

A young girl with dark hair in two pigtails, wearing a light blue dress, is holding hands with an adult whose hand is visible in the foreground. The background is a blurred outdoor setting.

G

2022

GASUM GOVERNANCE AND REMUNERATION

Corporate governance

Gasum Ltd's corporate governance is based on the Articles of Association, the Limited Liability Companies Act, the rules issued by the Ownership Steering Department of the Prime Minister's Office and other legislation and regulations on the governance of limited liability companies. The State of Finland is the only shareholder of Gasum. On December 31, 2022, the shares were held at 73.5% by the state-owned Gasonia Oy and 26.5% directly by the State of Finland. There were no changes in shareholding during the period under review.

Gasum's governance bodies

The Group's corporate governance system is based on the general meeting of shareholders, the Board of Directors of the parent company and its two committees (the Audit and Risk Committee and the HR Committee) as well as the CEO, the Gasum Management Team and the governance bodies of the subsidiaries.

General meeting of shareholders

At Gasum the highest decision-making power is exercised by the shareholder(s) at the general meeting of shareholders (Annual General Meeting) where they take part in the company's direction and supervision. The general meeting of

shareholders holds an ordinary meeting at least once a year. The ordinary meeting takes place following the completion of the financial statements at a location and on a date within six months after the end of the financial year proposed by the Board of Directors. In accordance with the Limited Liability Companies Act, the general meeting of shareholders is convened by the Board of Directors.

At the ordinary general meeting, the financial statements and auditor's report are presented, the financial statements for the preceding period are adopted, and the company's corporate responsibility and remuneration report are considered. In addition, decisions are made at the meeting on the company's use of profit, the discharge of the members of the Board of Directors and the CEO from liability, the appointment of the members of the Board of Directors and the auditor and their remuneration.

An extraordinary general meeting of shareholders may be convened by the Board of Directors where regarded as necessary by the Board. An extraordinary general meeting may also be demanded by the auditor as well as by shareholders representing more than 10% of the company's shares to consider a matter proposed by them. The general meeting of shareholders held one meeting during the period under review.

Board of Directors

Every year, the general meeting of shareholders of Gasum Ltd appoints a Board of Directors that, according to the Articles of Association, has a minimum of three and a maximum of eight members. The duty of the Board of Directors is to direct the company in accordance with legislation and state ownership steering rules and in compliance with the Articles of Association and decisions made by the general meeting of shareholders. According to the Articles of Association, the chair and a possible deputy chair of the Board of Directors are also elected by the general meeting of shareholders.

The members of the Board of Directors are elected for a term of one year commencing at the end of the general meeting of shareholders and ending at the end of the next ordinary general meeting of shareholders following the election. The Board of Directors constitutes a quorum when more than half of the members are present at a meeting.

The ordinary general meeting of Gasum Ltd on April 22, 2022 confirmed the number of members of the Board of Directors as being six. Elin Engman was re-elected as the Chair, Stein Dale was elected as the Deputy Chair, the current members Minna Pajumaa, Päivi Pesola and Ari Vanhanen were re-elected as members and Erkka Repo was elected

as a new member for the next term of office of the Board of Directors.

The Board of Directors had 23 meetings during the 2022 reporting period. The average meeting attendance rate among the Board members was 98.6%.

Board committees

Audit and Risk Committee

The company has an Audit and Risk Committee established by the Board of Directors and assisting the Board of Directors. The task and purpose of the Audit and Risk Committee is going through and preparing matters relating to finances, internal audit and risks for decision-making by the Board of Directors. Focal areas in the Committee's tasks are financial administration, reporting processes, financial audit, risk management and internal audit.

During the 2022 reporting period, Päivi Pesola continued as the chair of the Audit and Risk Committee and Torbjörn Holmström, Elisabet Salander Björklund and Ari Vanhanen served as members of the Committee before the 2022 Annual General Meeting, with Ari Vanhanen and Erkka Repo serving as members after the Annual General Meeting.

The Audit and Risk Committee had 6 meetings during 2022. The average meeting attendance rate among the Audit and Risk Committee members was 100%.

HR Committee

The company also has an HR Committee established by the Board of Directors and assisting the Board of Directors. The HR Committee's tasks include preparing matters pertaining to personnel and remuneration for the Board of Directors and supervising the composition of the boards of directors of subsidiaries. The Committee's responsibilities include the assessment of the human resources strategy and remuneration system and of the performance of the company's management.

During the 2022 reporting period, Elina Engman continued as the chair and Stein Dale and Minna Pajumaa as members of the HR Committee.

The HR Committee had 5 meetings in 2022, and the average meeting attendance rate among the Committee members was 100%.

