

14.5.2020

FINNISH ENERGY

1 §

The Association's name and domicile

The association's name is Finnish Energy. In these Rules, the association is called the Association. The Association's domicile is Helsinki.

2 §

The Association's purpose

The Association is a sector organisation of enterprises engaging in the production and procurement of electricity, its transmission, distribution and sale to end customers, the production and procurement, distribution and sale of gas, district heat and district cooling, as well as the design, implementation, operation, maintenance and construction of networks and power plants and other services relating to the sector, of the member associations, of corporations comparable to them, and of the subsidiaries essentially associated with the member companies and supporting their activity. In these Rules, transmission refers to both transmission and distribution. Network operations refer to transmission.

The Association's task is to promote the sector's development and to supervise and comprehensively improve its members' operational prerequisites relating to industrial and labour market policies, at the national and international level. Safeguarding of labour market interests may be applied to legally competent water supply and sewerage enterprises operating in the form of a company or a corporation.

The Association may be a member of an industrial or employer policy confederation which promotes its causes, or of some other national or international organisation which promotes the Association's causes.

3 §

The Association's forms of activity

To implement its purpose, the Association

1. promotes its members' prerequisites for business operations by contributing to economic development, legislation, and public administration,
2. keeps in touch with the sector's influential authorities, organisations, enterprises, research and educational institutions, and with the news media,
3. promotes the positive public image of the sector and its products,
4. co-operates with international organisations operating in the sector and, when necessary, represents its members in them,
5. communicates information on the sector's development to the members,

6. engages in consulting, publishing, information, research and other similar service activity,
7. promotes vocational education and training related to the energy sector,
8. maintains sector-related statistical data,
9. gives statements on matters relating to the sector,
10. safeguards its members' interests in matters relating to employment relationships,
11. concludes collective bargaining agreements relating to industries represented by it,
12. renders to its members guidance and counsel concerning application of legislation on working conditions and agreements binding on the Association and its members,
13. maintains co-operation with other employer organisations,
14. renders to its members support and assistance in case of an industrial conflict and promotes amicable settlement of labour disputes,
15. represents the members in national and international labour market policy organisations,
16. engages in safeguarding the interests of the sector at the European Union level,
17. acts in other similar ways to implement the purpose of the Association.

4 § Membership

A legally competent corporation which, or the members of which, engage in business referred to in section 2 may be accepted as the Association's regular member.

Another legally competent corporation, more than half of whose shares are owned by a member or members of the Association, or more than half of whose members or shareholders are members of the Association, may also be accepted as the Association's regular member.

A member company refers to a regular member with a form of undertaking other than an association. A member association refers to a regular member with a form of undertaking of an association.

Member obligations relating to employer operations only apply to regular members who are not exempted from the payment of the labour market policy-related membership fee.

Enterprises and educational establishments that are closely associated with the sector and are not pursuing a trade that entitles to regular membership referred to in section 2, with the exception of the provision of services, may be accepted as the Association's co-operation members. Educational establishments include second and third-level institutions, vocational level institutions, and institutions providing further and/or special education.

Decisions on acceptance as a member are made by the Executive Board on the basis of a written membership application.

5 §

The Association's administration

Power of decision in the Association is exercised by the regular members in the General Meeting, and its affairs are attended to by the Executive Board and the Managing Director.

6 §

Financing of the activity

The Association's activity is financed by means of membership fees, which are payable once a year. The membership fee of the member companies consists of an industrial policy share and a labour market share. The criteria for the membership fee of a member association are confirmed in the General Meeting.

The industrial policy-related membership fee

The industrial policy-related membership fee is determined separately for the member's electricity network business, electricity trade, electricity production, microgeneration of electricity (production not exceeding 5 GWh/year), gas business, district heating and district cooling operations, and for sector-related service production practised by a separate company. Upon separate agreement with the member, it is possible to determine the industrial policy-related membership fee also for service production that is not practised in a separate company.

