairman	75	75
Deputy Chairman	57	57
Chairman of the Audit and Risk Committee ¹⁾	57	57
Members	40	40

1) If not Chairman or Deputy Chairman simultaneously

Every member of the Board of Directors receives a fixed yearly fee and additional fees for each meeting attended. The annual fees have remained unchanged since 2012.

A meeting fee of EUR 600 is paid for Board and Committee meetings. For Board members living outside Finland in Europe, the meeting fee is EUR 1,200; for Board members living outside Europe, the meeting fee

is EUR 1,800. For Board members living in Finland, the meeting fee is EUR 1,200 for each Board and Board Committee meeting for meetings held outside Finland and EUR 1,800 for meetings held outside Europe. For Board and Committee meetings held as a telephone conference, the meeting fee is EUR 600 for all members. No fee is paid for decisions made without a separate meeting.

Board members are not in an employment relationship or service contract with Fortum, and they are not given the opportunity to participate in Fortum's STI or LTI programme, nor does Fortum have a pension plan that they can opt to take part in. The compensation for the Board members is not tied to the sustainability performance of the Group.

Board members are entitled to travel expense compensation in accordance with the company's travel policy.

Remuneration Report 2019

This part of the report describes the outcomes of the performance measures of the STI and LTI plans based on Fortum's Remuneration Policy, and accordingly sets out the remuneration payable to the President and CEO, members of the Fortum Executive Management and the Board of Directors.

Remuneration of the President and CEO and the Fortum Executive Management

The following table includes the annual salaries and fringe benefits as well as STI and LTI programme payments to the President and CEO and to the Fortum Executive Management.

The STI and LTI programme payments to Fortum Executive Management members, including the President and CEO, amounted to a total of EUR 4.1 million (EUR 2.4 million in 2018), which corresponds to 1.13% (0.69% in 2018) of the total compensation in the Fortum Group. The table also includes payments made to supplementary pension arrangements for the President and CEO and for Fortum Executive Management.

Salary and fringe benefits

The base salary levels are set taking into account the nature of the role, local and international market conditions, as well as individual experience and performance. In 2019, the base salaries for the President and CEO and other members of the Fortum Executive Management were reviewed as a part of the normal company practices, and increases were allocated to three members of the Fortum Executive Management. President and

CEO Pekka Lundmark's monthly base salary was EUR 84,000 in 2019, no increase was allocated to him. The base salary includes free car and phone allowance as fringe benefits. In addition, the President and CEO received an electric vehicle subsidy of 30% of the taxable value of the free car benefit in accordance with company's car instructions. The President and CEO did not receive any compensation paid by other Fortum Group or partly owned companies.

Short-term incentives

Short-term incentives for 2018 (paid in 2019)

The STI for 2018 for the members of Fortum Executive Management was based on:

Weighting	Measure	Outcome
40%	Comparable operating profit + share of profits from associates and joint ventures	Between minimum and target
20%	Operational free cash flow	Between target and maximum
10%	Lost workday injury frequency ¹⁾	Between target and maximum
30%	Individual/team targets	Individually assessed

¹⁾ In some cases other relevant sustainability measures have been used

The outcome of the Group level comparable operating profit was slightly below the target level and the operational free cash flow slightly above the target. The Group level combined lost workday injury frequency

(LWIF), including own personnel and contractors, improved clearly and was above the target level. Due to four severe accidents including two fatalities during 2018, the management proposed and the Board of Directors approved a 20% cut of the LWIF achievement rate for the Fortum Executive Management and the division and function management team members.

The achieved performance based on the individual targets is evaluated in connection with the individual performance review and confirmed together with evaluation of the joint team target by the Board of Directors at the beginning of the year. The accrued incentives for the year 2018 were paid in April 2019.

Short-term incentives for 2019 (payable in 2020)

The STI for 2019 for the members of Fortum Executive Management was based on:

Weighting	Measure	Outcome
60%	Comparable operating profit + share of profits from associates and joint ventures	Between minimum and target
10%	Lost workday injury frequency ¹⁾	On target
30%	Individual or team targets	Individually assessed

¹⁾ In some cases other relevant sustainability measures have been used

The outcome of the Group level comparable operating profit was close to the target. Fortum's Lost Workday Injury Frequency (LWIF) for own personnel and contractors improved from the previous year and was 1.7, achieving the set target level (≤ 1.7).

The achieved performance based on the individual targets is evaluated in connection with the individual performance review and confirmed together with evaluation of the joint team target by the Board of Directors at the beginning of the year. The accrued incentives for the year 2019 will be paid in April 2020.