Temporary Committee

In 2022, the Board of Directors also established a Temporary Committee that served during 2022 for strategy work. The members of the Temporary Committee were Päivi Pesola, Stein Dale, Minna Pajumaa and Ari Vanhanen, and the committee met 3 times with 100% attendance.

Chief Executive Officer and Gasum Management Team

The Board of Directors of Gasum appoints the company's Chief Executive Officer (CEO) and decides on the terms and conditions of the CEO's contract. The CEO is a company body

in accordance with the Limited Liability Companies Act that sees to the executive management of the company in accordance with the instructions given by the Board of Directors. The duties of the CEO include the direction and supervision of the Group's business, preparation of matters considered by the Board of Directors, and implementation of decisions made by the Board of Directors. In accordance with the Limited Liability Companies Act, the CEO sees to it that the company's accounts are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

After Gasum's previous CEO Johanna Lamminen left her role in the company on September 1, 2021, CFO Kai Laitinen served as interim CEO until February 28, 2022. On March 1, 2022, Mika Wiljanen started as Gasum's new CEO.

The Gasum Management Team (GMT) is responsible for Gasum's operational management under the leadership of the CEO. During the 2022 reporting period, the GMT had 9–10 members in addition to the CEO. The CEO appoints the members of the GMT, and the HR committee approves the appointments.

The GMT is tasked with providing the CEO with support in strategy implementation and the coordination of the Group's operations in accordance with the guidelines adopted. As a general rule, the GMT meets once a month. In addition to this, the GMT has quarterly meetings to examine the implementation of the Group strategy.

Risk management

Risk management is an integral part of Gasum's management processes and good corporate governance.

We regard risk management as an integral and proactive way to manage and analyze risks and opportunities regarding our business. All employees make decisions every day that consist of many different risk elements. The decision-maker carries the responsibility for risks involved in the decision. In order to help Gasum's employees and management to make conscious decisions, Gasum uses the formalized Enterprise Risk Management Policy (ERM) framework to not only identify risks but also to assess and manage potential risks involved in decision-making.

The Enterprise Risk Management Policy, together with the Gasum Code of Conduct, outlines the risk management principles and frameworks. These are complemented by other risk policies approved by the Board of Directors: the Commodity Risk Policy, Counterparty and Credit Risk Policy and Group Treasury Policy.

The goals of Gasum's risk management are:

- to improve the identification of threats and opportunities when setting business objectives and targets
- to set the risk levels for major risk classes
- to increase the likelihood of achieving Gasum's business objectives and targets
- to improve governance
- to comply with legal and regulatory requirements, relevant to Gasum's business, and international norms
- to enhance health, safety, and environmental performance
- to ensure organizational resilience.

Risk Governance

Gasum's Board of Directors oversees risk management and sets risk appetite by approving risk policies and risk limits. The CEO is responsible for organizing risk management at Gasum. Business and support units and their heads are responsible for risk management in the first line through identifying and managing risks in their respective areas of responsibility.

The Risk Management function supports second line risk management through facilitating risk processes, providing risk management frameworks, ensuring visibility into the Group's crucial risks and monitoring and reporting risks. Other second line supporting functions - such as legal and compliance, business control and HSEQ - support management in risk management in their respective areas.

Risk management process and principles

Gasum's risk management process includes identification of risks, assessments of them, and ensuring that there is a plan to manage and mitigate the identified risks. The significance of risks is assessed as a combination of probability and impact of the potential risk or incidence.

The effectiveness of the actions is evaluated and the risk is reassessed against these results. The risk identification and assessment process is executed and reported in a systematic manner. The most significant group level risks and their development is reported to the Audit and Risk Committee on a yearly basis.

Internal audit

Internal audit is an independent assurance and consulting activity that reports directly to the Audit and Risk Committee of the Board of Directors. Gasum uses external resources to perform internal audit.

Gasum Risk Management governance



Report on remuneration

The Gasum Group's report on remuneration presents the company's decision-making procedure for remuneration, principles of remuneration and salaries and bonuses paid to the members of the Board of Directors, the CEO and the members of the Gasum Management Team in 2022.

Our strategy provides the guidelines for our journey towards new business opportunities and a carbon-neutral future. Renewal and inspiring management are key components of the Gasum strategy and, in line with our value proposition, we are purposefully and responsibly moving towards new opportunities. We have a shared purpose for our work: cleaner energy.

To succeed, the company needs motivated and inspired personnel and management. Good leadership and competitive, fair and transparent remuneration are key factors in Gasum's success and continuous improvement of operations.

