

**Minutes 1/2018**

*(An unofficial translation  
of the original document  
in Finnish into English)*

**ANNUAL GENERAL MEETING 2018 OF FORTUM CORPORATION**

**Time:** Wednesday, 28 March 2018 at 11:00 a.m. – 2:18 p.m.

**Venue:** Finlandia Hall, Main Auditorium, Mannerheimintie 13 e, Helsinki, Finland.

**Present:** Shareholders were present at the meeting in person or represented by proxy, in accordance with the list of votes adopted at the meeting (Appendix 4).

In addition, all members of the Board of Directors, the proposed new members of the Board of Directors, the President and CEO, members of the company's senior management, the company's principal auditor, representatives of the media and technical personnel were present at the meeting.

**1 OPENING OF THE MEETING**

Chairman of the Board of Directors Sari Baldauf opened the meeting, welcomed the shareholders and others present and gave the opening speech of the Chairman of the Board of Directors.

**2 CALLING THE MEETING TO ORDER**

Manne Airaksinen, attorney-at-law, was elected Chairman of the General Meeting, and he called Sirpa-Helena Sormunen, General Counsel, to act as secretary.

The Chairman explained the procedures for handling matters on the agenda of the meeting.

It was noted that the meeting would be conducted in Finnish and simultaneous interpreting into Swedish and English would be provided for the participants.

It was noted that the documents concerning the financial statements and the proposals made to the General Meeting, as well as other documents and information required by the Companies Act and the Securities Markets Act had been available on the company's website for the period required by the Companies Act prior to the General Meeting and said documents were also available at the meeting venue.

The Chairman noted that certain nominee registered shareholders had provided the company with voting instructions prior to the meeting, and gave a description of the voting instructions, a summary of which was enclosed to the minutes (Appendix 1).

Custodian banks representing the above mentioned shareholders had informed the company that their clients did not demand a vote on those agenda items, under which

## Minutes 1/2018

the instruction had been to oppose to the proposed resolution or to abstain from taking part in the decision-making, but that it would be sufficient that such votes were duly recorded in the minutes.

The Chairman noted that the above procedures would be adhered to during the meeting and that opposing or abstaining votes would be recorded in the minutes under each agenda item concerned. The Chairman further noted that, to the extent the summary lists included opposing votes that had been presented without any counterproposal under such agenda items where it is not possible to vote against the proposal without presenting a counterproposal, such votes would not be formally acknowledged as opposing votes, and they would not be recorded under the relevant agenda items.

The summary lists of the voting instructions of the shareholders represented by Nordea Bank AB (publ.), Finnish Branch, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB were attached to the minutes ([Appendix 2](#)).

### 3 ELECTION OF PERSONS TO SCRUTINISE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES

Tuula Korhonen and Tiina Landau were elected to scrutinise the minutes. Alvar Calderón and Jonna Koskinen were elected to supervise the counting of votes.

### 4 RECORDING THE LEGALITY OF THE MEETING

It was noted that the notice to the meeting had been published by a stock exchange release and on the company's website on 2 February 2018. The company had also published information about convening of the meeting in Finnish newspapers Helsingin Sanomat, Kauppalehti and Hufvudstadsbladet on 5 February 2018.

The notice to the meeting was attached to the minutes ([Appendix 3](#)).

It was noted that the General Meeting had been convened in accordance with the provisions of the Articles of Association and the Companies Act.

### 5 RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES

A report of the attendees as at the beginning of the meeting and a list of votes represented at the meeting were presented, according to which a total of 2 359 shareholders were either represented at the meeting or attended the meeting in person. It was noted that a total of 627 757 917 shares and votes were represented at the beginning of the meeting.

The list of the attendees as at the beginning of the meeting and the list of votes represented at the meeting were attached to the minutes ([Appendix 4](#)). It was noted that the list of votes would be adjusted to correspond to the attendance at the beginning of a possible vote.

