

A nighttime photograph of a city street. On the left, a modern building with a curved, metallic facade is visible. In the center, a road with light trails from moving vehicles stretches into the distance. On the right, a tall street lamp with two bright lights stands prominently. In the background, other city buildings are illuminated, and the sky is a deep blue with some clouds.

Governance

2015

Corporate Governance Statement

Fortum Corporation (FUM:V) 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 at 31 December 2015.

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 2010. The Finnish Securities Market Association accepted on 1 October 2015 the new Finnish Corporate Governance Code 2015, which entered into force on 1 January 2016. This statement applies the requirements of the new Code regarding the structure of the statement; it also includes a description of the insider administration and information on share ownership of the board members and management. The corporate governance statement for the financial period 1 January 2016 – 31 December 2016 will be prepared in accordance with the new 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 operating and financial review, consolidated financial statements and the parent company financial statements. The Finnish Corporate Governance Code 2010 and the new Corporate Governance Code 2015 are available on the website of the Securities Market Association: www.cgfinland.fi.

DESCRIPTION OF GOVERNANCE

Governing bodies of Fortum

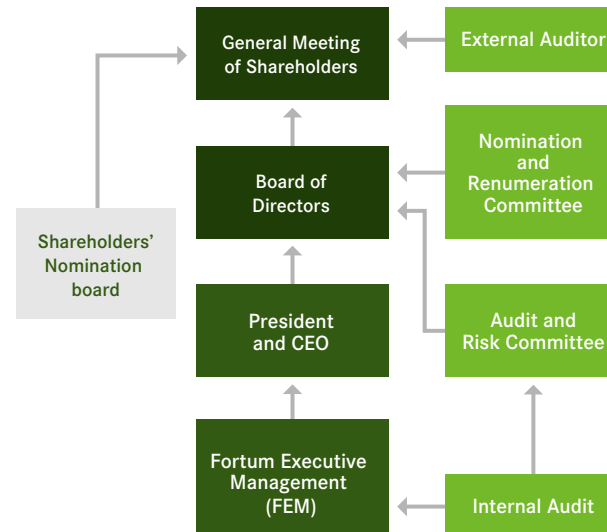
The decision-making bodies managing and overseeing the Group's administration and operations are the General Meeting of Shareholders, the Board of Directors with its two Committees, the Audit and Risk Committee and the Nomination and Remuneration Committee, and the President and CEO, supported by the 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 2015, 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.

Governing bodies of Fortum



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. 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 its website 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 the Articles of Association and 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.

In 2015

In 2015, Fortum's Annual General Meeting was held on 31 March at Finlandia Hall in Helsinki. No Extraordinary General Meeting of Shareholders was held in 2015.

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 profit 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

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 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.

Shareholders' Nomination Board ahead of Annual General Meeting 2016

In September 2015, the following members were invited to the Shareholders' Nomination Board: the Government Ownership Steering Department of the Prime Minister's Office, the Social Insurance Institution of Finland (KELA) and Varma Mutual Pension Insurance Company. The following persons were appointed to the Shareholders' Nomination Board: Eero Heliövaara, b. 1956, MSc (Econ.) and MSc (Eng.), Director General of the Government Ownership Steering Department, Prime Minister's Office; Liisa Hyssälä, b. 1948, MSSc, DDS, Director General, Social Insurance Institution of Finland (KELA); Reima Rytsölä, b. 1969, MSSc, Executive Vice President, Investments, Varma Mutual Pension Insurance Company. 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 percentage at the meetings was 100%.

The Shareholders' Nomination Board will propose to the Annual General Meeting 2016, which will be held on 5 April 2016, 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 2017 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 has decided to propose to the Annual General Meeting 2016 that the Board of Directors comprise eight members and that the following person be elected to the Board of Directors for the upcoming term: Ms. Sari Baldauf (as Chairman), Mr. Kim Ignatius (as Deputy Chairman), Ms. Minoo Akhtarzand, Mr. Heinz-Werner Binzel, Ms. Eva Hamilton, Mr. Tapio Kuula and Mr. Jyrki Talvitie as well as new member Mr. Veli-Matti Reinikkala.

Shareholders' Nomination Board ahead of Annual General Meeting 2015

In September 2014, the following persons were appointed to the Shareholders' Nomination Board: Eero Heliövaara, Director General of the Government Ownership Steering Department, Prime Minister's Office, and Liisa Hyssälä, 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. Of the three largest shareholders, The State Pension Fund informed Fortum that they would not use their right to nominate.

The Shareholders' Nomination Board convened four times and the attendance percentage at the meetings was 100%. The Shareholders' Nomination Board presented its proposal covering the members of the Board of Directors and the remuneration be paid to them, on 22 January 2015. The Shareholders' Nomination Board proposed to increase the fees paid to the members of the Board of Directors. The Finnish State, Fortum's biggest shareholder, opposed the Shareholders' Nomination Board proposal and submitted its own proposal for the Annual General Meeting. The General Meeting confirmed the remuneration for Board services in accordance with the proposal by the Finnish State.

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.

The Board of Directors does not have powers to issue or buy back shares without authorisation from the General Meeting of Shareholders. Currently, there is no such authorisation for the Board of Directors.

In 2015

Until the Annual General Meeting held on 31 March 2015, the Board of Directors comprised the following eight members: Chairman Sari Baldauf, Deputy Chairman Kim Ignatius, Minoo Akhtarzand, Heinz-Werner Binzel, Ilona Ervasti-Vaintola, Christian Ramm-Schmidt, Petteri Taalas and Jyrki Talvitie.

The Annual General Meeting on 31 March 2015 re-elected Chairman Sari Baldauf, Deputy Chairman Kim Ignatius, Minoo Akhtarzand, Heinz-Werner Binzel, Petteri Taalas, and Jyrki Talvitie, and, in addition, Eva Hamilton and Tapio Kuula, were elected as new members to the Board of Directors until the end of the Annual General Meeting in 2016.

In 2015, 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 five members are male.

In 2015, the Board of Directors met 15 times, and the attendance rate of its members was 99%.

In 2015, the Board of Directors focused especially on the nomination of the new President and CEO, and the development of the company's strategy after the divestment of the electricity distribution business. Other focus areas included the market outlook and market development, as well as Fortum's competitiveness and growth options 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.