The membership fee is based on the fixed proportion of the membership fee, as well as on the quantity of electricity distributed to end customers in Finland within the electricity network business, the quantity of electricity sold to end customers in Finland within the electricity trade, the quantity of electricity produced in Finland within electricity production, the quantity of gas delivered to customers in Finland within the gas business, and the quantity of energy sold in Finland within the district heating and district cooling operations during the preceding financial period in Finland. The fixed proportion of the membership fee is collected separately for each of the member's form of business referred to above. Electricity procured on the basis of shares in a production company is also included in the quantity of electricity produced unless the production company or its parent company is a member of the Association.

When determining the proportion of the membership fee that is based on the quantity of energy, a quarter of the quantity of energy shall be taken into account if the electricity has been transmitted at a voltage of at least 110 kV or if the electricity or gas of the network business has been transmitted or delivered to other than the end customer or if the electricity or district heat or district cooling has been sold to other than the end customer.

In case of an increase in the quantity of energy on which the membership fee is based, the following proportions shall be taken into account separately with respect to the electricity and gas business when determining the membership fee:

a. 0–100	GWh/a	100 %
b. 100–500		83% for the part exceeding the lower limit
c. 500–2,000		67% for the part exceeding the lower limit
d. 2,000–		50% for the part exceeding the lower limit

In case of an increase in the quantity of energy on which the membership fee is based, the following proportions shall be taken into account with respect to the district heating and district cooling businesses when determining the membership fee:

a. 0–10	GWh/a	0% for the part exceeding the lower limit
b. 10–50		100% for the part exceeding the lower limit
c. 50–300		35% for the part exceeding the lower limit
d. 300–2,500		13.5% for the part exceeding the lower limit
e. 2,500–		3% for the part exceeding the lower limit.

In case of an increase in the quantity of energy on which the membership fee is based, the following proportions shall be taken into account with respect to the gas business when determining the membership fee:

a. 0-10	GWh / a	0% for the part exceeding the lower limit
b. 10-50		100% for the part exceeding the lower limit
c. 50-300		35% for the part exceeding the lower limit
d. 300-600		13.5% for the part exceeding the lower limit
e. 600 -		3% for the part exceeding the lower limit.

The amount of the proportion of the fee based on energy quantities is determined in the General Meeting.

The quantity of energy for transmitted gas is calculated into the transmitted quantity of energy if a member of the Association has applied to become a member engaged in the gas transmission business.

For a member who does not transmit, sell or produce energy and is not a service production member, the membership fee shall be determined on the basis of the grounds for membership for the network business according to the quantity of electricity corresponding to total turnover. This quantity of electricity is based on the national mean value of average electricity transmission prices valid at the end of the preceding year.

The industrial policy-related membership fee for service production members shall be determined as a percentage of the total amount of wages subject to tax at source, which are paid to persons who worked under an employment contract during the previous calendar year. Upon an increase of the total amount of wages subject to tax at source, which is used as a basis for the industrial policy-related membership fee, the following proportions shall be taken into account:

a. 0—4	MEUR	100%
b. 4—10		80% for the part exceeding the lower limit
c. 10—		60% for the part exceeding the lower limit.

However, the industrial policy-related membership fee for service production members shall be at least the fixed sum that is determined in the General Meeting.

A company engaging in procurement and retransfer of energy, all the owners of which, eligible for membership, are members of the Association, and of the energy transferred by which no less than half goes to the use of owners eligible for membership, shall pay a membership fee based on the quantity of energy determined on the basis of the quantity of energy sold to others than the owners eligible for membership.

The labour market policy-related membership fee

The labour market policy-related membership fee shall be determined as a percentage of the total amount of wages subject to tax at source which are paid to persons who worked for a member company under an employment contract during the previous calendar year. However, the fee shall be at least the fixed sum that is determined in the General Meeting.

Using an estimation as a basis for the membership fee

If a member does not have a preceding financial period or the length of the preceding financial period is less than 12 months, or if there has been an essential change in the member's activity, the membership fee shall be based on an estimate, approved by the Executive Board, of the annual quantity of energy transmitted, sold or produced, or the turnover, and the wages subject to tax at source.

