

PROPOSALS BY FORTUM'S SHAREHOLDERS' NOMINATION BOARD TO THE 2018 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 2018 that the Board of Directors consist of eight (8) 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 2019 Annual General Meeting:

Proposed to be re-elected:

Heinz-Werner Binzel
Eva Hamilton
Kim Ignatius
Matti Lievonen
Anja McAlister and
Veli-Matti Reinikkala

Proposed to be elected as new members:

Essimari Kairisto and
Klaus-Dieter Maubach

Matti Lievonen is proposed to be elected as Chairman and Klaus-Dieter Maubach as Deputy Chairman of the Board of Directors.

Biographical details of the proposed new Board members are attached as Appendices 1 and 2.

Fees to Board members:

The Shareholders' Nomination Board proposes to the 2018 Annual General Meeting that the fees paid for the upcoming term remain unchanged and are as follows:

Chairman: EUR 75,000/year
Deputy Chairman: EUR 57,000/year
Members: EUR 40,000/year

The Chairman of the Audit and Risk Committee, if he/she is not simultaneously acting as Chairman or Deputy Chairman of the Board: EUR 57,000/year.

In addition, for each Board and Board Committee meeting a fee of EUR 600 will be proposed. For Board members resident 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.

The Shareholders' Nomination Board comprised Pekka Timonen, Director General, Ministry of Economic Affairs and Employment (Chairman), Timo Ritakallio, President and CEO, Ilmarinen Mutual Pension Insurance Company, Elli Aaltonen, Director General of Finnish Social Insurance Institution (KELA) and Sari Baldauf, Chairman of Fortum Corporation's Board of Directors.

Sari Baldauf did not take part in the decision-making on the Shareholders' Nomination Board's proposal regarding the proposal for the Chairman of the Board of Directors or the fees to the Board members.

31 January 2018

Pekka Timonen, Chairman
on behalf of the Shareholders' Nomination Board

Appendix 1: Biographical details of the new proposed Board member

Essimari Kairisto

Born 1966, Finnish and German citizen
Diploma in Business Administration

Consultant
Freudenberg, Global Technology Group,
Member of the supervisory board, the board of partners, and
the audit committee

Primary working experience:

- Hochtief Solution AG, Member of the Executive Board/CFO 2013-2016
 - Member of various supervisory and executive boards until 06/2015
 - Sasol
 - Sasol O&S Group International, General Manager Finance/CFO 2008-2013
 - Sasol Germany GmbH, Hamburg, Managing Director and CFO 2007-2013
 - Member of various supervisory and executive boards at Sasol until 06/2013
 - RWE Group
 - Lahmeyer International GmbH, Managing Director/CFO 2004-2007
 - RWE Solutions AG Frankfurt, Head of Special Purpose Controlling 2003-2004
 - RWE Solutions AG, Essen & RWE Industrie-Lösungen GmbH, Duisburg, Head of Commercial Services Infrastructure Management 2002-2003
 - Schlumberger Konzern, several management positions in Germany, Norway and US 1995-2001.
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Appendix 2: Biographical details of the new proposed Board member

Klaus-Dieter Maubach

Born 1962, German citizen
Ph.D. (Electrical Engineering)

Managing Partner, maubach.icp GmbH

Primary working experience:

- Capital Stage AG, CEO 2015-2016
- E.ON SE, Member of the Management Board and CTO 2010-2013
- E.ON Energie AG
 - CEO 2007-2010
 - Member of the Management Board, regulated infrastructure in Central and Eastern Europe 2006-2007
- Avacon AG
 - CEO 2003-2006
 - Member of the Management Board, distribution networks of power and natural gas businesses 2001-2003
- Elektrizitätswerk Wesertal GmbH
 - CEO and Member of the German Executive Committee of Fortum Group 2000-2001
 - Managing Director, power generation, networks 1998-2000
 - Corporate head of department 1998
- Energieversorgung Offenbach AG, Offenbach a.M.
 - Head of technical planning, design/build of power distribution networks 1996-1998
 - Head of dispatching, operate network control and dispatching centre 1995-1996
- University of Wuppertal, Research assistant, head of system optimization 1989-1994

Key positions of trust:

- Axpo Power AG, Member of the Board of Directors
 - Capital Stage AG, Member of the Supervisory Board
 - Agora Energiewende, Member of the Advisory Board
 - SUMTEQ GmbH, Member of the Advisory Board, Shareholder
 - Klöpfer & König GmbH & Co KG, Chairman of the Supervisory Board
 - ABB Deutschland AG, Member of the Supervisory Board
 - Technical University Clausthal, honorary professor, lecturer in power supply economics
 - Published author
 - “Energiewende...”, Springer Verlag (German)
 - "Strom 4.0 ...", Springer Verlag (German)
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