



# Remuneration Report

FINGRID ANNUAL REPORT 2023

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# Introduction

The Remuneration Report describes the realisation of the remuneration of the company's Board of Directors, Managing Director, hereinafter referred to as President & CEO, and the deputy to the Managing Director, hereinafter referred to as the deputy to the President & CEO, during the previous financial year. The remuneration of the rest of the executive management group is described on the company's website.

The Remuneration Report is published simultaneously with the financial statements, the Report of the Board of Directors and the Corporate Governance Statement. The report is presented to the annual general meeting and it is available on the company's website.

## Remuneration Principles

Fingrid's remuneration principles are written down in the company's Remuneration Policy for Governing Bodies, which the

### Principles steering remuneration at Fingrid

#### Fingrid's basic tasks

- system security and continuity management
- promoting the electricity market
- developing the main grid

Competitive overall remuneration

Incentive systems in line with the basic tasks

Rewards for good performance

Value creation: increasing the value created by the company for shareholders, customers and society

Owners' remuneration principles and corporate responsibility



general meeting approved in its meeting on 20 March 2020.

Remuneration at Fingrid is guided by the creation of shareholder value, good performance in carrying out basic tasks and the responsibility targets set for the company. The owners', especially the state ownership policy's and Ilmarinen's, principles have been taken into account in remuneration. Remuneration must be reasonable, fair and competitive.

Fingrid's Remuneration Policy for Governing Bodies, as it pertains to the members of the company's Board of Directors, complies with the principles set forth by the state's and the other owners' policies, which

require remuneration to be transparent, reasonable and market-based.

As regards to the remuneration of the President & CEO, the deputy to the President & CEO, as well as the other members of the executive management group, the company abides by the same principles as those pertaining to the members of the Board of Directors and by the remuneration principles outlined in the company in general. The President & CEO's remuneration metrics are mostly the same as those for the other members of the executive management group and the company's personnel overall. In addition, the same principles are applied to the President & CEO's remuneration as those applied to

the entire personnel, for example when determining the employee benefits.

### Compliance with the Remuneration Policy in 2023

In 2023, the remuneration of Fingrid's Board of Directors, President & CEO and other executives complied with the company's Remuneration Policy. Remuneration is a key incentive for Fingrid to guide, motivate and engage the members of its Board of Directors and management. Competitive remuneration is an essential tool for hiring competent executives to the company.

Through competitive compensation and remuneration, we encourage our executives and other personnel to work produc-

tively and to develop operations and steer work towards achieving strategic goals. Successful remuneration also promotes commitment to the company.

The same remuneration policies are followed in terms of the personnel as for the executives: market orientation and rewards for good performance. The market orientation and competitiveness of the fixed salary results in engagement with the company. Short-term remuneration encourages the achievement of annual goals in accordance with the strategy. The management's long-term incentives are also intended to steer the realisation of the strategy and increase the shareholder value as well as ensure the senior management's commitment to the company.

The bonuses paid are in line with the company's performance level and the company's financial development. The development of the performance level of a regulated company in a natural monopoly position must not only be assessed from a financial standpoint. These types of performance indicators are described in the company's annual report. The development of the Board of Directors' and President & CEO's remuneration in relation

**The bonuses paid are in line with the company's performance level and financial development.**

to the average remuneration change of the company's employees and the company's financial performance over the five previous financial years is described in the attached table.

The CEO-to-employee annual median income ratio in 2023 was 7:1, and the female-to-male annual median income ratio was 0,9:1.

### Composition of the Remuneration Committee in 2023

Members of Fingrid's remuneration committee in 2023:

- Hannu Linna, Chair
- Anne Jalkala (from 31 March 2023)
- Jukka Reijonen
- Sanna Syri (until 31 March 2023)

Remuneration and the company's result over the five previous financial years	2019	2020	2021	2022	2023
Monthly fee of the Chair of the Board, €	2,400	2,400	2,400	2,400	2,400
Monthly fee of the Deputy Chair of the Board, €	1,300	1,300	1,300	1,300	1,300
Monthly fee of a member of the Board, €	1,000	1,000	1,000	1,000	1,000
Meeting fee, €	600	600	600	600	600
Overall remuneration of the President & CEO, annual earnings, €	522,000	504,000	506,000	507,000	540,000
Overall remuneration of the deputy to the President & CEO, €		226,000	230,000	231,000	247,000
Fingrid's employee on average*, €	68,000	73,000	72,000	73,000	74,000
Company's operating profit, excluding changes in the fair value of derivatives, EUR mill.	142,1	115,4	148,6	149,8	186,1

\*Includes the salaries and bonuses for Fingrid Oyj and Fingrid Datahub Oy without indirect employer costs, divided by the average number of personnel during the year.