## Minutes 1/2018

### 6 PRESENTATION OF THE 2017 FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS, THE OPERATING AND FINANCIAL REVIEW AND THE AUDITOR'S REPORT

Pekka Lundmark, President and CEO of the company, presented a review of Fortum Group's activities in 2017. In addition, Pekka Lundmark presented Fortum Corporation's financial statements, consolidated financial statements and the operating and financial review of the Board of Directors for the financial year of 1 January – 31 December 2017. The reviews were attached to the minutes ([Appendix 5](#)).

It was noted that the financial statements had been available on the company's website since 21 February 2018, in addition to which they were also available at the meeting venue.

The documents concerning the financial statements were attached to the minutes ([Appendix 6](#)).

Principal auditor Reeta Virolainen presented the auditor's report.

The auditor's report was attached to the minutes ([Appendix 7](#)).

### 7 ADOPTION OF THE FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

The General Meeting resolved to adopt the financial statements and the consolidated financial statements for the financial year 1 January – 31 December 2017.

A total of 9 769 opposing votes were recorded under this agenda item.

### 8 RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND

It was noted that the Board of Directors had proposed to the General Meeting that a dividend of EUR 1.10 per share be paid for the financial year that ended on 31 December 2017. The remaining part of the distributable funds shall be retained in the shareholders' equity.

According to the proposal of the Board of Directors, the dividend shall be paid to shareholders who are recorded in the shareholders' register held by Euroclear Finland Ltd. on the record date of the dividend payment 3 April 2018. According to the proposal, the dividend shall be paid on 10 April 2018.

The proposal of the Board of Directors was attached to the minutes ([Appendix 8](#)).

The General Meeting resolved that a dividend be paid for the financial year that ended on 31 December 2017 in accordance with the proposal of the Board of Directors.

A total of 110 629 opposing votes were recorded under this agenda item.

## Minutes 1/2018

### 9 RESOLUTION ON THE DISCHARGE FROM LIABILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO

It was noted that the auditor had supported in the auditor's report that all persons who have acted as members of the Board of Directors during the year 2017 and the President and CEO be discharged from liability.

The General Meeting resolved to discharge all members of the Board of Directors and the President and CEO from liability.

Opposition of shareholder Vällilä (voting ballot number 805) to discharging from liability of those persons that acted as members of the Board of Directors during the year 2017 who had previously as members of the Board of Directors during the year 2015 participated in decision making related to Fortum's participation in the Fennovoima project, not demanding, however, vote on the agenda item, was recorded under this agenda item.

A total of 309 896 opposing votes and 35 604 abstaining votes were recorded under this agenda item.

### 10 REVIEW OF THE COMPANY'S REMUNERATION POLICY BY THE CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

Chairman of the Nomination and Remuneration Committee of the Board of Directors of the Company Matti Lievonon presented a review of the Company's remuneration policy.

### 11 RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

It was noted that the company has a Shareholders' Nomination Board nominated by the General Meeting. The task of the Shareholders' Nomination Board is to prepare and present to the Annual General Meeting the proposals for the election and the remuneration of the Board of Directors.

Chairman of the Shareholders' Nomination Board Pekka Timonen presented the work and the proposal of the Shareholders' Nomination Board regarding the remuneration of the Board of Directors. The proposal was attached to the minutes ([Appendix 9](#)).

The General Meeting resolved in accordance with the proposal of the Shareholders' Nomination Board that the fees to be paid to the members of the Board of Directors for the upcoming term remain unchanged and are as follows:

- for the Chairman: EUR 75,000 per year;
- for the Deputy Chairman: EUR 57,000 per year; and
- for the Board members: EUR 40,000 per year; as well as
- Chairman of the Audit and Risk Committee, in case he/she is not simultaneously acting as Chairman or Deputy Chairman of the Board: EUR 57,000 per year.

## Minutes 1/2018

In addition, the General Meeting resolved, in accordance with the proposal of the Shareholders' Nomination Board that a meeting fee of EUR 600 will be paid for the members of the Board of Directors for each Board and Board Committee meeting. For Board members living outside Finland in Europe, the fee to be paid for each meeting will be doubled and for Board members living outside Europe, the fee to be paid for each meeting will be tripled. For Board members living in Finland, the fee to be paid 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 a single fee will be paid to all members. No fee will be paid for decisions made without a separate meeting.