MAIN DUTIES OF THE BOARD OF DIRECTORS INCLUDE:

- 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
- 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
- Strategic development and steering of the company's business and divisions
- Appointing and dismissing the President and CEO; deciding on his/her remuneration
- Confirming the Group's organisational structure at the top management level, and appointing and dismissing the members of the Fortum Executive Management
- Setting and following up the annual performance targets for the company and its management
- Deciding on major investments, divestments and business arrangements
- Confirming the Group's Code of Conduct, operating principles and Group policies, including the sustainability policy, and overseeing their implementation
- Convening the Annual General Meeting and the Extraordinary General Meeting, when necessary
- Appointing the Chairman and Deputy Chairman as well as members of the Fortum Corporation Advisory Council
- Deciding on donations to charities

Fortum's Board of Directors on 31 December 2015

	Born	Nationality	Education	Occupation	Member since	Attendance at Board Meetings	Attendance at Board Committee Meetings	Share ownership
Ms. Sari Baldauf, Chairman	1955	Finnish	MSc (Econ.)	Non-executive chairman	2009	15/15	Nomination and Remuneration Committee, 4/4	2,300 shares
Mr. Kim Ignatius, Deputy Chairman	1956	Finnish	BSc (Econ.)	CFO of Sanoma Corporation Non-executive director	2012	15/15	Audit and Risk Committee, 5/5	2,400 shares
Ms. Minoo Akhtarzand	1956	Swedish	MSc (Electrical Engineering)	Governor in the County of Jönköping Non-executive director	2011	15/15	Audit and Risk Committee, 5/5 Nomination and Remuneration Committee, 1/1	0 shares
Mr. Heinz-Werner Binzel	1954	German	Economics and electrical engineering degree	Independent consultant Non-executive director	2011	15/15	Audit and Risk Committee, 5/5	0 shares
Mr. Petteri Taalas	1961	Finnish	PhD in Meteorology	Director General of the Finnish Meteorological Institute Non-executive director	2014	15/15	Nomination and Remuneration Committee, 3/3	0 shares
Mr. Jyrki Talvitie	1966	Finnish	Executive MBA, Master of Law	Russian Direct Investment Fund, Director Non-executive director	2014	14/15	Audit and Risk Committee, 5/5	0 shares

Member of Fortum's Board of Directors as from 31 March 2015

Ms. Eva Hamilton	1954	Swedish	B.A. Journalism	Non-executive director	2015	11/11	Nomination and Remuneration Committee, 3/3	40 shares
Mr. Tapio Kuula	1957	Finnish	MSc (Eng.) MSc (Econ.)	Non-executive director, not independent of the company	2015	11/11	Nomination and Remuneration Committee, 3/3	201,200 shares

Member of Fortum's Board of Directors until 31 March 2015

Ms. Ilona Ervasti-Vaintola	1951	Finnish	LL.M, Trained on the bench	Non-executive director	-	4/4	Nomination and Remuneration Committee, 1/1	-
Mr. Christian Ramm-Schmidt	1946	Finnish	BSc (Econ.)	Senior Partner of Merasco Capital Ltd. Non-executive director	-	4/4	Nomination and Remuneration Committee, 1/1	-

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, risks and control, in accordance with the tasks specified for audit committees in the Finnish Corporate Governance Code. The Audit and Risk Committee oversees the financial reporting process and monitors the efficiency of the internal controls and risk management systems within the Group. In addition, the committee regularly reviews the business ethics compliance

reporting. The committee has a written charter in which its duties have been defined.

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 approves the internal audit charter and the internal audit plan, and carries out a self-assessment of its work. The committee also reviews the external auditor's audit plan and meets with them regularly to discuss the audit plan, audit reports and findings. In addition, the committee evaluates the independence of the external auditors and monitors their performance.

In 2015

After the Annual General Meeting on 31 March 2015, the Board of Directors elected from amongst its members Kim Ignatius as the Chairman and Minoo Akhtarzand, Heinz-Werner Binzel and Jyrki Talvitie as members of the Audit and Risk Committee. Until the Annual General Meeting on 31 March 2015, the committee comprised Kim Ignatius as the Chairman, and Heinz-Werner Binzel and Jyrki Talvitie as members.

In 2015, the members were all independent of the company and of its significant shareholders. The Audit and Risk Committee met 5 times in 2015 and the attendance rate was 100%.

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
- Monitoring the efficiency of the company's internal control, internal audit, compliance and risk management systems
- Reviewing the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in the company's Corporate Governance Statement
- Reviewing annually the Group risk policy and risk exposures
- Reviewing plans and reports and approving operation instructions of the internal audit function
- 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 President and CEO or other executives of the company may not be appointed as members of the committee.

The regular participants at the committee meetings are the President and CEO, Senior Vice President, Corporate Human Resources, and General Counsel, as Secretary to the Committee.

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

In 2015

After the Annual General Meeting on 31 March 2015, the Board of Directors elected from amongst its members Sari Baldauf as the Chairman and Eva Hamilton, Tapio Kuula and Petteri Taalas as members of the Nomination and Remuneration Committee. Until the Annual General Meeting on 31 March 2015, the committee comprised Sari Baldauf as the Chairman and Minoo Akhtarzand, Ilona Ervasti-Vaintola, Christian Ramm-Schmidt and Petteri Taalas as members.

In 2015, 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 2015 and the attendance rate was 100%.

President and CEO

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

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
- 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 and bonuses and incentive systems
- 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

comply with the applicable laws and that its financial affairs have been arranged in a reliable manner.

In 2015

Mr. Tapio Kuula served as President and CEO from May 2009 to 31 January 2015, when he retired. As of 18 December 2014, Mr. Kuula had been on sick-leave. Mr. Timo Karttinen, CFO of Fortum Corporation, assumed responsibility for the duties of the President and CEO until Mr. Pekka Lundmark, appointed as the new President and CEO on 2 April 2015, started as the President and CEO of Fortum Corporation on 7 September 2015.

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 monitored in the monthly reporting and reviewed monthly 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.

In 2015

On 31 December 2015, the Fortum Executive Management consisted of twelve members (9 men and 3 women), including the President and CEO. Fortum's divisions and responsibility areas are:

- The Hydro Power and Technology Division and the Nuclear and Thermal Power Division are both part of Power and Technology reporting segment. The two divisions are responsible for Fortum's hydro, nuclear and thermal power generation, expert services, portfolio management and trading as well as technology and R&D functions.
- The Heat, Electricity Sales and Solutions Division consists of Fortum's combined heat and power (CHP) production, district heating and business-to-business heating solutions, solar business, electricity sales and related customer offering as well as Corporate Sustainability.
- The Russia Division consists of power and heat generation as well as heat distribution in Russia.

Fortum Executive Management on 31 December 2015

	Position and responsibility area	Born	Education	Member since	Share ownership (31 Dec 2015)
Pekka Lundmark ¹	President and CEO, Chairman of the Fortum Executive Management	1963	MSc (Eng.)	7 September 2015	56,250
Helena Aatinen	Senior Vice President, Corporate Communications	1959	MSc (Econ.)	2012	3,880
Alexander Chuvaev	Executive Vice President, Russia Division, Head of Russia Division	1960	MSc (Eng.)	2009	14,713
Mikael Frisk	Senior Vice President, Corporate Human Resources	1961	MSc (Econ.)	2001	43,017
Esa Hyvärinen	Senior Vice President, Corporate Relations	1967	MSc (Econ.) and MSc (Agr. & For.)	2014	17,540
Timo Karttinen	Chief Financial Officer	1965	MSc (Eng.)	2004	80,691
Kari Kautinen	Senior Vice President, Strategy, Mergers and Acquisitions	1964	LL.M	2014	25,232
Per Langer	Executive Vice President, Hydropower and Technology Division Head of Hydro Power and Technology Division, reports to COO Matti Ruotsala	1969	MSc (Econ.)	2009	34,535
Markus Rauramo	Executive Vice President, Heat, Electricity Sales and Solutions Division Head of Heat, Electricity Sales and Solutions Division, reports to COO Matti Ruotsala	1968	MSc (Econ. and Pol. Hist.)	2012	20,464
Matti Ruotsala	Chief Operating Officer, Deputy to the President and CEO	1956	MSc (Eng.)	2007	39,066
Sirpa-Helena Sormunen	General Counsel	1959	LL.M	2014	3,000
Tiina Tuomela	Executive Vice President, Nuclear and Thermal Power Division Head of Nuclear and Thermal Power Division, reports to COO Matti Ruotsala	1966	MSc (Eng.), MBA	2014	9,090