## Remuneration of the Board of Directors in 2023

The general meeting decides on the Board's remuneration based on a proposal made by the Shareholders' Nomination Board. The remuneration of the members of the Board of Directors consists of fixed monthly fees and meeting fees. An increased fixed fee is paid to the Board Chair and Deputy Chair. Meeting fees are paid to Board members also for attending the various committees' and the Nomination Board's meetings.

The decisions of the general meeting concerning the Board members' remuneration are published in the same stock exchange release as the other decisions made by the general meeting.

Fingrid's general meeting approved the fees for the members of the Board on 31 March 2023. The fees did not change.

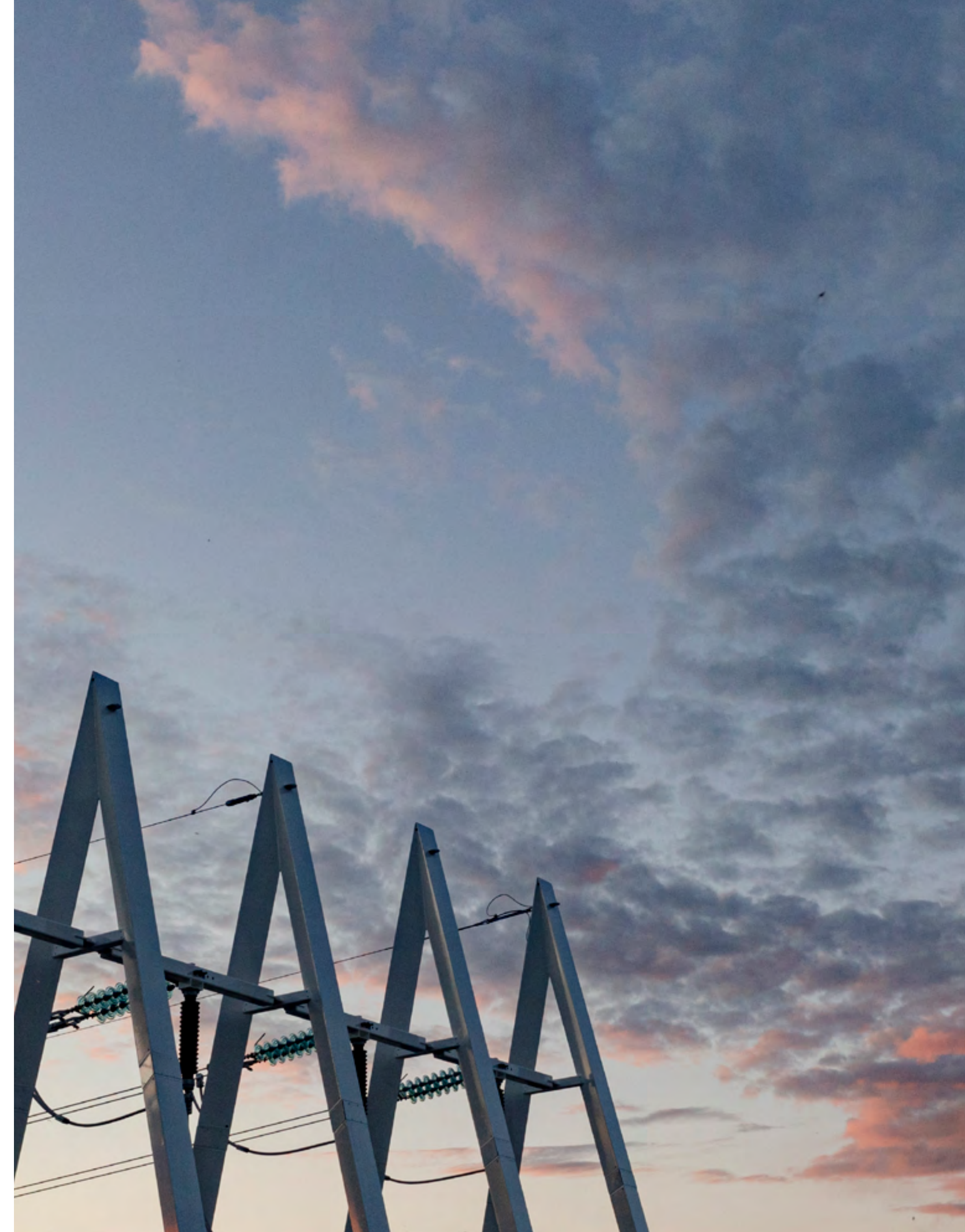
### Other Financial Commitments

There are no share or share-based remuneration schemes, supplementary pension schemes or other financial benefits in place for the members of the Board of Directors. Fingrid also does not pay pension fees for the Board's remuneration. None of the Board members are in an employment or service relationship with the company.

### Fees paid to Board members 2023

Total fees, €	falling due from 2023	paid in 2023
Hannu Linna, Chair	1,200	42,600
Leena Mörttinen, Deputy Chair (from 31 March 2023)	1,200	18,300
Jero Ahola (from 31 March 2023)	1,200	15,600
Anne Jalkala (from 31 March 2023)	600	15,600
Jukka Reijonen	600	22,800
<b>Previous members of the Board</b>		
Päivi Nerg, Deputy Chair (until 31 March 2023)		7,500
Sanna Syri (member until 31 March 2023)		7,200

Monthly fees, €	2023
Chair	2,400
Deputy Chair	1,300
Members	1,000
Meeting fees, €	2023
	600



## Remuneration of the President & CEO and deputy in 2023

**F**ingrid's Board of Directors decides on the remuneration of the President & CEO and his deputy in accordance with the remuneration policy presented to the general meeting and based on the proposal of the remuneration committee.