For the avoidance of doubt, it was noted that travel expenses will be compensated to the members of the Board of Directors in accordance with the travel rules of the company.

A total of 14 165 abstaining votes were recorded under this agenda item.

### 12 **RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that according to section 6 of the Articles of Association, the Board of Directors comprises a Chairman, a Deputy Chairman, and no less than three (3) and no more than six (6) ordinary members.

Chairman of the Shareholders' Nomination Board Pekka Timonen presented the proposal of the Shareholders' Nomination Board regarding the number of the members of the Board of Directors. The proposal was attached to the minutes (Appendix 9).

It was noted that the Shareholders' Nomination Board had proposed that the number of members of the Board of Directors be eight (8).

The General Meeting resolved, in accordance with the proposal of the Shareholders' Nomination Board, that the number of members of the Board of Directors shall be eight (8).

### 13 **ELECTION OF THE CHAIRMAN, DEPUTY CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that according to section 6 of the Articles of Association, the term of office of a member, the Chairman and the Deputy Chairman of the Board of Directors expires at the closing of the next Annual General Meeting.

Chairman of the Shareholders' Nomination Board Pekka Timonen presented the proposal of the Shareholders' Nomination Board regarding the composition of the Board of Directors. The proposal was attached to the minutes (Appendix 9).

It was noted that the Shareholders' Nomination Board had proposed that Heinz-Werner Binzel, Eva Hamilton, Kim Ignatius, Matti Lievonen, Anja McAlister and Veli-Matti Reinikkala be re-elected as members of the Board of Directors, and that Essimari Kairisto and Klaus-Dieter Maubach be elected as new members of the Board of

## Minutes 1/2018

Directors. In addition, it was noted that the Shareholders' Nomination Board had proposed that Matti Lievonen be elected as Chairman and Klaus-Dieter Maubach as Deputy Chairman.

The General Meeting resolved to elect the Chairman, the Deputy Chairman, and the members of the Board of Directors for the term of office expiring at the closing of the next Annual General Meeting in accordance with the proposal of the Shareholders' Nomination Board.

A total of 1 247 325 abstaining votes were recorded under this agenda item.

### 14 RESOLUTION ON THE REMUNERATION OF THE AUDITOR

It was noted that the Board of Directors had, on the recommendation of the Audit and Risk Committee, proposed to the General Meeting that the auditor's fee be paid pursuant to an invoice approved by the company.

The proposal was attached to the minutes ([Appendix 10](#)).

The General Meeting resolved, in accordance with the proposal of the Board of Directors, that the auditor's fee be paid pursuant to an invoice approved by the company.

A total of 3 557 655 opposing votes and 14 165 abstaining votes were recorded under this agenda item.

### 15 ELECTION OF THE AUDITOR

It was noted that according to section 11 of the Articles of Association, the company shall have one auditor, which must be an auditing firm. It was noted that term of office of the auditor shall expire at the closing of the first Annual General Meeting following the election.

It was noted that, on the recommendation of the Audit and Risk Committee, the Board of Directors had proposed to the General Meeting that Deloitte Oy be re-elected as the auditor, and that the General Meeting request the auditor to give a statement on the granting of discharge from liability to the members of the Board of Directors, the President and CEO and the possible Deputy President and CEO, and on the Board of Directors' proposal for the distribution of funds.

It was noted that the company had been notified by Deloitte Oy that Reeta Virolainen, Authorised Public Accountant, would act as principal auditor, if Deloitte Oy was elected as auditor.

It was noted that the Board of Directors' proposal in its entirety had been included in the AGM material.

The proposal was attached to the minutes ([Appendix 11](#)).

The General Meeting resolved to elect the auditor of the company and to request the statements of the auditor in accordance with the proposal of the Board of Directors.