Remuneration principles

The remuneration of personnel within the Gasum Group is based on the Group's remuneration principles and the remuneration principles laid out by the Ownership Steering Department of the Prime Minister's Office. The company aims for a target-oriented company culture where the entire personnel understand the company's strategy and objectives, the ways

Key principles of remuneration

Good leadership	We encourage every employee to assume responsibility for their own work and personal development. We set clear and ambitious targets. We create the right conditions for everyone to succeed in their work and reach their targets. Everyone in our company can influence their own work, targets and responsibilities. Good leadership, feedback and meaningful work support employees' success in their role.
Performance-based remuneration	We set clear and measurable targets concerning individual performance in line with the company's strategy and the principles of good leadership. We use short- and long term incentives. We reward for achievements in the implementation of the Gasum strategy and the achievement of business targets and changes.
Competitive remuneration	We want to be an attractive employer. Our remuneration and incentive systems aim to attract and commit top talents to our company. We make sure our remuneration is competitive. The base of the basic salary is formed by the complexity and responsibilities involved in the work.
Compliance	Our performance and remuneration processes are based on the local legislation and relevant collective agreements of each of our operating countries. Our reward policy is in compliance with state ownership steering guidelines.
Communication	We emphasize open and regular communication in company, team and individual performance.

in which individuals can affect results, and the connection between business performance and remuneration.

The remuneration principles have been designed to provide incentives for profitable operations in accordance with the company's purpose and values, advance the achievement of the strategic business objectives and reward for good performance.

At Gasum, remuneration is based on total remuneration which may, in addition to the basic salary, include short- and long-term incentive programs linked to company-wide and personal targets. The remuneration system also includes other benefits and bonuses. The company's total remuneration model is presented below:

Total remuneration model



Gasum's remuneration policy is in compliance with state ownership steering guidelines and its aim is remuneration that is based on genuine profitability, provides incentives for the entire personnel and is transparent. In line with state ownership steering policies concerning remuneration, remuneration of the management and personnel is a tool of the Board of Directors promoting the achievement of targets and long-term growth in the value of the company.

The annual sum total of variable remuneration in accordance with targets is a maximum of 40% of the fixed annual salary of the recipient. If the performance of the company and the recipient is exceptionally good, the annual sum total of the bonuses may be a maximum of 80% of the fixed annual salary.

Decision-making procedure for remuneration

The general meeting of shareholders decides on the remuneration of the members of the Board of Directors and the auditor. The Board of Directors decides on the remuneration of the management and personnel. As an owner, the State does not make decisions on remuneration. Gasum's HR Committee makes proposals on the remuneration systems for the Gasum Management Team and the personnel, and these and the remuneration principles are confirmed annually by the Board of Directors. Decisions on the remuneration of the CEO are made by the Board of Directors.

Short- and long-term incentive programs

In Gasum's short-term incentive program, the focus is on the Group's financial results, climate impact and strategy imple-

Decision-making procedure for remuneration



mentation. In addition, there is a specific short-term one-year incentive program based on sales performance targets that is tailored for those responsible for the Group's sales and trading functions and other key persons in sales.

In the long-term incentive programs, the earnings criteria focus on the company's value increases in accordance with the strategy and on creating profitable growth in the new businesses.

The first three-year earning period of the long-term incentive program was from 2015 to 2017. In 2018, 2019, 2020, 2021 and 2022, new long-term incentive programs were launched for the three-year periods ahead.

The Government Resolution on the State Ownership Policy of April 8, 2020 concerning the remuneration of executive management and key persons has been taken into account in the system.

Remuneration of the CEO and Gasum Management Team

The CEO is a company body in accordance with the Limited Liability Companies Act, and the terms of the CEO's service are specified in the CEO's service contract approved by the Board of Directors. The CEO receives a basic salary and has the opportunity to receive a company car benefit and a telephone benefit.

The CEO's retirement age and pension accrual are determined on the basis of general earnings-related pension legislation. The CEO and members of the Gasum Management Team (GMT) do not have any supplementary pension scheme in addition to statutory pension. The CEO's period of notice is six months for the CEO as well as for the company. If the company gives notice to the CEO, a six-month severance payment is paid in addition the salary for the period of notice.

Remuneration of the CEO and Gasum Management Team

€	Salaries and benefits in kind	Variable performance bonus	Total in 2022	2021
CEO Mika Wiljanen*	294,833	0	294,833	472,579
Interim CEO Kai Laitinen*	55,160	0	55,160	104,480
Gasum Management Team	1,945,438	408,483	2,353,921	2,342,412
Total	2,295,431	408,483	2,703,914	2,919,071

*CEO Mika Wiljanen started on March 1, 2022, with Kai Laitinen serving as interim CEO before that.

In 2022, the remuneration system of the CEO and the GMT consisted of a fixed annual salary, a one-year incentive program and a three-year long-term incentive program. In 2022, the one-year incentive program measured financial results on the basis of profitability, climate impact on the basis of CO₂ emissions cuts for customers, and the implementation of the strategy. The indicators used in the long-term incentive programs are increased value for the company and creation of profitable growth.