Minimum and maximum amount of the membership fee

A euro-denominated minimum and maximum amount may be determined for the membership fee. For the total amount of industrial policy-related membership fees of member companies belonging to the same group, a maximum percentage of the total amount of the Association's industrial policy-related membership fees may be determined.

Taking account of group relationships

When a parent company of a group or an institution comparable to a parent company is a member of the Association, the entire quantity of gas, electricity and district heat and district cooling transmitted, sold and produced by corporations or institutions belonging to the same group shall be included in the quantity of energy transmitted, sold and produced, however, only once. The same also applies to a conglomerate (incorporated consortium) in which power of decision is exercised by corporations eligible as regular members. A company, in which the parent company holds more than half of the number of votes carried by the shares, shall be regarded as a group.

With respect to member companies or member corporations belonging to the same group, one membership fee shall be determined for the electricity network business, electricity trade, electricity production, district heat and district cooling operations, gas business, and service production and labour market activities in the same way as with respect to one member company. This membership fee shall be divided between the different companies in proportion to the electricity, gas or district heat sold, transmitted or produced by them, and in proportion to the paid wages subject to tax at source.

The research fee and the information and advisory service fee

In addition to the regular membership fee, the Association's Executive Board may on the committees' proposal make a decision on a separate annual research fee, which covers the costs of research activities serving the members.

In addition to the regular membership fee, the Association's Executive Board may make a decision on a separate annual information and advisory service fee, which covers the costs of information and advisory services offered to the members.

The amount of the research fee and the information and advisory service fee shall be determined in accordance with the Executive Board's decision on the basis of the amount of the member's turnover so that the fee with respect to all members will form an equal proportional share of the turnover for the preceding year, or on the basis of the Association's general grounds for the membership fee.

With respect to member companies or member corporations belonging to the same group, one research fee and one information and advisory service fee shall be determined in the same way as for one member company. The research fee and the information and advisory service fee are divided between different companies in the group, applying the Association's general grounds for the membership fee.

The Executive Board may grant exemption from paying the above-mentioned research fee or information and advisory service fee if the member pays the Association at least a similar amount in compensation for the costs in accordance with the research activity contract it has signed with the Association or, correspondingly, in accordance with the information and advisory service contract.

Determining the amount of membership fee

The amount of the membership fee shall be determined in the General Meeting for one calendar year at a time separately for member companies and member associations. The amount of the membership fee of co-operation members shall be determined by the Association's Executive Board separately for companies and educational institutions.

During the first year of membership, a new member shall only pay a membership fee for the months during which it has been a member of the Association.

Exemption from paying the membership fee

The Executive Board may grant partial or full exemption from paying the labour market policy-related share of the membership fee if the member's employer policy-related safeguarding of interests is managed through some other employer organisation. As a result of the exemption, the Association does not represent the member's interests in matters of labour market policy.

The Executive Board may grant partial or full exemption from paying the industrial market policy-related share of the membership fee if the member's industrial policy-related safeguarding of interests is managed through some other employer organisation.

The Executive Board is entitled to grant exemption from paying the membership fee for a part of operations either partially or fully if the share of the operations is very small.

As a result of the exemption, the member's interests are not represented in industrial policy matters concerning the exempted operations by the Association.

Payment periods

The payments shall be made within a period of time determined by the Executive Board. A precondition for using the right of voting and for provision of membership services is fulfilment of the obligation to pay membership fee. A precondition for using the research services and the information and advisory services is the payment of the research fee and, correspondingly, the information and advisory service fee.

Proportions of the membership fee for the Confederation of Finnish Industries

If the Association is a member association of the Confederation of Finnish Industries, the Association shall collect from the members the membership fee proportions to be paid separately to the Confederation on the basis of the Confederation's membership fee principles, and pay them to the Confederation.

7 § General Meetings

The members shall assemble for two regular General Meetings annually, a Spring Meeting no later than May and an Autumn Meeting no later than December, the time and place of which is determined by the Executive Board.