### Remuneration Components

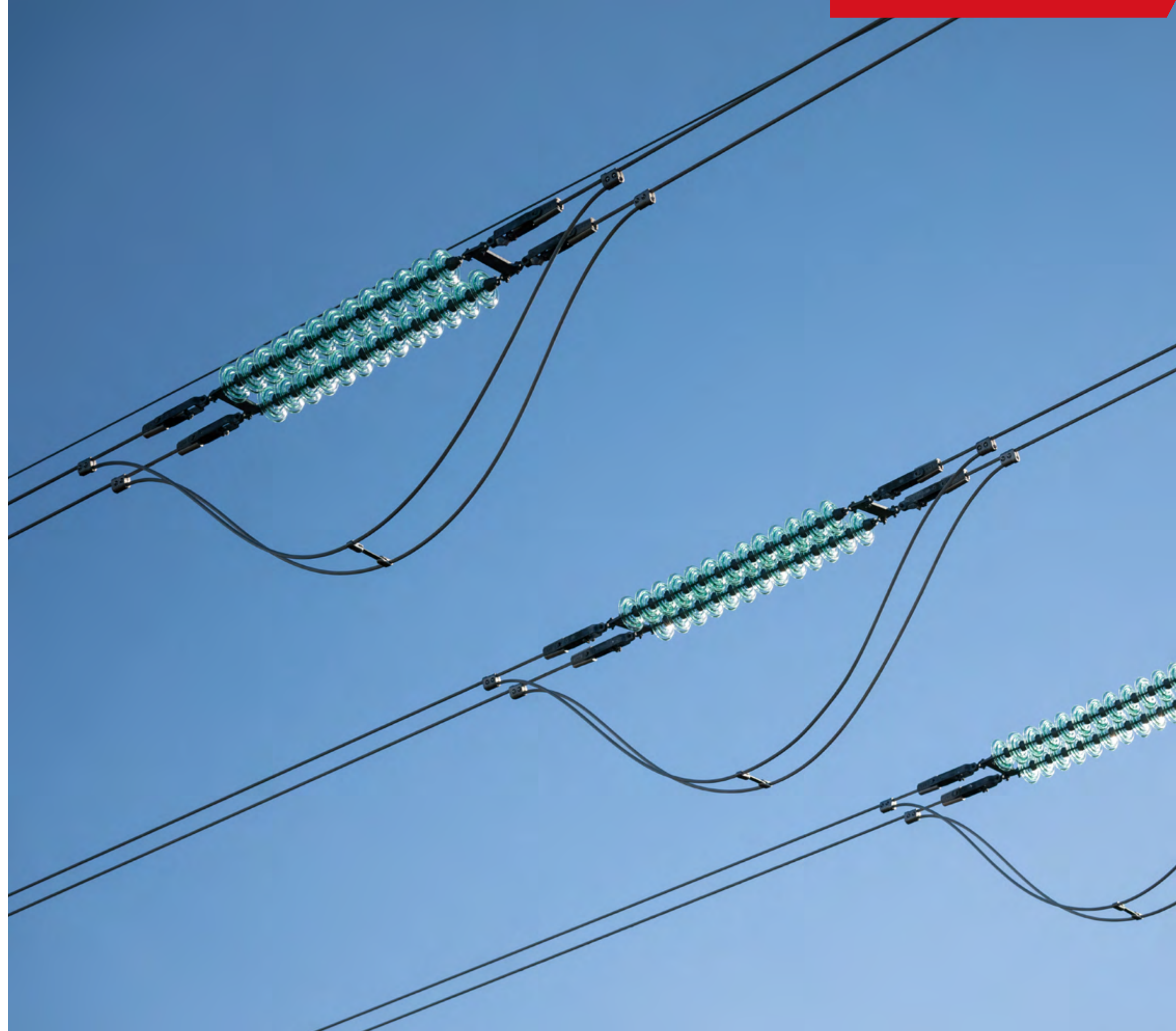
The total remuneration of the President & CEO consisted of a fixed total salary and variable pay components, which were a one-year incentive scheme (max. 40 per cent of the fixed annual salary for the earnings year) and long-term incentive schemes (max. 40 per cent of the fixed annual salary).

The total remuneration of the deputy to the President & CEO consisted of a fixed total salary and variable pay components, which

were a one-year incentive scheme (max. 25 per cent of the fixed annual salary for the earnings year) and long-term incentive schemes (max. 25 per cent of the fixed annual salary).

There was no share or share-based remuneration scheme or supplementary pension scheme in place for the President & CEO or his deputy on behalf of the company. The President & CEO and his deputy had the possibility to convert part of their monetary remuneration into a company car benefit in accordance with the car policy set up by the company.

The President & CEO's incentive schemes are based on a policy stance according to which the annual maximum limit for the total variable remuneration is 40 per cent of the remuneration recipient's fixed annual



salary. If the company's and remuneration recipient's performance is exceptionally good, the total annual amount of remuneration can be, however, a maximum of 80 per cent of the fixed salary. This is also in line with the state ownership policy's stance on variable pay in unlisted commercial companies. The total maximum amount of variable remuneration for the deputy to the President & CEO is 50 per cent of the fixed salary.

In 2023, the President & CEO's total salary was EUR 27,700 per month at the end of the year. His salary was increased by EUR 1,700 during 2023. The total salary of the deputy to the President & CEO was some EUR 14,900 and her salary was increased by EUR 800 during 2023. The total salary of both the President & CEO and his deputy included a car benefit.

**Further employment Terms and Conditions**

The mutual period of notice was six months for Fingrid's President & CEO Jukka Ruusunen and four months for the deputy to the President & CEO Asta Sihvonen-Punkka in 2023. President & CEO Ruusunen's CEO contract additionally specified a nine-month redundancy compensation and

his deputy Asta Sihvonen-Punkka a five-month redundancy compensation if the company were to dismiss the President & CEO or his deputy.

No separate compensation was paid to the President & CEO or to the deputy to the President & CEO for tasks related to Fingrid's subsidiaries or associated companies.