The salaries, benefits in kind and incentive bonuses paid to the Gasum CEO and Management Team are itemized in the table below. The variable performance bonus consists of short-term as well as possible long-term incentive bonuses. The short-term incentive bonuses were based on targets set and results achieved in 2022.

Remuneration of the Board of Directors

On April 22, 2022, the composition and remuneration of the Board of Directors were decided by the ordinary general meeting of shareholders. Each member of the Board of Directors is paid a fixed monthly remuneration and meeting

attendance fees. Meeting attendance fees are also paid for meetings of committees assisting the Board of Directors.

The fixed remuneration paid on the basis of the decision by the general meeting of shareholders to the chair of the Board of Directors was €3,000 a month, to the deputy chair €2,200 per month and to the members of the Board of Directors €1,500 a month. The meeting attendance fee paid to the chair of the Board of Directors and Board members resident in Finland was €600 and to members not resident in Finland €1,200. The telephone and online meeting attendance fee for the chair and all members of the Board of Directors was €600 per meeting. Travel costs of members of the Board of Directors are covered in accordance with the company's Travel Regulations.

The table below presents the remuneration paid to the members of the Board of Directors in 2022. The amounts include fixed remuneration and meeting attendance fees. In 2022, the Board of Directors had 23 meetings, the Audit Committee 6 meetings and the HR Committee 5 meetings.

Remuneration of the Board of Directors

€, Members of the Board of Directors 2022	Remuneration in 2022	Remuneration in 2021
Elina Engman, Chair	53,400	52,800
Stein Dale	50,810	36,600
Torbjörn Holmström	15,600	33,000
Minna Pajumaa	37,200	35,400
Päivi Pesola	45,000	33,000
Erkka Repo	21,450	0
Elisabet Salander Björklund	16,800	34,800
Ari Vanhanen	38,400	31,800

Gasum Ltd the Board of Directors



ELINA ENGMAN



born 1970

Chair of the Board
M.Sc (Eng.)

Chair of the Board of Gasum since March 5, 2020. Member of the Board of Gasum since March 23, 2017, Chair of HR Committee



STEIN DALE



born 1962

Member of the Board
M.Sc (Business), Executive Education from IMD and Harvard Business School
Member of the Board of Gasum as since March 23, 2017, Member of the HR Committee



MINNA PAJUMAA



born 1963

Member of the Board
M.Sc (Econ.), CEFA
Member of the Board of Gasum since March 5, 2020, Member of the HR Committee



PÄIVI PESOLA



born 1956

Member of the Board
M.Sc (Econ.)
Member of the Board of Gasum since March 1, 2016, Chair of Audit and Risk Committee



ERKKA REPO



born 1970

Member of the Board
MSc (Econ.)
Member of the Board of Gasum since April 24, 2022, Member of the Audit and Risk Committee



ARI VANHANEN



born 1961

Member of the Board
M.Sc (Eng.)
Member of the Board of Gasum since March 5, 2020, Member of the Audit and Risk Committee

Gasum Management Team

March 1, 2023



MIKA WILJANEN



born 1965

CEO

Vocational Qualification in Business and Administration

Employed by Gasum since 2022

Member of the Board of Suomen Urheiluopiston Kannatusosakeyhtiö (SUK) since 2020

Member of the Board of Vierumäen Infra Oy since 2020

Member of the Board of Vierumäki Sports Oy since 2020

Member of the Board of Vierumäen Kumina Oy since 2020



JACOB GRANQVIST



born 1978

Vice President, Maritime
M.Sc (Econ.), Master Mariner

Employed by Gasum since 2019



TOR HUSEBØ



born 1960

Vice President,
Business Development
Business School of
Norway (BI)

Employed by Gasum since 2020

Chair of the Board of Energigas Norge



KAI LAITINEN



born 1970

Interim CEO until Feb 28, 2022, CFO
M.Sc (Econ.)

Employed by Gasum since 2019

Member of the Board of Euroclear Finland Oy and Chair of Risk Committee since 2020



ANDERS MALM



born 1972

Senior Vice President,
Supply & Trading

DIHM Diploma in Business
Management & Finance

Employed by Gasum since 2020



TOMMY MATTILA



born 1970

Vice President, Industry & Traffic

M.Sc (Econ.)

Employed by Gasum
since 2007



TERHI NYSSÖNEN



born 1977

CIO, IT & Legal

MSc

Employed by Gasum
since 2021



VILLE PESONEN



born 1976

Vice President, Commercial

Product Management

M.Sc (Energy Econ.)

Employed by Gasum
since 2016



OLGA VÄISÄNEN



born 1977

Vice President, Communication

and Sustainability

M.Sc (Econ.)

Employed by Gasum
since 2011

Gasum



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