1) New member since 7 September 2015

THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

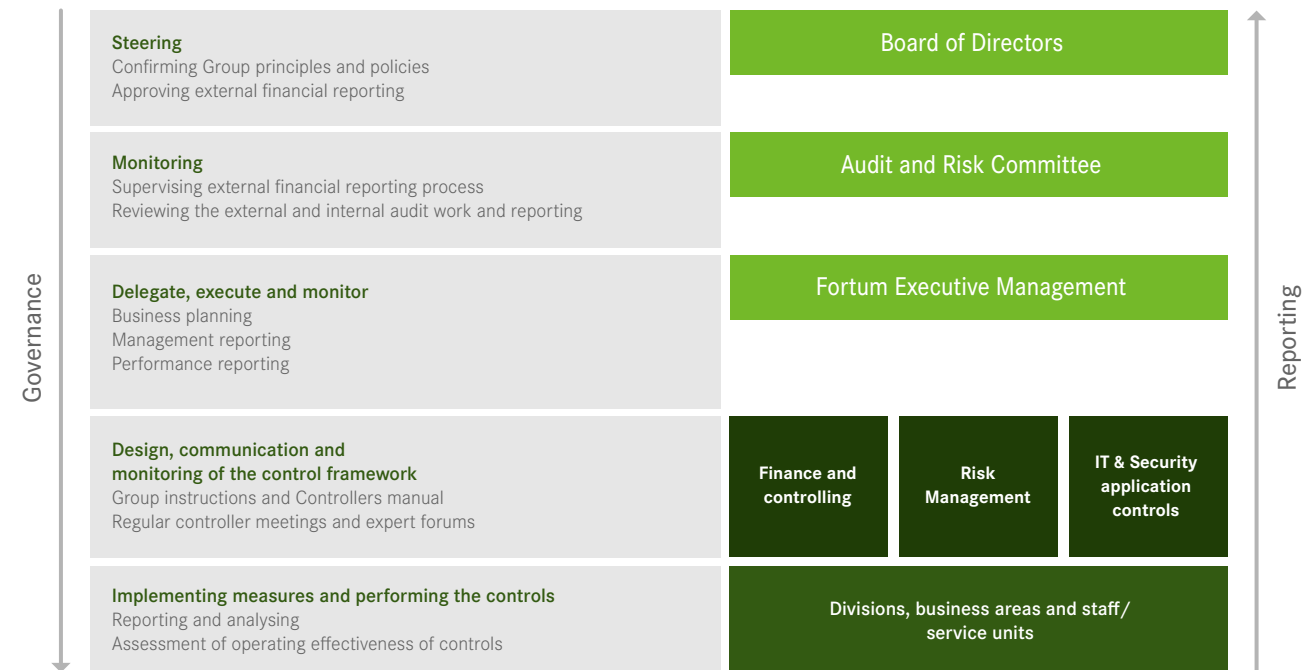
Internal controls in relation to financial reporting

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.

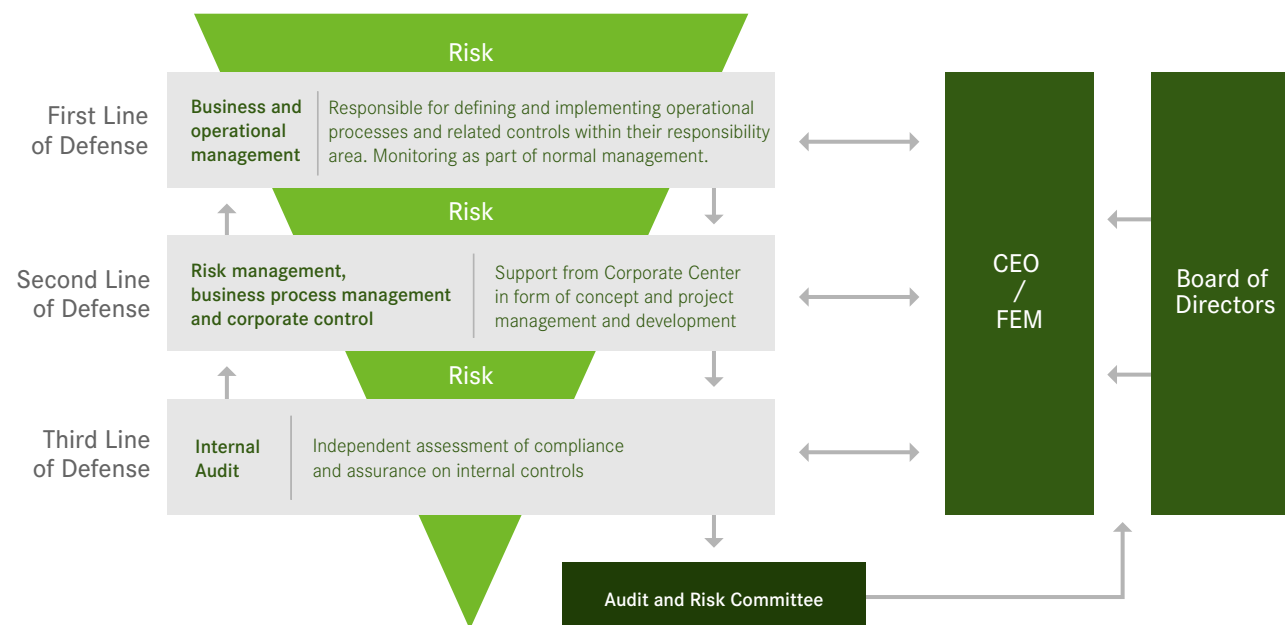
Risk control processes for financial reporting

Fortum's Board of Directors approves the Group Risk Policy that sets the Group's objective, principles and division of responsibilities for risk management activities. Fortum's internal control framework includes the main elements from the framework introduced by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The controls for processes including financial reporting controls have been defined risk-based.

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 supports and ensures regulatory compliance and reliability of the financial reporting. In the internal control framework, the key controls and minimum requirements for the controls in key processes are defined. Corporate Accounting and Control is responsible for the overall control structure of the financial performance management process. The control process is based on Group instructions and guidelines relating to financial reporting. Fortum Controllers' manual contains financial reporting instructions. This manual is regularly reviewed and updated.

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" as illustrated in the graphic.

Risk assessment

Risks that might, if realised, have financial impact or lead to non-compliance are annually identified and analysed as part of the risk management process. Risks are reported in connection with the planning process, and the follow-up of actions and improvements are integrated in operational management. The control risk assessment has been the basis for creating the process-level internal control framework, and the same applies to the control points to prevent errors in the financial reporting.

Control activities

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

The Corporate Accounting and Control unit determines the control requirements and the design of the control points and the internal controls covering the financial reporting process. Divisions define their detailed control descriptions. Responsibilities are assigned for the controls and also for ensuring the coverage of the controls according to the defined scope.

Fortum's processes include controls regarding the initiation, approval, accounting and reporting of financial transactions. Fortum's financial shared service centres perform controls for the recognition, measurement and disclosure of financial information.