## Minutes 1/2018

### 16 **AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES**

It was noted that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorised to decide on the repurchase of the company's own shares, as follows:

The maximum number of own shares to be repurchased would be 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 could be used to repurchase own shares on the basis of the authorisation. Own shares could 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 would decide how own shares will be repurchased. Own shares could be repurchased using, inter alia, derivatives. Own shares could be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

Own shares could be repurchased to be used in connection with acquisitions, investments or other business transactions, or to be retained or cancelled. Own shares could not be repurchased for the purposes of the company's incentive and remuneration schemes.

The authorisation would cancel the authorisation resolved by the Annual General Meeting of 2017 to decide on the repurchase of the company's own shares, and it would be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

The proposal was attached to the minutes ([Appendix 12](#)).

The General Meeting resolved to authorise the Board of Directors to decide on the repurchase of the company's own shares in accordance with the proposal of the Board of Directors.

A total of 123 007 opposing votes and 22 600 abstaining votes were recorded under this agenda item.

### 17 **AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE DISPOSAL OF THE COMPANY'S OWN SHARES**

It was noted that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorised to decide on the disposal of the company's own shares 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 could be disposed in connection with acquisitions, investments or other business transactions. The disposals could not be made for the purposes of the company's incentive and remuneration schemes.



## Minutes 1/2018

The Board of Directors would 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. Disposals could also be made in deviation from the shareholders' pre-emptive rights for a weighty financial reason.

The authorisation would cancel the authorisation resolved by the Annual General Meeting of 2017 to decide on the disposal of the company's own shares, and it would be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

The proposal was attached to the minutes (Appendix 13).

The General Meeting resolved to authorise the Board of Directors to decide on the disposal of the company's own shares in accordance with the proposal of the Board of Directors.

A total of 16 085 opposing votes and 22 600 abstaining votes were recorded under this agenda item.

18

### **AMENDMENT OF ART. 6, ART. 11 AND ART. 12 OF THE ARTICLES OF ASSOCIATION**

It was noted that the Board of Directors had proposed to the General Meeting that the following amendments be made to the Articles of Association of the company currently in force:

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.



## Minutes 1/2018

“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.

The proposal was attached to the minutes ([Appendix 14](#)).

The General Meeting resolved to amend Art. 6, Art. 11 and Art. 12 of the Articles of Association in accordance with the proposal of the Board of Directors.

### 19 **FORFEITURE OF THE SHARES ENTERED IN A JOINT BOOK-ENTRY ACCOUNT AND OF THE RIGHTS ATTACHED TO SUCH SHARES**

It was noted that the Board of Directors had proposed to the General Meeting 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 have 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. Once the decision has been made, the provisions applicable to treasury shares held by the company will apply to the forfeited shares.

The proposal was attached to the minutes ([Appendix 15](#)).

The General Meeting resolved that the rights to the shares entered in the Joint Account and to the rights attached to such shares are forfeited in accordance with the proposal of the Board of Directors.

It was noted that the decision on this agenda item was made at 2:17 p.m.

### 20 **CLOSING OF THE MEETING**

It was noted that there were no other matters to be considered.

It was noted that all decisions of the General Meeting had been made unanimously by the shareholders present at the meeting, unless otherwise indicated in the minutes.

The Chairman noted that the items on the agenda had been considered and that the minutes of the meeting would be available on the company’s website as from 11 April 2018 at the latest.

The Chairman announced the meeting closed at 2:18 p.m.

*[Signatures on the following page]*

**Minutes 1/2018**

Chairman of the General Meeting:

Manne Airaksinen  
MANNE AIRAKSINEN

In fidem:

Sirpa-Helena Sormunen  
SIRPA-HELENA SORMUNEN

Minutes reviewed and confirmed by:

