

Fortum's Board of Directors has reassessed Leadership Team's long-term incentives – Leadership Team voluntarily waives incentives with delivery in 2024

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Following a discussion at Fortum's Annual General Meeting on 13 April 2023, the AGM decided to reject the advisory decision on the remuneration report for the company's governing bodies for 2022. Fortum's newly appointed Board of Directors has now reassessed the implementation of the remuneration restrictions set forth in the Bridge financing arrangement with the Finnish State last fall.

According to the terms of the arrangement, fixed salaries of the Fortum Leadership Team will not be increased in 2022 and 2023, nor will members of the Leadership Team receive short or long-term performance bonuses for those years. These restrictions have been fully implemented already.

On the long-term share incentive plans, the Board has decided that the results of all years will be measured, but no shares can be earned in 2022 and 2023. Thus, the maximum number of shares the members of the Fortum Leadership Team can earn will be cut to 1/3 or 2/3 in accordance with the remuneration restriction. This leads to an outcome of 9% of the pre-restriction maximum in the 2020-2022 plan, with delivery scheduled for the spring of 2024. By comparison, the outcome for other participants in the 2020-2022 plan was 14% and paid in spring 2023. The same principle applies to all other share plans that are ongoing during 2022 and/or 2023.

"I promised at the AGM that the Board would take the Leadership Team's share incentives under review. We have now reassessed the implementation of the restrictions set forth in the Bridge financing arrangement and changed the decision accordingly," says **Mikael Silvennoinen**, Chair of the Board of Directors.

Fortum's Leadership Team have informed the Board that they will voluntarily waive the shares that are scheduled for delivery in spring 2024.

"The whole Fortum Leadership Team supports the Board's decision and has consistently communicated since the agreement was signed with the Finnish State last fall that they would accept any restriction on their compensation. The Leadership Team members have informed the Board that they will forego the shares that would be delivered next spring. I appreciate their decision," Mikael Silvennoinen says.

As such the bridge financing agreement is no longer valid since Fortum has paid the tranche drawn in full. Fortum's financial standing is solid and there is no need for the bridge financing any longer. Nevertheless, the restrictions on executive pay for the years 2022 and 2023 continue to apply.

“Fortum has all the prerequisites for a successful future – the core business is in good shape, and there is a growing demand for the company's expertise and services. The electrification of society is clearly accelerating, and the energy transition is starting to materialize. Fortum focuses now on the implementation of its strategy; delivering clean energy and accelerating the decarbonization of industry in the Nordic countries. In this work, the Board wants to support the company,” Mikael Silvennoinen concludes.

Fortum will supplement the Remuneration Report for 2022 with the restated figures. The supplement will be published on Fortum's website latest on Friday 5 May 2023.

Fortum Corporation

Board of Directors

Fortum

Fortum is a Nordic energy company. Our purpose is to power a world where people, businesses and nature thrive together. We are one of the cleanest energy producers in Europe and our actions are guided by our ambitious environmental targets. We generate and deliver clean energy reliably and help industries to decarbonise their processes and grow. Our core operations in the Nordics comprise of efficient, CO₂-free power generation as well as reliable supply of electricity and district heat to private and business customers. For our ~5 000 employees, we commit to be a safe, and inspiring workplace. Fortum's share is listed on Nasdaq Helsinki. [fortum.com](https://www.fortum.com)