

Appendix 3

Vapo Oy Audit Committee, Standing Orders Purpose of the Audit Committee

The Vapo Oy Board of Directors shall appoint an Audit Committee to assist it in its supervisory duties. The Audit Committee does not make independent decisions: its purpose is to evaluate the methods of financial reporting and accounting, financial statements and other financial information issued by the Company, and to report these to the Board of Directors in order to help it be assured of the objectivity, transparency and correctness of the information contained in the financial statements.

Composition and Term of the Audit Committee

The Board of Directors shall appoint four (4) members to the Audit Committee from among its members. The appointees shall have sufficient knowledge and understanding of accounting and financial statements, and they shall be independent of the Company. The Board of Directors shall appoint the members of the Audit Committee for a term of one year. The Board of Directors shall select one of the members of the Audit Committee to serve as its Chair.

Duties of the Audit Committee

1. Monitoring of Financial Reporting and Notification Requirements

1.1 The Audit Committee shall examine the principles of the Company's bookkeeping and preparation of the financial statements, the changes that take place in them and their effect on the annual financial statements of the Company.

1.2 The Audit Committee shall monitor the achievement of the Company's strategic objectives and the accuracy of reporting, including changes to the initial assumptions.

1.3 The Audit Committee shall examine the annual financial statements and the interim reports, reviewing them together with the Company's management before they are published.

1.4 The duty of the Audit Committee is, together with the auditors of the Company, to

- examine the auditing plan of the financial period;

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examine the financial statements and their preparation principles, and the estimates of the management used in the preparation work as well as the observations of the auditors and the replies they have received concerning the observations;

- examine the other parts of the annual report before it is published, and estimate whether the information provided in the annual report is objective, understandable and consistent with the conception of the members of the Audit Committee regarding the Company and its operations; and

- deal with any problems that may have arisen during auditing, such as factors limiting the extent of auditing or difficulties in obtaining information.

1.5. Monitoring of Investments.

2. Evaluation of the Performance and Independence of the Auditors

2.1 The Audit Committee shall evaluate

- the resources of the Public Accounting Firm, and the performance and fees of the auditors;
- the advisory services and fees of the Public Accounting Firm;
- the independence of the Public Accounting Firm and possible conflicts of interest.

2.2 The Audit Committee shall prepare the proposal of the Board of Directors to the Annual General Meeting regarding the election of the auditors.

3. Evaluation of the Internal Auditing System



3.1 The Audit Committee shall evaluate the internal auditing system and see to it that the system covers all essential risk areas and that cooperation with the auditors has been organised in a proper manner.

3.2 The Audit Committee shall monitor the performance and efficiency of internal auditing and ensure that internal auditing has been allocated sufficient resources.

4. Evaluation of the Risk Management Monitoring Systems

4.1 The Audit Committee shall examine the risk management of the Company, the organisation of risk management and the analyses of the key risks of the Company.

5. Evaluation of Compliance with the Laws and Regulations

5.1 The Audit Committee shall supervise the monitoring of compliance with the laws and regulations, and all the legal matters that may have a significant effect on the operations of the Company shall be reported to the Audit Committee.

5.2 The Audit Committee shall monitor compliance with the Corporate Governance recommendations.

5.3 The Audit Committee shall monitor compliance with the state ownership steering recommendations.

6. Statement of Corporate Governance

6.1 The Audit Committee deals with the general description of internal monitoring and risk management systems related to financial reporting process included in the Statement of Corporate Governance.

7. Supervision of the Group's financial position

7.1 The Audit Committee shall evaluate

- the securing of the Group's liquidity
- the monitoring of financing risks and related preparations
- the long-term implementation of financing solutions
- energy commodities and derivative positions

8. Responsibility

8.1 8.1 The Committee shall monitor the development of the responsibility objectives set by the Company

The above list of the duties of the Audit Committee is not exhaustive. The Audit Committee may decide to deal with other matters or adopt other duties if it considers them necessary for monitoring or evaluating internal auditing, financial reporting, supervision of compliance with laws and regulations or risk management.

Meetings

The Chairman of the Audit Committee shall convene the Committee at regular intervals, however, at least three (3) times annually. The meetings shall deal with matters that are within the purview of the Audit Committee. The Agenda shall be drawn up by the CEO of the Company after consulting the Chair of the Committee.

The Audit Committee may call persons who it considers necessary to participate in the meetings. The minutes of the meetings shall be distributed to the members of the Board of Directors of the Company. The Secretary of the Board of Directors shall act as Secretary in the meetings of the Audit Committee.

Reporting to the Board of Directors

The Audit Committee shall regularly report to the Board of Directors of the Company on its activities.

Self-governance

The Audit Committee shall carry out an annual self-assessment of its activities and report the results to the Board of Directors. The Audit Committee shall also evaluate its Standing Orders at suitable intervals and submit proposals for possible amendments to the Board of Directors.