All divisions have their own finance function ensuring that relevant analyses of the business performance are done, such as analyses on volumes, revenues, costs, working capital, asset values, risks and investments.

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 group wide development projects within the Finance function. The regular Accounting Network Forum meetings are used to inform the finance community about upcoming changes in IFRS, new accounting policies and other changes in reporting.

Monitoring and follow-up

Financial results are followed up in the monthly reporting and reviewed monthly by the Fortum Executive Management. The quarterly Performance Review meetings with the Group management are embedded in the Fortum Performance Management process.

As part of the Fortum internal control framework, all divisions make yearly self-assessments of the controls they are responsible for. Division and corporate-level controller teams are responsible

for assessing the financial reporting process controls. The Corporate Risk Management function regularly consolidates these control self-assessments and reports to the management and to the Audit and Risk Committee. Internal control design and operating effectiveness are also assessed by Corporate Internal Audit. Audit results, including corrective actions and status, are regularly reported to the management and to the Audit and Risk Committee.

Auditing

Internal Audit

Fortum's Corporate Internal Audit is responsible for assessing and assuring the adequacy and effectiveness of internal controls in the company. Furthermore, it evaluates the effectiveness and adequacy of the business processes and risk management as well as compliance with laws, regulations and internal instructions and guidelines. The Standards for the Professional Practice of Internal Audit form the basis for the work of Internal Audit.

External Audit

The company has one external auditor, which shall be an audit firm certified by the Central Chamber of Commerce. 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 31 March 2015 elected Authorised Public Accountant Deloitte & Touche Oy as the company's external auditor, with Authorised Public Accountant Jukka Vattulainen having the principal responsibility. Jukka Vattulainen has had the principal responsibility since 2010.

The Annual General Meeting decided on 31 March 2015 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 2015 totalled c. EUR 1,330,000. In addition, the audit firm was paid a total of c. EUR 318,000 in fees for non-audit services rendered and invoiced.

Compliance Management and Code of Conduct

Fortum's Code of Conduct is based on the shared corporate values of accountability, creativity, respect and honesty, which form the ethical basis for all work at Fortum. Fortum's updated Code of Conduct was implemented in the fall of 2015 (originally launched in 2007) and published in ten languages. The Code of Conduct has been approved by the Board of Directors.

Prevention of corruption is one of the Code of Conduct's focus areas. Compliance risks, such as corruption, are managed

as part of Fortum's operational risk management framework and control procedures in all Fortum's operating countries. Fortum has procedures for prevention, oversight, reporting and enforcement based on the requirements prescribed in international legislation. Corporate Risk Management together with other functions, such as Corporate Tax and Sustainability, have developed a country and partner risk evaluation process to support the understanding and management of compliance needs at the local and business partner level.

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 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.

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. Read more at www.fortum.com/sustainability

Fortum performance management process



INSIDER ADMINISTRATION

Fortum observes the Guidelines for Insiders issued by Nasdaq Helsinki. Fortum's own internal insider rules are regularly updated and made available to all permanent insiders as well as to all employees of Fortum. The company arranges training on insider rules. Fortum maintains a public insider register of persons obliged to declare insider holdings, as required under the Securities Market Act, and a non-public, company-specific insider register of such parties who have regular access to inside information.

Public insider register

Permanent insiders registered in the public insider register are members of the Board of Directors, the President and CEO, the external auditor as well as members of the Fortum Executive Management.

The shareholdings of Fortum's insiders registered in the public insider register are available on the company's web site. The register is maintained by Euroclear Finland Ltd.

Company-specific insider register

Permanent insiders registered in Fortum's company-specific register are persons who, by virtue of their position or duties, have regular access to inside information on the company. The company-specific register also contains information on such persons who obtain inside information by, for example, working for the company under a separate consulting contract.

Trading of Fortum shares or securities

All permanent insiders are instructed to time the trading of shares and related securities issued by the company so that the trading does not undermine confidence in the securities markets. Permanent insiders may not trade in shares and related securities issued by Fortum within 30 days prior to the publication of interim reports and financial statements. When the publication of the interim report or the financial statements takes place more than 30 days after the end of the financial period, the closed window for trading begins at the end of the financial period.

Internal supervision of insider affairs

Fortum regularly monitors the trading of permanent insiders based on the information held in the register of the Euroclear Finland Ltd. The company may, on a case-by-case basis, supervise the trading of shares and related securities of its permanent insiders. The coordination and control of insider affairs are included in the responsibilities of Fortum's General Counsel. The executive of each function or unit monitors the insider affairs in his/her own organisation.

Remuneration Statement 2015

Remuneration at Fortum is directed by the Group's remuneration principles and Fortum's general compensation and benefits practices.

This Remuneration statement 2015 is prepared in accordance with the Finnish Corporate Governance Code. It requires that Fortum issues a remuneration statement regarding the salaries and other remuneration paid by the company.

DECISION-MAKING RELATING TO REMUNERATION

The Shareholders' Nomination Board, the Annual General Meeting of Shareholders (AGM), the Board of Directors and its Nomination and Remuneration Committee are involved in the discussions and decision-making regarding remuneration at Fortum. The Shareholders' Nomination Board is responsible for presenting a proposal for remuneration of the members of the Board of Directors to the AGM. The decision on the remuneration of the members of the Board of Directors is made in the AGM.

The Board of Directors decides, based on the proposals made by the Nomination and Remuneration Committee, on remuneration principles and remuneration for senior management

(President and CEO and the other members of Fortum Executive Management). Similarly, the Board of Directors approves all company-wide incentive arrangements for senior management and other key personnel.

REMUNERATION PRINCIPLES

Fortum wants to recognise high performance and value-based behaviour and aims to offer a competitive remuneration package for senior management and other key employees. The objective is to attract, commit and retain key resources in all countries where the company operates.

Fortum's aim is to reward concrete achievements in executing the company's strategy and leading to business success. The company promotes the setting of challenging targets and taking initiative. Accountability and good leadership, which drive desired behaviour and support the achievement of successful results, are valued at Fortum. Emphasis is put on clear and effective communication to address the importance of ongoing dialogue with the employees and to support transparency, speed and efficiency in decision making. Fortum is committed to running its performance and rewards processes ethically and with high

integrity. In addition, relevant market and industry practices are taken into account in determining the reward practices.

Fortum's remuneration principles follow the Finnish Corporate Governance Code. They also comply with the recommendations on the remuneration and retirement benefits of executive management and key individuals in companies with state ownership.

Short-term incentives (STI)

Fortum's short-term incentive programme is designed to support the achievement of the company's financial and other relevant targets set on an annual level. The individual and team targets are aligned with the targets of the division and the Group through the frequent performance dialogues. All Fortum employees are covered by the STI programme or a comparable local variable pay arrangement.

The Board of Directors decides on the STI performance criteria – including all performance measures, target values and performance ranges – for senior management. The target incentive for senior management is 20% of the individual's annual salary including fringe benefits, while the maximum incentive represents 40% of the individual's annual salary including fringe benefits.