Tuula Korhonen  
TUULA KORHONEN

Tiina Landau  
TIINA LANDAU

## Minutes 1/2018

### APPENDICES

<u>Appendix 1</u>	Summary of the voting instructions
<u>Appendix 2</u>	The voting instructions delivered to the company
<u>Appendix 3</u>	Notice to the General Meeting
<u>Appendix 4</u>	List of attendees and votes
<u>Appendix 5</u>	The President and CEO's review
<u>Appendix 6</u>	Financial statements
<u>Appendix 7</u>	Auditor's report
<u>Appendix 8</u>	Proposal by the Board of Directors for use of the profit shown on the balance sheet
<u>Appendix 9</u>	Proposals of the Shareholders' Nomination Board
<u>Appendix 10</u>	Proposal by the Board of Directors for the auditor's remuneration
<u>Appendix 11</u>	Proposal by the Board of Directors for the election of the auditor
<u>Appendix 12</u>	Proposal by the Board of Directors to authorise the Board to decide on the repurchase of the company's own shares
<u>Appendix 13</u>	Proposal by the Board of Directors to authorise the Board to decide on the disposal of the company's own shares
<u>Appendix 14</u>	Proposal by the Board of Directors for amendment of Art. 6, Art. 11 and Art. 12 of the Articles of Association of the company
<u>Appendix 15</u>	Proposal by the Board of Directors on the forfeiture of the shares entered in a joint book-entry account and of the rights attached to such shares

The proxies delivered to the company will be kept separately from the minutes.

The following appendices appear in the Financial Statements for 2017 which can be found from Fortum Corporation's webpage at the following address:

[http://apps.fortum.fi/investors/Fortum\\_Financials\\_2017.pdf](http://apps.fortum.fi/investors/Fortum_Financials_2017.pdf)

Appendix 6 Financial statements

Appendix 7 Auditor's report (pages 135-138)

PROPOSAL BY THE BOARD OF DIRECTORS FOR USE OF THE PROFIT SHOWN ON THE  
BALANCE SHEET

## **PROPOSAL BY THE BOARD OF DIRECTORS FOR USE OF THE PROFIT SHOWN ON THE BALANCE SHEET**

The distributable funds of Fortum Oyj as at 31 December 2017 amounted to EUR 5,170,240,554.04 including the profit of the financial period 2017 of EUR 932,525,770.24. The company's liquidity is good and the dividend proposed by the Board of Directors will not compromise the company's liquidity.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.10 per share be paid for 2017.

Based on the number of registered shares as at 1 February 2018, the total amount of dividend proposed to be paid is EUR 977,203,749.50. The Board of Directors proposes that the remaining part of the distributable funds be retained in the shareholders' equity.

Dividend shall 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 Board of Directors proposes that the dividend be paid on 10 April 2018.

Espoo, 1 February 2018

Fortum Corporation

The Board of Directors

## PROPOSALS BY FORTUM'S SHAREHOLDERS' NOMINATION BOARD



## **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.
-

## **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)
-

## PROPOSAL BY THE BOARD OF DIRECTORS FOR AUDITOR REMUNERATION

## **PROPOSAL BY THE BOARD OF DIRECTORS FOR AUDITOR REMUNERATION**

On the recommendation of the Audit and Risk Committee, the Board of Directors proposes that the auditor's fee be paid pursuant to an invoice approved by the company.

The fee paid to the auditor for services rendered and invoiced in 2017 totalled approximately EUR 1,448,119. In addition, the audit firm was paid a total of approximately EUR 1,157,995 in fees for non-audit services rendered and invoiced.

Espoo, 1 February 2018

Fortum Corporation

The Board of Directors

## PROPOSAL BY THE BOARD OF DIRECTORS FOR ELECTION OF THE AUDITOR



## **PROPOSAL BY THE BOARD OF DIRECTORS FOR ELECTION OF THE AUDITOR**

On the recommendation of the Audit and Risk Committee, the Board of Directors proposes that Deloitte Oy be re-elected as the auditor, and that the Annual General Meeting request the auditor to give a statement on the granting of discharge from liability to the members of the Board of Directors, the President and CEO and the possible Deputy President and CEO, and on the Board of Directors' proposal for the distribution of funds.

Deloitte Oy has notified the company that in the event it is elected as auditor, Reeta Virolainen, APA, would be the responsible auditor.

The Audit and Risk Committee has prepared its recommendation in accordance with Art. 16 of the EU Audit Regulation (537/2014).

As required by the EU Audit Regulation, the Audit and Risk Committee hereby confirms that its recommendation is free from influence by a third party and that no clause of the kind referred to in paragraph 6 of Article 16 of the EU Audit Regulation, which would restrict the choice by the Annual General Meeting as regards the appointment of the auditor, has been imposed upon it.

