



Proposals by Fortum's Shareholders' Nomination Board to the 2020 Annual General Meeting

FORTUM CORPORATION STOCK EXCHANGE RELEASE 31 JANUARY 2020 AT 11.00 EET

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Fortum's Shareholders' Nomination Board has submitted its proposals to the 2020 Annual General Meeting to Fortum's Board of Directors. The Shareholders' Nomination Board proposes that the Board consist of nine (9) members, the Chairman and the Deputy Chairman included, and that the following persons be elected to the Board of Directors for a term ending at the end of the 2021 Annual General Meeting:

Proposed to be re-elected as members:

Eva Hamilton,
Essimari Kairisto,
Matti Lievonen,
Klaus-Dieter Maubach,
Anja McAlister,
Veli-Matti Reinikkala, and
Philipp Rösler.

Proposed to be elected as new members:

Teppo Paavola, and
Annette Stube.

Matti Lievonen is proposed to be elected as Chairman and Veli-Matti Reinikkala as Deputy Chairman of the Board of Directors.

All candidates have given their consent to the election, and are independent of the Company and its major shareholders.

The annual fees of Fortum's Board of Directors were last increased in 2012. According to an independent expert report, the fees have fallen significantly below market levels during this period. According to Fortum's remuneration policy, the fees of the Board should be at an international and competitive market level. The Shareholders' Nomination Board supports this view.

The Shareholders' Nomination Board considers that the fees have fallen significantly below the current market levels. To achieve the market level, a step-by-step plan supported by the major shareholders to increase Board remuneration must be developed by the end of 2020. As the Finnish State's position on the development of the remuneration is still in progress, the Shareholders' Nomination Board did not reach a unanimous proposal, and, consequently, did not make a proposal for the remuneration to be paid to the Board of Directors for their following term of office. The Chairman of the Nomination Board has notified the Nomination Board and the Company that the State of Finland will make a proposal at the Annual General Meeting for the remuneration as follows:

- Chairman: EUR 77,200/year (currently EUR 75,000)
- Deputy Chairman: EUR 57,500/year (currently 57,000)
- Members: EUR 40,400/year (currently 40,000)
- The Chairman of the Audit and Risk Committee, if he/she is not simultaneously acting as Chairman or Deputy Chairman of the Board: EUR 57,500/year (currently 57,000).

For each Board and Board Committee meeting the fee is EUR 600. For Board members resident outside Finland in Europe, the fee for each meeting is doubled and for Board members resident outside Europe, the fee for each meeting is tripled. For Board members living in Finland, the fee for each Board and Board Committee meeting is doubled for meetings held outside Finland and tripled for meetings held outside Europe. For Board and Committee meetings held as a telephone conference the fee is paid as single to all members.

The Shareholders' Nomination Board comprised Kimmo Viertola, Director General, Prime Minister's Office, ownership steering department (Chairman), Jouko Pölönen, President and CEO of Ilmarinen Mutual Pension Insurance Company, Risto Murto, President and CEO of Varma Mutual Pension Insurance Company, and the Chairman of Fortum's Board of Directors Matti Lievonen. Matti Lievonen did not take part in the decision-making neither on the remuneration to be paid to the Board of Directors nor on the proposal for the Chairman of the Board.

Fortum Corporation

Ingela Ulfväs, VP, Investor Relations and Financial Communications

Further information:

Kimmo Viertola, Chairman of the Shareholders' Nomination Board, tel. +358 029 516 0026.

Biographical details of the new proposed Board members are available as an attachment to this release.

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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 8,000 professionals in the Nordic and Baltic countries, Russia, Poland and India. In 2018, our sales were EUR 5.2 billion and 57% of our electricity generation was CO2 free. Fortum's share is listed on Nasdaq Helsinki. www.fortum.com