

# Decisions by Fortum Corporation's Annual General Meeting 2018 and Board

FORTUM CORPORATION STOCK EXCHANGE RELEASE 28 MARCH 2018 AT 15.00 EET

Fortum Corporation's Annual General Meeting was held in Helsinki on 28 March 2018. The Annual General Meeting adopted the Financial Statements and the Consolidated Financial Statements for the financial period 1 January-31 December 2017.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that a dividend of EUR 1.10 per share be paid for the financial year that ended on 31 December 2017, which corresponds to EUR 977,203,749.50 in aggregate, and that the remaining part of the distributable funds sheet shall be retained in the shareholders' equity. The dividend will be paid to shareholders who on the record date of the dividend payment 3 April 2018 are recorded in the company's shareholders' register held by Euroclear Finland Ltd. The dividend will be paid on 10 April 2018.

The Annual General Meeting discharged from liability the members of the Fortum Board of Directors and the President and CEO for the year 2017.

## Board of Directors, remunerations and auditor

The Annual General Meeting confirmed that the remuneration for Board service will remain unchanged for the upcoming term in accordance with the proposal by the Shareholders' Nomination Board:

- for the Chairman EUR 75,000 per year,
- for the Deputy Chairman EUR 57,000 per year,
- for a Member EUR 40,000 per year, and
- for the Board member acting as the Chairman of the Audit and Risk Committee: EUR 57,000 per year if he or she is not simultaneously acting as Chairman or Deputy Chairman of the Board.

In addition, a fee of EUR 600 will be paid for each Board meeting and Board Committee meeting. For Board members living outside Finland in Europe, the proposed fee for each meeting will be doubled, and for Board members living outside Europe, the proposed fee for each meeting will be tripled. For Board members living in Finland, the proposed fee for each Board and Board Committee meeting will be doubled for meetings held outside Finland and tripled for meetings held outside Europe. For Board and Committee meetings held as a telephone conference, the proposed fee will be paid as single to all members. No fee will be paid for decisions made without a separate meeting.

In accordance with the Shareholders' Nomination Board's proposal, the number of members in the Board of Directors was confirmed to remain unchanged and to be eight.

In accordance with the Shareholders' Nomination Board's proposal, the Annual General Meeting elected the following persons to the Board of Directors for a term of office ending at the closing of the next Annual General Meeting: Mr Matti Lievonen as Chairman, Klaus-Dieter Maubach as Deputy Chairman, and Mr Heinz-Werner Binzel, Ms Eva Hamilton, Mr Kim Ignatius, Ms Essimari Kairisto, Ms Anja McAlister and Mr Veli-Matti Reinikkala as Members.

Further details of the members of the Board of Directors are available on the company's website at [www.fortum.com/governance](http://www.fortum.com/governance).

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to pay to the auditor pursuant to an invoice approved by the company.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to re-elect Deloitte Oy as the auditor. Deloitte Oy has notified the company that Reeta Virolainen, APA, will act as the responsible auditor.

## Repurchase and disposal of the company's own shares

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to decide on the repurchase of the company's own shares, and at the same time cancel the repurchase authorisation resolved by the Annual General Meeting of 2017 as follows:

- The maximum number of own shares to be repurchased is 20,000,000 shares, which corresponds to approximately 2.25 per cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation.
- Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.
- The Board of Directors will decide how own shares will be repurchased. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).
- Own shares can be repurchased to be used in connection with acquisitions, investments or other business transactions, or to be retained or cancelled. Own shares cannot be repurchased for the purposes of the company's incentive and remuneration schemes.
- The authorisation cancelled the authorisation resolved by the Annual General Meeting of 2017 to decide on the repurchase of the

company's own shares, and it will be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

In addition, the Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to decide on the disposal of the Company's own shares, and at the same time cancel the disposal authorisation resolved by the Annual General Meeting of 2017 as follows:

- The number of shares to be disposed based on the authorisation shall not exceed 20,000,000 shares, which corresponds to approximately 2.25 per cent of all the shares in the company.
- Own shares can be disposed in connection with acquisitions, investments or other business transactions. The disposals cannot be made for the purposes of the company's incentive and remuneration schemes.
- The Board of Directors will decide on all the other conditions of the disposals, including to whom, at what price and in which manner the company's shares are disposed. The disposals may also be made in deviation from the shareholders' pre-emptive rights for a weighty financial reason.
- The authorisation cancelled the authorisation resolved by the Annual General Meeting of 2017 to decide on the disposal of the company's own shares, and it will be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