Main remuneration practices for the President and CEO and other members of Fortum Executive Management

Base salary	Fixed base salary includes monetary salary and fringe benefits.
Short-term incentives	Supports the realisation of the Group's financial and strategic performance targets, sustainability targets and values. The maximum incentive is 40% of the executive's annual salary including fringe benefits. Supports the achievement of the Group's long-term targets.
Long-term incentives	Fortum's LTI programme consists of six-year share plans, within which the participants have the opportunity to earn company shares. The maximum value of shares, before taxation, to be delivered to a participant cannot exceed the participant's annual salary. The combined gross value of short-term and long-term incentives (before taxation) cannot exceed 120% of the executive's annual salary.
Pensions	In addition to the statutory pensions, the members of Fortum Executive Management have supplementary pension arrangements. All new supplementary pension arrangements, including the pension plan for the President and CEO, are defined contribution plans with a maximum premium percentage of 25% of the annual salary.

Incentives payable for the members of Fortum Executive Management are determined based on the realisation of the set divisional targets, the Group's financial performance as well as individual targets. The criteria used to assess the personal performance of an executive are agreed in a performance discussion held at the beginning of the year. The Board of Directors assesses the performance of the President and CEO on a regular basis.

Long-term incentives (LTI)

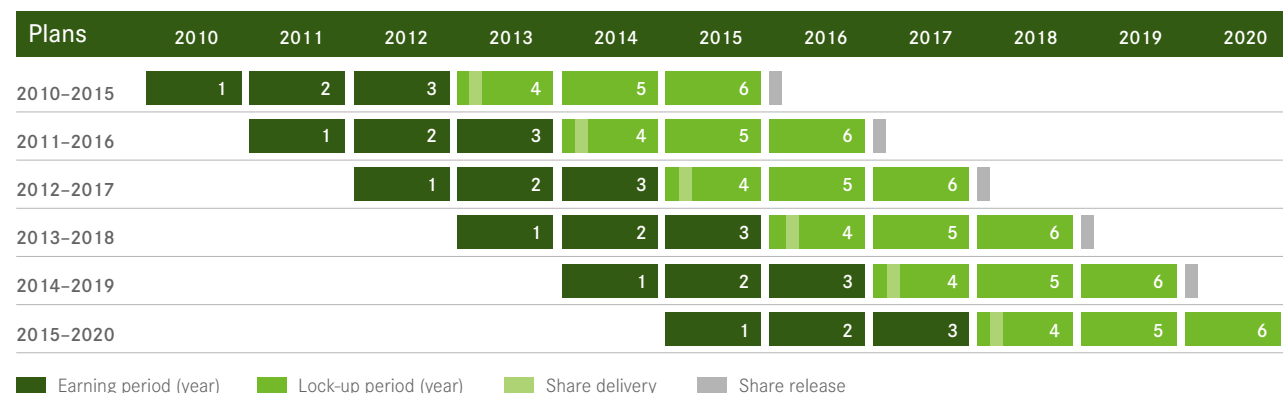
The purpose of Fortum's long-term incentive programme is to support the achievement of the Group's long-term targets by committing and retaining key individuals. The Board of Directors approves the Fortum management members and key individuals entitled to participate in an LTI Plan. Participation in an LTI Plan precludes the individual from being a member in the Fortum Personnel Fund.

Fortum's LTI Programme consists of six-year share plans, within which participants have the opportunity to earn company shares. Subject to the decision of the Board of Directors, a new share plan commences yearly.

Each share plan begins with a three-calendar-year period, during which participants may earn share rights if the earning criteria set by the Board of Directors are fulfilled. If all the targets set by the Board of Directors are met, the incentive for senior management is 50% of the individual's annual salary including fringe benefits. If the targets are exceeded and the performance is exceptionally good the maximum incentive may equal to the participant's annual salary including fringe benefits.

After the earning period has ended and the relevant taxes and other employment-related expenses have been deducted from the

Share bonus programme



gross value of the earned share rights, participants are paid the net balance of the earned rights in the form of shares. The earning period is followed by a subsequent lock-up period, during which participants cannot transfer or dispose of the shares. If the value of the shares decreases or increases during the lock-up period, the participant will carry the potential loss or gain.

For Fortum Executive Management members, the lock-up period may be shortened from three years to one year on an individual basis if the value of the aggregate ownership of Fortum shares corresponds to a minimum of the executive's annual base salary. For other participants, the lock-up period was changed to one year from the LTI Plan 2013–2018 onwards.

PCA Corporate Finance, an independent Finnish financial advisor, has provided external advice in matters related to remuneration of senior management.

Pensions

Members of Fortum Executive Management in Finland participate in the Finnish TyEL pension system, which provides for a retirement benefit based on earnings in accordance with the prescribed statutory system. Under the Finnish pension system, earnings include base pay, annual bonuses and taxable fringe benefits, but gains realised from the share bonus plans are not included in that definition. Members of 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 Fortum Executive Management have supplementary pension arrangements. The Group policy is that all new supplementary

pension arrangements are defined contribution plans, and the pension plan for the President and CEO is also a defined contribution plan.

The retirement age for Fortum's President and CEO is 63, and for the other members of Fortum Executive Management the retirement age varies between 60 and 65. For the President and CEO and other members of Fortum Executive Management, the maximum pension premium percentage can be 25% of the annual salary. Members, who have joined Fortum prior to 1 January 2009, are entitled to defined pension plans in which the benefit is 60 or 66% of the final pensionable salary. In these cases, the pension is provided by an insurance company or Fortum's Pension Fund.

ANNUAL REMUNERATION REPORT 2015

Fortum's principle is to encourage high performance, and variable compensation is payable depending on how well the company is able to achieve the set annual and long-term strategic targets.

The criteria for annual incentives for the year 2014, which were paid in 2015, were the Group's profitability and cash flow, divisional

and other unit-level targets, as well as success in reaching personal targets. The performance criteria also included indicators related to sustainability targets. In 2015, a total of EUR 13.7 million (2014: EUR 14.3 million) was paid as incentives for the financial year 2014. The amounts reported exclude payments to the personnel of the divested electricity distribution business. The amount paid decreased compared to the previous year, mainly due to the lower financial performance of the company.

Fortum employees in Finland, who are not participating in the long-term incentive plan, belong to 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 2015 totalled EUR 3.7 million (2014: EUR 0.4 million).

Remuneration for Management

The annual short-term incentives paid in 2015 to the members of senior management were measured by the Group's profitability and cash flow, divisional targets and success in reaching personal targets. The performance criteria also included indicators

related to sustainability targets. The STI payments for the senior management remained below the 20% target level.

In 2015, the three-year earning period (2012-2014) of the company's long-term incentive plan 2012-2017 resulted in a payment close to the target level (48.4% of maximum). As a result, after deduction of taxes and tax related expenses, the total reward corresponded to 207,403 net shares, 55,794 of which were awarded to members of Fortum Executive Management. In addition, 30,271 shares were delivered to the former President and CEO Tapio Kuula.

In December 2015, the Board of Directors approved the commencement of a new long-term incentive plan for 2016-2021. The Board-approved earning criteria for the earning period 2016-2018 are based on earnings per share (EPS) and return for shareholders. Approximately 110 key employees were included in the plan.