Short-term incentives for 2020 (payable in 2021)

As in 2019, the STI targets for the Fortum Executive Management in 2020 are based on the achievement of Group financial performance, divisional

EUR thousand	President & CEO Pekka Lundmark				Other Members of Fortum Executive Management			
	2019	2018	2017	2016	2019	2018	2017	2016
Salaries and fringe benefits	1,057	1,048	998	982	3,382	3,101	3,387	3,581
Short-term incentive	228	313	271	30	631	926	962	233
Long-term incentive	928	233	136	-	2,360	885	877	1,694
Supplementary pensions	265	252	229	356	586	533	636	560
Total	2,478	1,846	1,634	1,368	6,958	5,445	5,862	6,068

The figures include actual payments and shares delivered during the calendar year. The amounts differ from those presented in the consolidated financial statements (Note 11.4 the President and CEO and the Fortum Executive Management remuneration). The financial statements include costs accrued for the year, part of which will be paid later

targets, as well as individual or team targets. The STI performance measures and weighting are: 60% comparable operating profit, 10% LWIF (or other relevant sustainability measures), and 30% individual or team targets.

Long-term incentives

The table sets out the pipeline of recently granted LTI awards, including details of the shares delivered in the reporting period. No recovery or clawback actions were carried out in 2019 for the Fortum Executive Management.

The Board of Directors approved the amended LTI programme in December 2016. The share awards will not be subject to a minimum lock-up period but members of the Fortum Executive Management will be required to retain 50% of the shares until they have achieved their required shareholding level of 100% of the annual salary. For other key employees included in the new LTI plan no lock-up period will be applied. Under the 2019–2021 LTI plan, the Board-approved earnings criteria is relative total shareholder return (100%) measured against the European utilities peer group. Under the plan, the maximum gross number of shares to be delivered after the earnings period in 2022 is 605,551 shares (based on the participant status as of 31 December 2019). In December 2019, the Board of Directors approved the 2020–2022 LTI plan. The earnings criteria for the plan are the relative total shareholder return (80%) and total CO₂ emissions in energy production (20%).

Due to extraordinarily strong performance in the 2016–2018 LTI plan as well as a good performance in 2018, the combined outcomes of the LTI and STI reached more than 120% of the annual salary for some managers and other key employees. In accordance with Fortum's Remuneration Policy the LTI payments were, in such cases, cut to limit the total variable compensation to a maximum of 120% of the individual's base salary.

Due to strong performance in the 2017–2019 LTI plan as well as a good performance (in some divisions) in 2019, the combined outcomes of the LTI and STI might reach more than 120% of the annual salary for some managers and other key employees. In accordance with Fortum's Remuneration Policy the LTI payments will, in such cases, be cut to limit the total variable compensation to a maximum of 120% of the individual's annual base salary.

LTI plan	2013–2018	2014–2019	2015–2020	2016–2021	2017–2019	2018–2020	2019–2021
Earnings period	2013–2015	2014–2016	2015–2017	2016–2018	2017–2019	2018–2020	2019–2021
Share delivery year	2016	2017	2018	2019	2020	2021	2022
Number of participants (31 December 2019)	73	84	94	101	86	111	125
Number of shares delivered ¹⁾	241,699	153,956	141,865	416,265	-	-	-
Measures	A combination of EBITDA, EPS and share price development	50% EPS, 25% TSR & 25% Reputation Index	30% EPS, 30% Return on Net Assets (Group or Divisional), 20% TSR and 20% Group EBITDA	50% EPS & 50% TSR	50% EPS & 50% TSR	50% EPS & 50% TSR	100% TSR
Payment (% of annual salary)	42%	27%	26%	93%			
Shares delivered to members of Fortum Executive Management: ²⁾							
Pekka Lundmark (President and CEO since 7 September 2015)	-	4,463	6,453	25,765			
Arun Aggarwal (Member of FEM from 17 October 2018)	-	-	-	-			
Alexander Chuvaev ³⁾	27,897	15,480	15,930	33,522			
Per Langer	4,677	2,358	1,621	5,057			
Risto Penttinen (Member of FEM from 1 April 2016)	n/d ⁴⁾	1,793	1,767	6,232			
Markus Rauramo	7,383	4,185	2,103	11,137			
Arto Rätty (Member of FEM from 1 April 2016)	-	-	-	4,931			
Mikael Rönnblad (Member of FEM from 15 May 2017)	-	-	-	3,435			
Sirpa-Helena Sormunen (Member of FEM from 1 September 2014)	-	1,777	1,879	6,012			
Tiina Tuomela	3,902	2,563	2,117	7,206			
Shares delivered to former members of the Fortum Executive Management during their term:							
Former FEM members, total	29,125	10,076	2,059	-			

