

Fortum's Annual Report 2014

Fortum is an energy company highly committed to sustainability. We strive to respond to the needs of our customers by generating, selling and distributing low-carbon electricity and heat and by offering energy-sector expert services.

Remuneration for Management

The table below includes the salaries and fringe benefits, short-term bonus- and long-term share bonus payments to the President and CEO and the Fortum Executive Management Team during the year. Short-term bonus (STI) payments are based on the

previous year's targets and achieved results. Long-term share bonus (LTI) includes the shares delivered during the year. The table also includes payments made to supplementary pension arrangements for the President and CEO and the Fortum Executive

Management Team.

Thousands of euros	Salaries and fringe benefits	Salaries and fringe benefits	Short-term bonus	Short-term bonus	Long-term bonus		Long-term bonus	Voluntary pensions	Voluntary pensions	Total	Total
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
President and CEO	1,005	795 ¹⁾	38	18	549	971	255	249	1,847	2,033	
Other Executive Management team members ²⁾	3,321	2,860	453	137	1,509	1,508	578	453	5,861	4,958	
Total	4,326	3,655	491	155	2,058	2,479	833	702	7,708	6,991	

1) Amount is impacted by the sick leave during 2013.

2) Former CFO Markus Rauramo was granted a recruitment bonus in 2012 that was paid in three installments of EUR 33,334 in 2012, 2013 and 2014. In addition former CFO Rauramo was paid EUR 80,000 compensation in 2013 for assuming duties of the President and CEO during March-November 2013.

The STI and LTI bonus payments to the Executive Management Team, including the President and CEO, amounted to a total of EUR 2,549 thousand (2013: 2,634), which corresponds to 0.83 % (2013: 0.77 %) of the total compensation in the Fortum Group.

Timo Karttinen, who assumed the responsibility for the duties of the President

and CEO during Tapio Kuula's sick leave in December 2014, did not receive any compensation for these additional duties in 2014.

CEO and other Fortum Executive Management Team members under the long-term incentive plans.

Number of shares delivered to the management

The following table shows the number of Fortum shares delivered to the President and

Number of shares	2014 ²⁾	2013
Tapio Kuula	15,187	35,152
Helena Aatinen	909	519
Alexander Chuvav ¹⁾	13,793	35,783
Mikael Frisk	6,463	10,079
Esa Hyvärinen (member of the FEM from 1 March 2014)	1,382	n/a
Timo Karttinen	6,639	9,563
Kari Kautinen (member of the FEM from 1 March 2014)	1,739	n/a
Per Langer	5,517	8,550
Markus Rauramo	1,679	756
Matti Ruotsala	3,463	12,395
Sirpa-Helena Sormunen (member of the FEM from 1 September 2014)	0	n/a
Tiina Tuomela (member of the FEM from 1 March 2014)	1,156	n/a
Kaarina Ståhlberg (member of the FEM until 31 March 2014)	210	n/a

1) Share rights will be paid in cash instead of shares after the three-year lock-up period due to local legislation

2) Share delivery based on share plans 2008-2012 and 2011-2016.

Remuneration and terms of employment of President and CEO Tapio Kuula

Salary and fringe benefits	EUR 81,530 /month, including free car allowance and phone allowances as fringe benefits.
Short-term incentive system (bonus) *	The bonus can be earned annually based on the criteria approved by the Board of Directors. The maximum level is 40% of the annual salary including fringe benefits.
Long-term incentive	According to Fortum management's current share bonus system. The maximum value of shares (before taxation) cannot exceed the annual salary of the President and CEO.

system (share
bonus) *

Pension	Retirement age is 63. The President and CEO's supplementary pension is a defined contribution pension plan, and the annual contribution is 25% of the annual salary. The annual salary consists of the base salary, fringe benefits and bonus. If the President and CEO's contract is terminated before retirement age, he is entitled to retain the funds that have accrued in the pension fund.
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Termination of Contract	The notice period for both parties is six months. If the company terminates the contract, the President and CEO is entitled to the salary of the notice period and to severance pay equal to 18 months' salary.
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*) Annual bonus payments (short- and long-term) cannot exceed 120% of annual salary. Annual salary = 12 times the salary paid in December of the year in question.