The table below includes the salaries and fringe benefits, short-term bonus and long-term share bonus payments to the President and CEO and to Fortum Executive Management during the year. Short-term bonus (STI) payments are based on the 2014 targets and achieved results. The long-term share bonus (LTI) includes the shares delivered during the year. The table also includes payments made to supplementary pension

Compensation to the President and CEO and to Fortum Executive Management

Thousands of euros	President and CEO				Other executive management members	
	2015			2014	2015 ³⁾	2014 ⁴⁾
	Pekka Lundmark, (President and CEO since 7 Sep 2015)	Timo Karttinen (Interim President and CEO until 6 Sep 2015) ¹⁾	Tapio Kuula (President and CEO until 31 Jan 2015) ²⁾	Tapio Kuula		
Salaries and fringe benefits	305	372	279	1,005	3,367	3,321
Short-term bonus	-	n/a	170	38	638	453
Long-term share bonus	-	n/a	1,146	549	1,526	1,509
Voluntary pensions	-	n/a	25	255	661	578
Total	305	372	1,620	1,847	6,192	5,861

1) Includes the payments CFO Timo Karttinen received during his position as Fortum's Interim President and CEO during 1 February - 6 September 2015 and as a substitute to the President and CEO in January 2015. Also included is a lump sum payment of EUR 70,000 for his success in assuming the responsibilities of Interim President and CEO.

2) Long-term share bonus includes the gross payment Tapio Kuula received from the share plans commenced in 2012, 2013 and 2014. Mr. Kuula received the net amount of the payment as shares, after deducting the taxes and tax-related charges arising from the payment. These shares, totalling 30,271 shares, are under lock-up until the spring 2018.

3) Includes remuneration of CFO Timo Karttinen from 7 September onwards.

4) 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.

arrangements for the President and CEO and for Fortum Executive Management.

The STI bonus and LTI share bonus payments to Fortum Executive Management members, including the President and CEO, amounted to a total of EUR 3,479 thousand (2014: 2,549), which corresponds to 1.32% (2014: 0.92%) of the total compensation in the Fortum Group. The figures exclude payments to the employees of the divested electricity distribution business. The increase arises from the bonuses paid to the former President and CEO Tapio Kuula.

Tapio Kuula served as Fortum's President and CEO until 31 January 2015. In the Annual General Meeting on 31 March 2015, he was elected Member of the Board of Directors of Fortum. According to Fortum's remuneration principles, members of the Board of Directors cannot participate in Fortum's annual bonus or share bonus programme.

Mr. Kuula's salary, fringe benefits and holiday payments in 2015 were EUR 279,261. In April 2015, he was paid his annual bonus of EUR 170,037 for the year 2014. In addition, Mr. Kuula earned long-term share bonuses amounting to EUR 1,145,660 (gross) from the

share plans commenced in 2012, 2013 and 2014. Mr. Kuula received the net amount of the payment as shares, after deducting the taxes and tax-related charges arising from the payment. These shares, totalling 30,271 shares, are under lock-up until the spring 2018.

Timo Karttinen served as substitute to the President and CEO during Mr. Kuula's sick leave in January 2015 and as Fortum's Interim President and CEO from 1 February to 6 September 2015. During this time, he received a salary of EUR 35,000/month, including free car allowance and phone allowance as fringe benefits. Additionally, Mr. Karttinen received a lump-sum payment of EUR 70,000 in October 2015 based on his successful work during the challenging period when he assumed the responsibilities of Interim President and CEO alongside his CFO role.

Number of shares delivered to management

The following table shows the number of Fortum shares delivered to the President and CEO and to other Fortum Executive Management members under the long-term incentive plans.

Number of shares delivered to the President and CEO and to other Fortum Executive Management members

Number of shares	2015 ³⁾	2014 ⁴⁾
Pekka Lundmark (President and CEO since 7 September 2015)	-	n/a
Tapio Kuula (President and CEO until 31 January 2015) ¹⁾	30,271	15,187
Helena Aatinen	2,352	909
Alexander Chuvaev ²⁾	21,781	13,793
Mikael Frisk	3,926	6,463
Esa Hyvärinen (member of the FEM from 1 March 2014)	2,384	1,382
Timo Karttinen	4,261	6,639
Kari Kautinen (member of the FEM from 1 March 2014)	2,956	1,739
Per Langer	3,751	5,517
Markus Rauramo	5,029	1,679
Matti Ruotsala	6,706	3,463
Sirpa-Helena Sormunen (member of the FEM from 1 September 2014)	-	-
Tiina Tuomela (member of the FEM from 1 March 2014)	2,648	1,156
Kaarina Ståhlberg (member of the FEM until 31 March 2014)	n/a	210

1) Includes the shares Tapio Kuula received from the share plans commenced in 2012, 2013 and 2014. The shares are under lock-up until the spring 2018.

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

3) Share delivery based on share plan 2012–2017

4) Share delivery based on share plans 2008–2012 and 2011–2016

Remuneration and terms of employment for President and CEO Pekka Lundmark

Salary and fringe benefits	EUR 80,000/month, including free car allowance and phone allowance as fringe benefits.
Short-term incentive programme (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. Annual salary = 12 times the salary paid in December of the year in question.
Long-term incentive programme (share bonus) *	According to Fortum management's ongoing share bonus programme. The maximum value of shares (before taxation) cannot exceed the annual salary of the President and CEO. The combined gross value of short-term and long-term incentives (before taxation) cannot exceed 120% of the President and CEO's annual salary.
	Retirement age is 63.
Pension	The President and CEO has a supplementary defined contribution pension plan. The yearly contribution is 25% of the annual salary, which consists of the base salary and fringe benefits. 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.
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 severance pay equal to 12 months' salary.

* As of 7 September 2015, Pekka Lundmark participates in 2014-2019 and 2015-2020 share bonus plans for the remaining earning periods.

Compensation for Board of Directors in 2015

The following table includes the compensation paid for the Board of Directors during 2015 and 2014. The amounts include fixed yearly fees and meeting fees.

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 bonus or share bonus 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.

Fees for the Board of Directors

The Annual General Meeting on 31 March 2015 confirmed the following annual fees for the members of the Board of Directors:

Board compensation in 2015 and 2014

Thousands of euros	2015	Board service 2015	2014	Board service 2014
Board members at 31 December 2015				
Sari Baldauf, Chairman	86	1 Jan - 31 Dec	83	1 Jan - 31 Dec
Kim Ignatius, Deputy Chairman	68	1 Jan - 31 Dec	67	1 Jan - 31 Dec
Minoo Akhtarzand	61	1 Jan - 31 Dec	57	1 Jan - 31 Dec
Heinz-Werner Binzel	60	1 Jan - 31 Dec	60	1 Jan - 31 Dec
Eva Hamilton	43	31 Mar - 31 Dec	-	-
Tapio Kuula	38	31 Mar - 31 Dec	-	-
Petteri Taalas	51	1 Jan - 31 Dec	37	8 Apr - 31 Dec
Jyrki Talvitie	66	1 Jan - 31 Dec	53	8 Apr - 31 Dec
Former Board members				
Ilona Ervasti-Vaintola	13	1 Jan - 31 Mar	48	1 Jan - 31 Dec
Christian Ramm-Schmidt	13	1 Jan - 31 Mar	53	1 Jan - 31 Dec
Joshua Larson	n/a	n/a	19	1 Jan - 8 Apr

Annual fees for the members of the Board of Directors

Thousands of euros	2015	2014
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 a meeting fee. The fees in 2015 were the same as in previous years. The meeting fee of EUR 600 is also paid for Committee meetings. For Board members living outside Finland in Europe, the fee for each meeting is doubled; for Board members living outside Europe, it is tripled. However, as a change to the previous years, the Annual General Meeting held on 31 March 2015 decided that for Board members living in Finland, the fee for each Board and Board Committee meeting is doubled for meetings held outside Finland and tripled for meetings held outside Europe. For Board and Committee meetings held as a telephone conference, the meeting fee is paid as single to all members. No fee will be paid for decisions made without a separate meeting.