1) For the 2013–2018, 2014–2019, 2015–2020, and 2016–2021 LTI plans, the number of shares delivered (including cash plan rewards converted into shares) after deduction of taxes and tax related expenses. For the 2017–2019, 2018–2020, and 2019–2021 LTI plans, the shares will be delivered after the three-year earnings period subject to achievement of the earnings criteria

2) After deduction of taxes and tax related expenses

3) Estimated number of shares after deduction of local taxes and tax related expenses. Due to local legislation, share rights will be paid in cash instead of shares after the three-year lock-up period

4) Shares delivered before or after the term in the Fortum Executive Management are not disclosed

Shareholdings for Members of the Fortum Executive Management at 31 December 2019

The following table shows the shareholdings of the President and CEO and other members of the Fortum Executive Management at 31 December 2019. Members of the Fortum Executive Management are required to build and maintain a shareholding equivalent to 100% of their gross annual salary.

		Fortum Shareholding
Pekka Lundmark	President and CEO	92,931
Arun Aggarwal	Senior Vice President, Business Technology	-
Alexander Chuvaev	Executive Vice President, Russia Division	22,053
Per Langer	Executive Vice President, City Solutions Division	38,248
Risto Penttinen	Senior Vice President, Strategy, People and Performance	18,587
Markus Rauramo	Chief Financial Officer	45,272
Arto Rätty	Senior Vice President, Corporate Affairs and Communications	4,931
Mikael Rönöblad	Executive Vice President, Consumer Solutions Division	3,435
Sirpa-Helena Sormunen	General Counsel	12,668
Tiina Tuomela	Executive Vice President, Generation Division	24,877

Fortum Personnel Fund

Fortum employees in Finland, who are not participating in the long term incentive programme, are eligible for the Fortum Personnel Fund. The amount paid annually to the Personnel Fund is based on the achievement of annual targets. The payments to the fund in 2019 totalled EUR 2.4 million (EUR 2.0 million in 2018).

Remuneration for the Board of Directors

The following table includes the compensation paid to the Board of Directors during 2016, 2017, 2018, and 2019. The amounts include fixed yearly fees and meeting fees.

EUR thousand	2019	Board service 2019	2018	Board service 2018	2017	Board service 2017	2016	Board service 2016
Board members at 31 December 2019								
Matti Lievonen, Chairman	89	1 Jan–31 Dec	80	1 Jan–31 Dec	49	4 Apr–31 Dec	-	-
Klaus-Dieter Maubach, Deputy Chairman	71	1 Jan–31 Dec	54	28 Mar–31 Dec	-	-	-	-
Eva Hamilton	54	1 Jan–31 Dec	54	1 Jan–31 Dec	54	1 Jan–31 Dec	56	1 Jan–31 Dec
Kim Ignatius, Chairman of the Audit and Risk Committee	67	1 Jan–31 Dec	65	1 Jan–31 Dec	67	1 Jan–31 Dec	70	1 Jan–31 Dec
Essimari Kairisto	56	1 Jan–31 Dec	42	28 Mar–31 Dec	-	-	-	-
Anja McAlister	59	1 Jan–31 Dec	60	1 Jan–31 Dec	47	4 Apr–31 Dec	-	-
Veli-Matti Reinikkala	58	1 Jan–31 Dec	54	1 Jan–31 Dec	58	1 Jan–31 Dec	44	5 Apr–31 Dec
Philipp Rösler	44	26 Mar–31 Dec	-	-	-	-	-	-
Former board members								
Mino Akhtarzand	-	-	-	-	16	1 Jan–4 Apr	61	1 Jan–31 Dec
Sari Baldauf	-	-	20	1 Jan–28 Mar	84	1 Jan–31 Dec	87	1 Jan–31 Dec
Heinz-Werner Binzel	12	1 Jan–26 Mar	54	1 Jan–31 Dec	57	1 Jan–31 Dec	61	1 Jan–31 Dec
Tapio Kuula ¹⁾	-	-	-	-	43	1 Jan–7 Nov	52	1 Jan–31 Dec
Marco Ryan	19	26 Mar–1 Aug	-	-	-	-	-	-
Petteri Taalas	-	-	-	-	-	-	17	1 Jan–5 Apr
Jyrki Talvitie	-	-	-	-	17	1 Jan–4 Apr	70	1 Jan–31 Dec

1) In November 2017, Tapio Kuula passed away

The following table shows the shareholdings of the Board of Directors at 31 December 2019.

	Fortum Shareholding
Matti Lievonen, Chairman	1,500
Klaus-Dieter Maubach, Deputy Chairman	-
Eva Hamilton	40
Kim Ignatius, Chairman of the Audit and Risk Committee	4,000
Essimari Kairisto	-
Anja McAlister	-
Veli-Matti Reinikkala	3,000
Philipp Rösler	-