An extraordinary meeting must be held when the General Meeting itself so decides or when the Executive Board makes a decision on it or when one tenth of the Association's members entitled to vote request it from the Executive Board in writing for considering a matter specified by them.

The following matters are dealt with in the General Meetings:

1. opening of the meeting and election of the Chairman,
2. the secretary of the meeting shall be called,
3. the validity and quorum of the meeting shall be stated,
4. the members and the members' representatives present shall be stated,
5. two (2) persons shall be elected to check the minutes of the meeting.

Additionally, in the Spring Meeting

6. the Executive Board's report of the preceding calendar year's activity shall be presented,
7. the financial statements for the preceding year, as well as the auditors' report and statement and the Executive Board's possible account shall be presented,
8. a decision shall be made on confirming the financial statements and discharging the Executive Board and the Managing Director from liability,

and in the Autumn Meeting

6. the action plan for the following year shall be approved,
7. the following year's budget shall be confirmed and a decision on fees to be paid to the Association shall be made,
8. the number of the Executive Board members shall be determined,
9. the Executive Board members replacing the retiring members shall be elected,
10. the chairman and two deputy chairmen shall be elected from among the members of the Executive Board,
11. the members of the Election Committee shall be elected,
12. the auditors' fees shall be determined,
13. two auditors and two deputy auditors shall be elected or KHT or HTM auditors shall be selected to audit the accounts, financial statements and administration for the next accounting period.

In both meetings, other matters presented by the Executive Board or by members in accordance with section 10 shall also be discussed.

Notice of meeting

A notice of the Association's regular meeting shall be sent in writing to all members to their email addresses or postal addresses entered in the membership register at least two weeks before the meeting. The matters to be discussed in the meeting shall be stated in the notice.

The Association's extraordinary meeting shall be convened in the same way as the regular meeting. In urgent cases, the notice may be sent no later than two days prior to the meeting.

9 §

Voting and elections at the General Meeting

Each regular member has one vote and additionally a vote per each 5,000 euros or part thereof that the member has paid as the latest invoiced membership, research, and information and advisory service fee according to the Rules.

A regular member may use their voting rights through their legal representative or agent.

The number of votes of a regular member, the aggregate number of votes of regular members belonging to the same group, and the number of votes of a representative of others shall not exceed one tenth (1/10) of the number of votes represented at the meeting. The resulting total number of votes of companies belonging to a group and of companies represented by proxy shall be divided in the same proportion as the companies' numbers of votes would have been without the restriction on votes.

In matters of substance, the opinion which is carried by more than half of the votes cast shall become the meeting's decision unless otherwise provided by these Rules concerning the majority. In elections, those who have received the largest number of votes shall be elected, unless there is one person to be elected, in which case more than half of the votes cast are required for the person to be elected. If no less than a tenth of the meeting's number of votes so requests, the election shall be carried out using proportional representation. A proportional election shall be held using candidate lists in such a way that each vote shall be given to the candidate list in its entirety, in which case the person first on the candidate list receives as his comparison number the total number of votes given to the candidate list, while the second receives half of the number of the votes, the third one-third of the number of the votes and so on, and those elected shall be determined in the order based on the comparison numbers of the candidates.

10 §

Members' proposals to the General Meeting

In order for members' proposals to be raised for consideration at a regular General Meeting, they must be submitted in writing to the Executive Board no later than three (3) weeks prior to the General Meeting.

11 §

The Executive Board

The Executive Board comprises no less than eight (8) and no more than fifteen (15) regular members.

Only a managing executive of a regular member can be elected to the Executive Board.

The term of office of the members of the Executive Board is two years, starting from the end of the Autumn Meeting that performed the election and continuing

to the end of the second Autumn Meeting following this. A person may be elected a member of the Executive Board for two consecutive terms, for no more than four consecutive years. Each year, half of the members of the Executive Board are in turn to resign.

In the election of the members of the Executive Board, equal representation of the membership structure by the members shall be taken into consideration.