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

Board of Directors 31 Dec 2015



Sari Baldauf

Chairman

Born 1955, nationality: Finnish
MSc, Business Administration. Honorary doctorate degrees in Technology (Helsinki University of Technology) and Business Administration (Turku School of Economics and Business Administration)
Independent member of Fortum's Board of Directors since 2009
Chairman of the Nomination and Remuneration Committee

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:

- Akzo Nobel N.V., Daimler AG, and Deutsche Telekom AG: Member of the Supervisory Board

- DevCo Partners Oy, Senior Advisor
- Savonlinna Opera Festival, Chairman of the Board 2005–03/2015
- Finland's Children and Youth Foundation, Member of the Board 2009–01/2015
- F-Secure Corporation, Member of the Board 2005–2014
- Sanoma Corporation, Deputy Chairman 2003–2009
- Capman Corporation, Member of the Board 2008–2011
- YIT Corporation, Member of the Board 2006–2008
- Hewlett-Packard Company, Member of the Board 2006–2012
- Finnish Business and Policy Forum EVA, Member of the Board and vice chair 2007–2013
- John Nurminen Foundation, Member of the Board 2009–2013

Fortum shares as of 31 December 2015:

2,300 (31 December 2014: 2,300)



Kim Ignatius

Deputy Chairman

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

Main occupation:

- Sanoma Corporation, CFO

Primary work experience:

- 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:

–

Fortum shares as of 31 December 2015:

2,400 (31 December 2014: 2,400)



Minoo Akhtarzand

Born 1956, nationality: Swedish
MSc, Electrical engineering
Independent member of Fortum's Board of Directors since 2011
Member of the Audit and Risk Committee

Main occupation:

- Governor in the County of Västmanland as of 1 February 2016

Primary work experience:

- Governor in the County of Jönköping 2010–01/2016
- Swedish National Rail Administration, Director-General 2008–2010
- Regional Labour Agency, Director 2006–2008
- Vattenfall AB, various senior executive positions 1984–2006
- Stockholm Energi, various positions 1981–1984

Key positions of trust:

- Södertörn University, Chairman of the Board
- The National Society for Road Safety in the County of Jönköping, Chairman of the Board
- The Swedish Export Credit Agency, Vice Chairman of the Board
- Stiftelsen SKAPA, Chairman
- Sveriges Radio 2007–2010, Vattenfall Bränsle AB 2004–2006, Vattenfall Vattenkraft AB 2003–2006, Vattenfall Business service AB 2003–2006 and Teracom AB (Telecommunication and IT) 2001–2007: Member of the Board
- EIM (European Infrastructure Managers) 2009–2010 and Södertörn university 1997–2003: Vice Chairman of the Board
- Västerbergslagens Energi AB, Chairman of the Board 2000–2004
- Chairman of several different Councils

Fortum shares as of 31 December 2015:

- (31 December 2014: -)



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

Main occupation:

- Independent consultant

Primary work experience:

- RWE Energy AG, Board member for procurement and sale of electricity, gas, and water 2003–2005
- RWE Solutions AG, Board member as CFO, since 2002 as CEO, 1999–2003
- 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
- RWE Solutions AG, Chairman of the Supervisory board 2003–2006

Fortum shares as of 31 December 2015:

- (31 December 2014: -)



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

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:

- LKAB, Member of the Board
- Lindex AB, Member of the Board
- IVA (Royal Swedish Academy of Engineering), Member of the Board, Chairman of Näringslivsrådet
- Nobel Center, Member of the Board
- Arholma Landsort AB, Member of the Board

Fortum shares as of 31 December 2015:

40 (31 December 2014: n/a)



Tapio Kuula

Born 1957, nationality: Finnish
MSc (Eng), MSc (Econ)
Member of Fortum's Board of Directors since 2015, independent of the significant shareholders, not independent of the company (Mr. Kuula acted as President and CEO of Fortum until 31 January 2015)
Member of the Nomination and Remuneration Committee

Main occupation:

- Non-executive Director

Primary work experience:

- Fortum Corporation, President and CEO 2009–31 January 2015
- Fortum Corporation, Senior Vice President 2005–2009
- Fortum Corporation, Power and Heat Sector, President 2000–2005
- Member of the Management Team of Fortum since 1997
- Several managing director positions in utility companies in Finland

Key positions of trust:

- Nokia Tyres Plc., Member of the Board
- Northern Dimension Business Council, Co-Chairman

Fortum shares as of 31 December 2015:

201,200 (31 December 2014: 168,742)



Petteri Taalas

Born 1961, nationality: Finnish
 PhD in Meteorology
 Independent Member of Fortum's Board of Directors since 2014
 Member of the Nomination and Remuneration Committee

Main occupation:

- World Meteorological Organisation WMO, Secretary-General

Primary work experience:

- Finnish Meteorological Institute, Director-General 2002–2005, 2007–2015
- World Meteorological Organisation WMO, Director 2005–2007
- Finnish Meteorological Institute, remote sensing (satellites), Research professor 2000–2002
- Finnish Meteorological Institute, Head of research/senior scientist 1986–1999

Key positions of trust:

- World Meteorological Organisation, Member of Executive Council
- Intergovernmental Panel on Climate Change (IPCC), Delegate for Finland
- University of Eastern Finland, Chairman of the Board
- Fortum Corporation, Stakeholders' Advisory Council, Member 2011–2014

Fortum shares as of 31 December 2015:

– (31 December 2014: –)



Jyrki Talvitie

Born 1966, nationality: Finnish
 Executive MBA, Master of Law
 Independent Member of Fortum's Board of Directors since 2014
 Member of the Audit and Risk Committee

Main occupation:

- Russian Direct Investment Fund, Director

Primary work experience:

- VTB Bank, Moscow, Senior Vice President 2010–2014
- East Capital, Moscow, Chief Representative, Senior Advisor 2005–2010
- URALSIB Financial Corporation, Moscow, Head of International Business, Chief Managing Director 2003–2005
- BNP-Paribas, Securities Services, Paris, Senior Vice President 2003
- The Bank of New York, London, Vice President 1997–2003

Key positions of trust:

- LUT School of Business and Management, Member of Advisory Board

Fortum shares as of 31 December 2015:

– (31 December 2014: –)

Group Management 31 Dec 2015



Pekka Lundmark

President and CEO as of 7 September 2015

Born 1963, nationality: Finnish
MSc (Eng.)

