

## 1. Arrangement of remuneration decision-making

The annual general meeting decides on the remuneration for Board members and the financial auditor. Fingrid's Board of Directors approves the remuneration for the President & CEO and the members of the executive management group, the remuneration systems for a given year, and the principles of remuneration for personnel.

## 2. Key remuneration principles at Fingrid

### 2.1. Remuneration and other benefits for the members of the Board of Directors

Each member of the Board is paid a fixed monthly fee and a meeting fee for each meeting that they have attended. The meeting fee is also paid for committee meetings. The members of the Board have no share or share-related remuneration schemes or supplementary pension schemes. Fingrid does not pay pension fees for the Board's remuneration.

### 2.2. Remuneration of the President & CEO

The service terms of the President & CEO have been specified in a separate President & CEO service contract which is approved by the Board of Directors. The retirement age and pension accrual of the President & CEO are determined in accordance with general pension legislation.

The total remuneration of the CEO consisted in 2018 of a fixed total salary, a one-year bonus scheme (max. 40 per cent of the annual pay for the earnings year), and a three-year long-term incentive scheme (max. 35 per cent of the annual pay for the earnings year). There is no share or share-based remuneration scheme or supplementary pension scheme in place for the President & CEO on behalf of the company.

The criteria for the President & CEO's one-year bonus scheme in 2018 were the company's results, customers' confidence, success in developing the electricity market, functionality of the workplace community, and leadership. An additional criterion was the realisation of a strategic project, i.e. success in developing the electricity market. The criteria for the long-term incentive scheme are system security, electricity market functionality and shareholder value. Corporate social responsibility is taken into account in both the year-long and long-term incentive schemes.

The mutual period of notice for the President & CEO is six months. If the company dismisses the President & CEO, an amount of money corresponding to nine months' fixed salary is paid to the President & CEO in addition to the salary for the period of notice.

### 2.3. Remuneration of executive management

The total remuneration of the members of the executive management group consisted of a fixed total salary, a one-year bonus scheme, and a three-year long-term incentive scheme. The maximum amount of the one-year bonus scheme was 20 per cent of the annual pay for the earnings year. The annual maximum amount of the long-term incentive scheme was 25 per cent of the annual pay for the earnings year.

The criteria for the executive management's one-year bonus scheme in 2018 were the company's results, customers' confidence, functionality of the workplace community, and leadership. The criteria additionally comprised the attainment of the key objectives of each member of the executive management group. The criteria for the long-term incentive scheme are operational reliability, electricity market functionality and shareholder value. Corporate social responsibility is taken into account in both the year-long and long-term incentive schemes.

There is no share or share-based remuneration scheme or supplementary pension scheme in place for Fingrid's executive management group on behalf of the company.

## 2.4. Remuneration of the personnel

Personnel salaries comprised the basic salary determined according to the content of the task, competence, experience and results, an annual quality bonus that encourages the effective implementation of the strategy, and an incentive bonus to support personal performance. Remuneration was supplemented by other benefits and worktime flexibility organised by the company. Results which form the basis of quality bonuses are measured using annually defined company and function-level indicators. Incentive bonuses are paid for good performance as part of the daily management of personal performance.

The CEO-to-employee annual median income ratio in 2018 was 6:1, and the female-to-male annual median income ratio was 0.8:1.

## 3. Remuneration report

### 3.1. Board of Directors

The annual general meeting confirmed, on 28 March 2018, the following monthly fees for the Board members:

- Chair of the Board EUR 2,400
- Deputy Chair of the Board EUR 1,300
- Board members EUR 1,000

In addition, it was decided that Board members will be paid a meeting fee of EUR 600 for each meeting and committee meeting attended by the member. In 2018, the Board convened 12 times, the audit committee convened five times and the remuneration committee convened three times.

#### Fees paid to the Board of Directors for the financial year 2018 in total:

	On the Board in 2018	Fees total 2018*	On the Board in 2017	Fees total 2017*
Chair Juhani Järvi	1.1.-31.12.	40,800	1.1.-31.12.	39,000
Deputy Chair Juha Majanen	1.1.-28.3.	5,100	1.1.-31.12.	24,000
Deputy Chair Päivi Nerg	28.3.-31.12.	15,600	-	-
Sanna Syri, Board member	1.1.-31.12.	21,000	1.1.-31.12.	19,200
Esko Torsti, Board member	1.1.-31.12.	22,200	1.1.-31.12.	20,400
Anu Hämäläinen, Board member	1.1.-31.12.	21,600	1.1.-31.12.	19,200

\* Including monthly fees and meeting fees for meetings attended in 2018

### 3.2. President & CEO and executive management group

The table below indicates the salaries and benefits of Fingrid's President & CEO and other members of the executive management group in 2018:

	Salaries and benefits	Variable merit pay*	2018	2017
President & CEO	302,000	150,000	452,000	416,000
Executive management group	1,180,000	293,000	1,473,000	1,304,000
TOTAL	1,482,000	443,000	1,925,000	1,720,000

\* Merit pay earned in 2017 and paid in 2018