12 § Meetings of the Executive Board

The Executive Board shall be convened by the Chairman or the Deputy Chairman, or at the request of no less than two members of the Executive Board.

The Executive Board constitutes a quorum when more than half of the Executive Board members are present. Of these, one must be the Chairman or the Deputy Chairman. In the Executive Board, matters shall be dealt with under the leadership of the Chairman or, the Chairman being prevented, of the Deputy Chairman.

13 § Duties of the Executive Board

The duties of the Executive Board are as follows:

- to see to the implementation of the decisions taken at the Association's meetings and to supervise that these Rules and other orders are observed,
- to supervise the activity and finances of the Association,
- to appoint the members and chairmen of other committees than the Election Committee,
- to prepare for the General Meeting proposals for the Association's financial statements and annual report, as well as for the Association's action plan and budget,
- to convene the Association's meetings, prepare matters to be considered in them, and
- to employ and dismiss the Managing Director and those directors of the Association's office who are directly subordinate to the Managing Director.
- to deal with conflicts that have arisen at workplaces and are of principal significance, and to decide what measures shall be taken, when a strike, blockade or other industrial conflict threatens or breaks out,
- to decide on starting a lockout as provided in section 23.
- to approve collective bargaining agreements.

14 § The Managing Director's duties

The practical work of the Association and its office is run by the Managing Director appointed by the Executive Board. The Managing Director's duties are as follows:

- to lead the Association's activity with the aim of implementing its causes,
- to ensure that the Association's finances are managed in accordance with the Executive Board's instructions,

- to implement the decisions taken by the Executive Board and its Working Committee as well as other committees set up by the Executive Board,
- to select personnel of the Association's office other than those referred to in section 13, and to determine the emoluments within the limits set by the Executive Board,
- to annually draw up a report of the Association's activity.

15 § Signing right

Those authorised to sign for the Association are the Chairman of the Executive Board and the Managing Director, each singly, and the person or persons appointed for it by the Executive Board, each singly.

16 § Election Committee

For conducting elections, the Election Committee submits to the General Meeting a proposal concerning the persons to be elected. A person who is employed by a regular member and is well acquainted with the Association's activity and purpose can be elected as a member of the Election Committee. When electing the members of the Election Committee, their diversity and representativeness of the members shall be taken into account. The Election Committee's proposal is not binding on the General Meeting or the Executive Board.

The Election Committee comprises no less than six and no more than nine members, who are elected for a calendar year at a time. The Election Committee shall elect a chairman and deputy chairman from among its members.

The Election Committee's duties are as follows:

1. to submit to the General Meeting a proposal concerning the election of the Chairman and two Deputy Chairmen of the Executive Board, the members of the Executive Board and the Election Committee, as well as the auditors and deputy auditors or an audit firm,
2. to deal with other tasks assigned to the Election Committee by the General Meeting and the Executive Board.

17 § The Committees

The Association appoints committees for the preparation of matters, the policies of the Association and the management of routine matters.

Each committee comprises no less than 6 and no more than 9 regular members elected for one calendar year at a time. The Association's Executive Board appoints the members of the committee and elects the chairman and the deputy chairman.

18 § Financial period and audit

The Association's financial period is one calendar year.

The financial statements and account books with their notes and the report of the Executive Board shall be submitted for inspection by the auditors no later than

one month prior to the Association's Spring Meeting. The auditors' report shall be produced two weeks prior to the General Meeting.

19 §

Orders binding on the members

A member is obliged to observe these Rules and decisions of the General Meeting and the Executive Board and, in relation to the member's employees, those labour market agreements to which the Association is bound.

A member must not conclude any agreement concerning its employees that means deviating from an employer principle which is generally observed and which is binding on the Association, and the displacement of which would apparently complicate the implementation of consistent employer policy.

Without the Executive Board's permission, a member does not have the right to conclude a collective agreement concerning its employees working in the Association's line of business. The above does not apply to any company- or location-specific agreement concluded as part of a national contract of employment.