Member of the Management Team as of 7 September 2015

Employed by Fortum since 2015

Key positions of trust:

- East Office of Finnish Industries, Member of the Board
- Fortum Foundation, Chairman of the Board

Fortum shares as of 31 December 2015:

56,250 (31 December 2014: n/a)

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



Helena Aatinen

Senior Vice President, Corporate Communications 2012–2016

Born 1959, nationality: Finnish
MSc (Econ)

Member of the Management Team 2012–2016

Employed by Fortum since 2011

Previous positions:

- Fortum Corporation, Vice President, Corporate Communications 2011–2012
- Finnish Forest Industries Federation, Communications Director 2005–2011
- Metso Corporation, Senior Vice President, Corporate Communications 2002–2005
- Metso Corporation, several positions in Communications function 1997–2002

Fortum shares as of 31 December 2015:

3,880 (31 December 2014: 1,528)



Alexander Chuvaev

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

Born 1960, nationality: Russian
MSc (Eng)

Member of the Management Team since 2009
Employed by Fortum since 2009

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
- Territorial Generating Company No. 1 (TGC-1), Member of the Board
- Government Commission on the Development of the Electric Power Industry, Member
- Aggreko Eurasia LLC, Member of the Board

Fortum shares as of 31 December 2015:

14,713 (31 December 2014: 14,713)



Mikael Frisk

Senior Vice President, Corporate Human Resources 2001–2016

Born 1961, nationality: Finnish
MSc (Econ)

Responsible for Corporate HR, IT and Business Process Management

Member of the Management Team 2001–2016
Employed by Fortum since 2001

Key positions of trust:

- HENRY - The Finnish Association for Human Resources Management, Member of the Board

Fortum shares as of 31 December 2015:

43,017 (31 December 2014: 46,591)

Previous positions:

- Nokia Mobile Phones, Vice President, HR Global Functions 1998–2001
- Nokia-Maillefer, Vice President, HR, Lausanne, Switzerland 1993–1998
- Nokia NCM Division, HR Development Manager 1992–1993
- Oy Huber Ab, HR Development Manager 1990–1992



Esa Hyvärinen

Senior Vice President, Corporate Relations 2014–2016

Born 1967, nationality: Finnish
MSc (Econ) and M.Sc. (Agr. & For.)
Member of the Management Team 2014–2016
Employed by Fortum since 2006

Previous positions:

- Fortum Corporation, Vice President, Corporate Relations 2006–2014
- Confederation of European paper industries CEPI, Brussels, Head of Recycling and Environmental units 2000–2006
- Finnish Ministry of Trade and Industry, Senior Advisor 1997–2000

Key positions of trust:

- Finnish Energy Industries, Member of the Board
- Finnish-Russian Chamber of Commerce, Member of the Board
- FORATOM asbl, Member of the Board
- Fingrid Oyj, Member of Advisory Committee
- Kemijoki Oy, Member of the Administrative Board

Fortum shares as of 31 December 2015:

17,540 (31 December 2014: 15,156)



Timo Karttinen

Chief Financial Officer since 2014

Born 1965, nationality: Finnish
MSc (Eng)
Member of the Management Team since 2004
Employed by Fortum since 1991

Previous positions:

- Fortum Power and Heat Oy, Executive Fortum Corporation, Interim President and CEO 1 February–6 September 2015
- Fortum Corporation, substitute to President and CEO 18 December 2014–31 January 2015
- Fortum Power and Heat Oy, Executive Vice President, Electricity Solutions and Distribution Division 2009–2014
- Fortum Corporation, Senior Vice President, Corporate Development 2004–2009

- Fortum Power and Heat Oy, Business Unit Head, Portfolio Management and Trading 2000–2004
- Fortum Power and Heat Oy, Vice President, Electricity Procurement and Trading 1999–2000
- Imatran Voima Oy, Vice President, Electricity Procurement 1997–1999

Key positions of trust:

- OAO Fortum, Chairman of the Board

Fortum shares as of 31 December 2015:

80,691 (31 December 2014: 76,430)



Kari Kautinen

Senior Vice President, Strategy, Mergers and Acquisitions since 2014

Born 1964, nationality: Finnish
LL.M

Member of the Management Team since 2014
Employed by Fortum since 1998

Key positions of trust:

- OAO Fortum, Member of the Board of Directors
- TGC 1, Member of the Board of Directors

Fortum shares as of 31 December 2015:

25,232 (31 December 2014: 22,276)

Previous positions:

- 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



Per Langer

Executive Vice President, Hydro Power and Technology Division since 2014

Born 1969, nationality: Swedish
MSc (Econ)

Member of the Management Team since 2009
Employed by Fortum since 1999

Key positions of trust:

- Fortum Sweden AB, Chairman of the Board
- EFA AB, Deputy Chairman
- Svensk Energi, Member of the Board
- Hafslund ASA, Member of the Board

Fortum shares as of 31 December 2015:

34,535 (31 December 2014: 30,784)

Previous positions:

- 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 Oyj, managerial positions 1999–2004
- Gullspång Kraft, managerial positions 1997–1999



Markus Rauramo

Executive Vice President, Heat, Electricity Sales and Solutions Division since 2014

Born 1968, nationality: Finnish

MSc (Econ and Pol. Hist.)

Member of the Management Team since 2012

Employed by Fortum since 2012

Previous positions:

- 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:

- Ahlstrom Oyj, Member of the Board
- Wärtsilä Oyj Abp, Member of the Board
- Teollisuuden Voima Oyj, Member of the Board
- AS Eesti Gaas, Member of the Supervisory Board
- AB Fortum Värme samägt med Stockholms stad, Chairman of the Board of Directors
- Chairman or member of the Board of several Fortum Corporation companies

Fortum shares as of 31 December 2015:

20,464 (31 December 2014: 15,435)



Matti Ruotsala

Chief Operating Officer since 2014

Born 1956, nationality: Finnish

MSc (Eng)

Member of the Management Team since 2009

Employed by Fortum since 2007

Previous positions:

- Fortum Power and Heat Oy, Power Division, Executive Vice President 2009–2014
- Fortum Power and Heat Oy, President of Generation 2007–2009
- Valtra Ltd, Managing Director 2005–2007
- AGCO Corporation, Vice President 2005
- Konecranes Plc, Chief Operating Officer (COO) and Deputy CEO 2001–2005
- Konecranes Plc and Kone Corporation, several senior and managerial positions 1982–2001

Key positions of trust:

- Componenta Oyj, Chairman of the Board
- Kemijoki Oy, Chairman of the Board
- PKC Group Oyj, Chairman of the Board
- Teollisuuden Voima Oyj, Deputy Chairman of the Board
- Halton Group Ltd, Member of the Board

Fortum shares as of 31 December 2015:

39,066 (31 December 2014: 32,360)



Sirpa-Helena Sormunen

General Counsel since 2014

Born 1959, nationality: Finnish
LL.M, Trained on the bench
Member of the Management Team since 2014
Employed by Fortum since 2014

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

Fortum shares as of 31 December 2015:

3,000 (31 December 2014: -)



Tiina Tuomela

Executive Vice President, Nuclear and Thermal Power Division since 2014

Born 1966, nationality: Finnish
MSc (Eng), MBA
Member of the Management Team since 2014
Employed by Fortum since 1990

Previous positions:

- 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:

- Ekokem Oy, Member of the Board
- Forsmarks Kraftgrupp AB, Member of the Board
- Teollisuuden Voima Oyj, Member of the Board
- Member of the Board of several companies of the Fortum Corporation

Fortum shares as of 31 December 2015:

9,090 (31 December 2014: 6,442)