#### **Amendment of Art. 6, Art. 11 and Art. 12 of the Articles of Association of the company**

The Annual General Meeting decided on the following amendments to the Articles of Association of the company:

The first sentence of Art. 6 is amended in order to set the maximum number of members of the Board of Directors of the company at ten members instead of the current eight members, as follows:

"The Board of Directors shall have a Chairman, a Deputy Chairman, and a minimum of three (3) and a maximum of eight (8) ordinary members who are elected at the General Meeting."

Art.6 is otherwise unchanged.

Due to the new Auditing Act (1141/2015) which entered into force on 1 January 2015, the reference to approval by the Central Chamber of Commerce set forth in the first sentence of Art. 11 shall be deleted and replaced with a reference to an auditing firm referred to in the Auditing Act, as follows:

"The company shall have one regular auditor who must be an Auditing Firm referred to in the Auditing Act."

Art. 11 is otherwise unchanged.

Due to the amendment of the Limited Liability Companies Act that entered into force on 21 June 2017, the reference to Chapter 4, Section 2, Subsection 2 of the Finnish Limited Liability Companies Act set forth in the last sentence of Art. 12 shall be replaced with a reference to chapter 5 section 6 a of the Limited Liability Companies Act, as follows:

"However, the notice of GM must in any event be delivered at least nine (9) days prior to the General Meeting Record Date referred to in Chapter 5, Section 6 a of the Finnish Limited Liability Companies Act."

Art. 12 is otherwise unchanged.

#### **Forfeiture of the shares entered in a joint book-entry account and of the rights attached to such shares**

In the merger of Länsivoima Oyj (former Lounais-Suomen Sähkö Oy) to Fortum Corporation in 2000, those shareholders of Länsivoima Oyj that had not produced their share certificates and had not requested their rights to be registered in the book-entry system, received their respective shares of Fortum Corporation as merger consideration to a joint book-entry account opened on their behalf (the "Joint Account").

The Annual General Meeting of Fortum Corporation decided, in accordance with Chapter 3, Section 14 a (3) of the Finnish Companies Act, that the rights to all such shares entered in the Joint Account and to the rights attached to such shares that had not been requested to be registered in the book-entry system in accordance with Chapter 6, Section 3 of the Act on the Book-Entry System and Clearing Operations prior to the decision by the Annual General Meeting, are forfeited.

In addition to the shares, the rights attached to such shares, such as undrawn dividend, are forfeited. The provisions applicable to treasury shares held by the company will apply to the forfeited shares.

The number of shares of Fortum Corporation entered in the Joint Account as at 30 January 2018 was 72,680.

#### **Minutes of the meeting**

The minutes of the Annual General Meeting will be available on the company's website as from 11 April 2018 at the latest.

#### **Decisions by the Board of Directors**

At the meeting held after the Annual General Meeting, Fortum's Board of Directors elected, from among its members, to the Nomination and Remuneration Committee Matti Lievonen as Chairman and Eva Hamilton, Klaus-Dieter Maubach and Anja McAlister as members.

Furthermore, the Board elected to the Audit and Risk Committee Kim Ignatius as Chairman and Heinz-Werner Binzel, Essimari Kairisto and Veli-Matti Reinikkala as members.

Fortum Corporation

Ingela Ulfves, Vice President, Investor Relations and Financial Communications, tel. +358 40 515 1531

#### **Additional information:**

Sirpa-Helena Sormunen, General Counsel, tel. +358 40 501 5001

**Distribution:**

Nasdaq Helsinki

Main media

[www.fortum.com](http://www.fortum.com)

**Fortum**

Fortum is a leading clean-energy company that provides its customers with electricity, heating and cooling as well as smart solutions to improve resource efficiency. We want to engage our customers and society to join the change for a cleaner world. We employ some 9,000 professionals in the Nordic and Baltic countries, Russia, Poland and India. In 2017, our sales were EUR 4.5 billion. Fortum's share is listed on Nasdaq Helsinki. [www.fortum.com](http://www.fortum.com)