Without the Executive Board's consent, a member must not take, at an employee's or an employee organisation's request or on its own initiative, measures of principal nature which could be appealed to as a precedent against other employers.

A member must not use in its work or otherwise assist another organised employer's employees who are on strike or have been locked out.

20 §

The members' duty to notify

The members of the Association shall annually by the end of March notify the Association of the amount of energy produced, sold and transmitted and of the average number of the persons who during the preceding year had an employment relationship with their companies or divisions belonging to the Association, and of the amounts of wages subject to tax at source which are paid to those persons during the same period of time, computed and grouped according to the Executive Board's instructions.

A member is obliged to provide the Association with data on its company's wage and working conditions, as well as with other data required for the implementation of the Association's causes. If the member will not provide this information, the Association is entitled to use the data relating to the previous year increased by 10%.

The data provided shall be dealt with as confidential.

21 §

Working conditions and employment relationships of member companies

An employer accepted as a member of the Association must arrange all working conditions and employment relationships so that they comply with the current legal provisions, the agreements binding on the members of the Association, and the decisions of the Association.

According to their assignment, a representative of the Association is entitled to look into the working conditions at the workplaces of the Association's members.

22 §

Notification of labour dispute

If a labour dispute has broken out or threatens to break out in a member's facilities, the member is obliged to notify the Association of this immediately.

The member is obliged to give the Association a detailed account of the reasons for the dispute and of all circumstances that are of significance in the settlement of the matter.

23 § Lockout

The Executive Board may give a member permission to implement a lockout. The request must be submitted in writing and indicate the scope of the measure and the intended lockout. The Executive Board's decision is valid if more than half of the Executive Board members present at the meeting are in favour of it.

At the request of the members concerned, the Executive Board may also take a decision on the implementation of a lockout concerning a larger number of members. The decision is valid if no less than 2/3 of the Executive Board members present are in favour of it.

The General Meeting may take a decision on the implementation of a lockout concerning all members of the Association or the entire sector. The decision is valid if no less than 3/4 of the votes cast are in favour of it.

24 § Resignation from the Association

A member of the Association may resign from the Association by submitting a written notice of resignation to the Executive Board or its Chairman, or by notifying its resignation to be recorded in the minutes of the General Meeting.

The resignation will take place on the first day of the January or July that first follows after six months have passed of the submission of the notice of resignation.

A resigned member loses its right to the payments it has made and has no rights to the assets of the Association.

If a member of the Association ceases trading or it transfers its company to another entity or is declared bankrupt or enters into liquidation, the company's membership of the Association shall terminate immediately by decision of the Executive Board. If a member that has been declared bankrupt seems to have satisfied its creditors and regained possession of its assets, the Executive Board may on written request restore its membership right.

25 § Violation of the Rules

If a member does not pay its membership fee or otherwise violates these Rules, the decisions taken in the order laid down in the Rules, or any orders given due to them, or such generally observed principles the displacement of which apparently weakens the position of other employers, the Executive Board shall demand an explanation from it within a fixed period of time. After receiving the explanation, or if no explanation has been provided, the Executive Board may at its discretion oblige the member to pay compensation to the Association or expel the member from the Association.

The compensation shall be determined according to the nature of the misdemeanour and the damage caused so that its amount shall in the case of a member company not exceed its most recent confirmed membership fee five-fold, and in the case of a member association, its most recent confirmed membership

fee of the Association. Any dispute concerning the imposition of the compensatory penalty shall be settled as provided in the Arbitration Act.

An expelled member loses its right to the payments it has made and has no right whatsoever to the assets of the Association. The expelled member is obliged to make the payments that have fallen due before the termination of the membership.

26 §

Dissolution of the Association and amending of the Rules

A decision on dissolving the Association or amending the Rules requires that no less than 2/3 of the votes cast at the General Meeting are in favour of it, unless otherwise provided in the obligatory regulations of the Associations Act.

27 §

Use of assets in case of the Association's dissolution

In case of the Association's dissolution, its assets must be used for some purpose that is closely associated with the Association's activity and has been decided at the last General Meeting of the Association.