

PROPOSALS BY THE SHAREHOLDERS' NOMINATION BOARD OF FORTUM TO THE 2022 ANNUAL GENERAL MEETING ON THE NUMBER OF THE BOARD MEMBERS, THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE REMUNERATION OF THE BOARD OF DIRECTORS

Fortum's Annual General Meeting on 9 April 2013 established a permanent Shareholders' Nomination Board, in accordance with the proposal of the Board of Directors. The purpose and task of the Shareholders' Nomination Board is to prepare and present to the annual general meeting proposals on the number of the Board members, the composition of the Board of Directors and the remuneration of the Board of Directors.

The Shareholders' Nomination Board proposes to the Annual General Meeting 2022 that the Board of Directors consist of nine (9) members (previously seven), the Chair and the Deputy Chair included.

The Shareholders' Nomination Board proposes that the following persons be elected to the Board of Directors for a term ending at the end of the Annual General Meeting 2023:

Proposed to be re-elected as members:

Luisa Delgado,
Essimari Kairisto,
Anja McAlister,
Teppo Paavola,
Veli-Matti Reinikkala,
Philipp Rösler, and
Annette Stube.

Proposed to be elected as new members:

Ralf Christian and
Kimmo Viertola.

Veli-Matti Reinikkala is proposed to be elected as Chair and Anja McAlister as Deputy Chair of the Board of Directors.

All candidates have consented to the appointment and all are independent of the company and its significant shareholders, with the exception of Kimmo Viertola, who is non-independent of the company's significant shareholder (the State of Finland).

The CVs of the proposed new Board members are attached hereto as Appendices 1 and 2.

Remuneration of the Board of Directors:

The Shareholders' Nomination Board proposes to the Annual General Meeting 2022 that, in line with the earlier decision in principle to increase the remuneration, the annual fee of the Chair, Deputy Chair and other members of the Board of Directors be changed as follows:

Chair: EUR 88,800 (previously 77,200)/year

Deputy Chair: EUR 63,300 (57,500)/year

Members: EUR 43,100 (40,400)/year

Chair of the Audit and Risk Committee: EUR 63,300 (57,500)/year, in case that he/she does not simultaneously act as Chair or Deputy Chair of the Board.

In addition to the aforementioned annual fee, it is proposed as a new element to pay fixed fees for the Committee work as follows:

Member of the Audit and Risk Committee: EUR 3,000/year

Chair of the Nomination and Remuneration Committee: EUR 5,000/year

Member of the Nomination and Remuneration Committee: EUR 2,000/year

Chair of any additional Committee established by a Board decision: EUR 5,000/year

Member of any additional Committee established by a Board decision: EUR 2,000/year.

In addition, the Shareholders' Nomination proposes that the meeting fee payable to a Board member, also for the Committee meetings, be EUR 800 (600) for each meeting, or EUR 1,600 (1,200/1,800) in case the member travels to the meeting outside his/her country of residence. When a member participates in the meeting via remote connection, or for the decisions that are confirmed without convening a meeting, the meeting fee be EUR 800 (600). The travel expenses of Board members are compensated in accordance with the company's travel policy.

Further, the Shareholders' Nomination Board proposes as a new element that the annual fees for the Board work of the Board members be paid in company shares and in cash in such a way that approximately 40 % of the amount of the annual fee be payable in shares acquired on behalf and in the name of the Board members, and the remainder in cash. The company will pay the costs and the transfer tax related to the purchase of the company shares.

The shares will be acquired on behalf and in the name of the Board members within two weeks following the publication of the company's first quarter 2022 interim report. If share purchases cannot be carried out within the aforementioned schedule due to a reason related to the company or a Board member, the shares will be acquired later, or the annual fee will be paid fully in cash. The meeting fees and the fixed fees for the Committee work are proposed to be paid fully in cash.

The Shareholders' Nomination Board notes that the current proposal for the remuneration is part of the implementation of the decision in principle taken in the spring of 2021, according to which the remuneration of the Board members will be brought to the market level as part of a long-term programme to increase the remuneration.

Kimmo Viertola, Director General, Prime Minister's Office, Ownership Steering Department, acted as the Chair of the Shareholders' Nomination Board until 24 January 2022 and Maija Strandberg, Senior Ministerial Adviser, Financial Affairs, Prime Minister's Office, Ownership Steering Department, as of 25 January 2022. The members of the Shareholders' Nomination Board were Jouko Pölonen, President and CEO of Ilmarinen Mutual Pension Insurance Company, Risto Murto, President and CEO of Varma Mutual Pension Insurance Company, and the Chair of Fortum's Board of Directors Veli-Matti Reinikkala.

Veli-Matti Reinikkala did not take part in the decision-making on the proposal regarding the Chair of the Board of Directors or the remuneration of the Board of Directors. Kimmo Viertola was no longer a member of the Shareholders' Nomination Board and did not take part in the decision-making on the proposal regarding the members of the Board of Directors or the remuneration of the Board of Directors.

25 January 2022

on behalf of the Shareholders' Nomination Board

Maija Strandberg, Chair

Appendix 1: CV of the proposed new Board member

Ralf Christian

Born 1964, German citizen

M.Sc., Industrial Engineering & Computer Science (Dipl. Wirtsch.Ing./OR-Informatik)

Non-executive Director

Primary working experience:

Siemens AG

- Chief Executive Officer, Siemens Energy Management Division 2015–2019
- Chief Executive Officer, Siemens Low and Medium Voltage 2011–2014
- Chief Executive Officer, Siemens Power Distribution 2008–2011
- Chief Executive Officer, Siemens High Voltage Business 2004–2008
- Several positions in Automation & Drives and Corporate Strategy and Research 1989–1998

General Electric Company

- General Manager, Low Voltage Products & Systems, GE Industrial, Barcelona, Spain 2001–2004
 - General Manager, GE Procond Electronics, Belluno, Italy 1999–2001
 - General Manager, Global Development Function, GE Industrial, Barcelona 1998–1999
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Appendix 2: CV of the proposed new Board member

Kimmo Viertola

Born 1961, Finnish citizen

M.Sc. Business; International Marketing

Director General, Finnish Ownership Steering Department at the Prime Minister's Office

Primary working experience:

- Senior Ministerial Advisor, Financial Affairs of Finnish Ownership Steering Department at the Prime Minister's Office, Jan 2018–Oct 2018
- Director at Finnish Industry Investment Ltd 1998–2017
- Director at Price Waterhouse 1995–1998
- Manager at Skopbank Group 1978–1994

Key positions of trust:

- Chair of the Shareholders' Nomination Board of Neste Plc
 - Member of the Nomination Committee of SSAB AB (Publ.)
 - Board member and member of the Remuneration Committee of Municipality Finance Plc
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