**Remuneration of the President & CEO and deputy**

	Falling due from 2023	Paid in 2023		Total
	Bonuses falling due	Salaries and benefits	Variable remuneration	
Jukka Ruusunen, President & CEO	213,000	343,000	197,000	540,000
Asta Sihvonen-Punkka, Deputy to the President & CEO	66,000	184,000	63,000	247,000
<b>TOTAL</b>	<b>279,000</b>	<b>527,000</b>	<b>260,000</b>	<b>787,000</b>



**Short-term Incentive Schemes**

The Board of Directors annually decides on the criteria for Fingrid’s President & CEO’s and the deputy CEO’s incentive schemes and their lower and upper limits.

Corporate responsibility plays a key role in the one-year incentive scheme. In 2023, the responsibility KPIs used in short-term remuneration were the customer NPS score and leadership indicator, with which the personnel’s commitment to and satisfaction with the company were measured. In addition, the personal performance of the President & CEO and his deputy were assessed through responsibility targets.

As a general rule, the variable remuneration components are paid in the beginning of the year following the earnings period in accordance with the payment date confirmed by the Board of Directors.

The bonuses paid in March 2023 based on the President & CEO’s and his deputy’s short-term incentive schemes for 2022 are described in the attached table.

The result of the President & CEO’s short-term incentive scheme for the 2022 fi-

**STI 2022, paid in 2023**

Weight		Metric	Performance level
President & CEO	Deputy		
20 %	25 %	FAS	above target
30 %	25 %	Net Promoter Score from customers (cNPS)	maximum
25 %	25 %	Leadership, personnel survey results	maximum
25 %	25 %	Personal performance, several metrics	maximum (President & CEO) above target (Deputy)

ncial year was 39 per cent and for the deputy, 23 per cent of the annual earnings. The merit pay was paid in March 2023.

The bonuses to be paid in March 2024 based on the President & CEO’s and their deputy’s short-term incentive schemes for 2023 are described in the attached table.

The result of the President & CEO’s short-term incentive scheme for the 2023 financial year was 32 per cent and for the deputy, 17 per cent of the annual earnings. The merit pay will be paid in March 2024.

**STI 2023, paid in 2024**

Weight		Metric	Performance level
President & CEO	Deputy		
20 %	25 %	Company’s financial result	below target
30 %	25 %	Net Promoter Score from customers (cNPS)	above target
25 %	25 %	Leadership, personnel survey results	maximum
25 %	25 %	Personal performance, several metrics	maximum (President and CEO) above target (Deputy)





### Long-term Incentive Schemes

There is no share-based incentive scheme at Fingrid. Instead, the company applies overlapping three-year long-term incentive schemes.

Corporate responsibility plays an important role also when setting up long-term incentive schemes.

In the incentive schemes for 2020–2022 and for 2021–2023, all of the metrics were the company’s responsibility KPIs. The metrics were the extent of the disturbance caused to customers by outages in the power system, promoting the electricity market and creating shareholder value.

The result of the President & CEO’s long-term incentive scheme for 2020–2022 was 21 per cent and for the deputy, 13 per cent of the annual earnings. The merit pay was paid in March 2023.

The result of the President & CEO’s long-term incentive scheme for 2021–2023 was 30 per cent and for the deputy, 19 per cent of the annual earnings. The merit pay will be paid in March 2024.

#### LTI 2020–2022, paid in 2023

Weight	Metric	Performance level
President & CEO and his deputy		
1/3	Impact of disturbances on customers, system security	above target
1/3	Market harm of cross-border transmission restrictions	below target
1/3	Shareholder value: dividend income for shareholders	below target

#### LTI 2021–2023, paid in 2024

Weight	Metric	Performance level
President & CEO and his deputy		
25 %	Impact of disturbances on customers, system security	above target
25 %	Market harm of cross-border transmission restrictions	below target
25 %	Shareholder value: dividend income for shareholders	maximum
25 %	Grid transmission tariff level	was not assessed due to lack of comparative data



# Fingrid delivers. Responsibly.

For more detailed information on Fingrid and the contact persons for various functions, see the company's website at [www.fingrid.fi](http://www.fingrid.fi)

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