Espoo, 1 February 2018

Fortum Corporation

The Board of Directors

PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORISE THE BOARD TO DECIDE  
ON THE REPURCHASE OF COMPANY'S OWN SHARES

## **PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORISE THE BOARD TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorised to decide on the repurchase of the company's own shares.

The maximum number of own shares to be repurchased would be 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 could be used to repurchase own shares on the basis of the authorisation.

Own shares could 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 would decide how own shares will be repurchased. Own shares could be repurchased using, inter alia, derivatives. Own shares could be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

Own shares could be repurchased to be used in connection with acquisitions, investments or other business transactions, or to be retained or cancelled. Own shares could not be repurchased for the purposes of the company's incentive and remuneration schemes.

The authorisation would cancel the authorisation resolved by the Annual General Meeting of 2017 to decide on the repurchase of the company's own shares, and it would be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

Espoo, 1 February 2018

Fortum Corporation

The Board of Directors

PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORISE THE BOARD TO DECIDE  
ON THE DISPOSAL OF THE COMPANY'S OWN SHARES

## **PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORISE THE BOARD TO DECIDE ON THE DISPOSAL OF THE COMPANY'S OWN SHARES**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorised to decide on the disposal of the company's own shares.

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 could be disposed in connection with acquisitions, investments or other business transactions. Disposals could not be made for the purposes of the company's incentive and remuneration schemes.

The Board of Directors would 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. Disposals could also be made in deviation from the shareholders' pre-emptive rights for a weighty financial reason.

The authorisation would cancel the authorisation resolved by the Annual General Meeting of 2017 to decide on the disposal of the company's own shares, and it would be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

Espoo, 1 February 2018

Fortum Corporation

The Board of Directors

PROPOSAL BY THE BOARD OF DIRECTORS FOR AMENDMENT OF ART. 6, ART. 11  
AND ART. 12 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

## PROPOSAL BY THE BOARD OF DIRECTORS FOR AMENDMENT OF ART. 6, ART. 11 AND ART. 12 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Board of Directors proposes to the Annual General Meeting that the following amendments be made to the Articles of Association of the company currently in force:

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.

Current wordings	Proposed new wordings
Art. 6, the first sentence: "The Board of Directors shall have a Chairman, a Deputy Chairman, and a minimum	Art. 6, the first sentence: "The Board of Directors shall have a Chairman, a Deputy Chairman, and a minimum of three (3) and



of three (3) and a maximum of six (6) ordinary members who are elected at the General Meeting."	a maximum of eight (8) ordinary members who are elected at the General Meeting."
Art. 11, the first sentence: "The company shall have one regular auditor who must be an Auditing Firm approved by the Central Chamber of Commerce."	Art. 11, the first sentence: "The company shall have one regular auditor who must be an Auditing Firm referred to in the Auditing Act."
Art. 12, the last sentence: "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 4, Section 2, Subsection 2 of the Finnish Limited Liability Companies Act."	Art. 12, the last sentence: "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."

Espoo, 1 February 2018

Fortum Corporation

The Board of Directors

PROPOSAL BY THE BOARD OF DIRECTORS ON THE FORFEITURE OF THE  
SHARES ENTERED IN A JOINT BOOK-ENTRY ACCOUNT AND OF THE RIGHTS  
ATTACHED TO SUCH SHARES

## **PROPOSAL BY THE BOARD OF DIRECTORS ON THE 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 Board of Directors proposes that the Annual General Meeting of Fortum Corporation decide, 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 have 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. Once the decision has been made, the provisions applicable to treasury shares held by the company will apply to the forfeited shares.

The number of shares of Fortum Corporation in the Joint Account as at 30 January 2018 was 72,680. The number of the shares may decrease if requests for the registration of shares entered in the Joint Account and the rights attached to such shares are made before the Annual General Meeting has decided on the forfeiture of the shares.

Espoo, 1 February 2018

Fortum Corporation  
The Board of Directors