

## **PROPOSALS BY FORTUM'S SHAREHOLDERS' NOMINATION BOARD TO THE 2020 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 members of the Board of Directors, 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 2020 that the Board of Directors 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.

### **Fees to members of the Board of Directors:**

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

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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, correspondingly, 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 of Directors: 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 either on the remuneration to be paid to the Board of Directors or on the proposal for the Chairman of the Board.

31 January 2020

Kimmo Viertola, Chairman  
on behalf of the Shareholders' Nomination Board

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

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## **Appendix 1: Biographical details of the new proposed Board member**

### **Teppo Paavola**

Born 1967, Finnish citizen

M.Sc.(Econ.), HSE; MBA, INSEAD

Adecco Group, Chief Digital Officer

#### **Primary working experience:**

- BBVA Group
  - Chief Development Officer, General Manager of New Digital Businesses 2014–2018
- PayPal, VP, Head of Global Business Development, M&A and Developer Relations 2012–2014
- Nokia Corporation
  - VP, General Manager, Mobile Financial Services 2009–2012
  - VP, Head of Corporate Business Development 2008–2009
  - Head of Strategy and Business Development, Nokia Research Center 2004–2007
- Oplayo, CEO 2002–2004
- Printing Network Of Europe, CEO/Founder 2000–2002
- General Electric/GE Capital, Managing Director, Equipment Finance 1998–1999
  - Business Development Associate/Manager 1996–1998

#### **Positions of trust:**

- 3 Step It, Member of the Board
  - Atom Bank, Member of the Board
  - Simple Finance Technology, Member of the Board
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## **Appendix 2: Biographical details of the new proposed Board member**

### **Annette Stube**

Born 1967, Danish citizen

Master's degree in psychology, specialized in organizational development; Copenhagen Business School, Executive Board Education

A.P. Moller – Maersk, Head of Sustainability since 2008

#### **Primary working experience:**

- Novo Nordisk
  - Director, Sustainability Programmes, Corporate Branding & Responsibility 2007–2008
  - Advisor, Corporate Responsibility 1998–2007
  - Human Resource Consultant, Health Care Business 1997–1998
- SOS-International, Manager of a psychological crisis intervention team, Manager for a Scandinavian team of 200 “flying” doctors and nurses, Supply chain Manager of suppliers in Eastern Europe and Africa 1995–1997

#### **Positions of trust:**

- OneThird (Think Tank on Prevention of Food Waste and Food Loss), Vice-Chair of the Board
  - Member of Advisory Council on Sustainable Finance (FinansDanmark)
  - VL64 (Leadership network), Member of the Board
  - United Nations Global Compact, Member of Expert Network
  - Haas School of Business, Univ. of California, Berkeley, Social Impact Fellow
  - Advisor to the Danish Government; Member of the Danish Council for Corporate Sustainability and SDGs, appointed by the Minister of Business
  - Sustainability Network for Large companies, DI (Danish Confederation of Industries), Chair
  - Copenhagen Business School, Adjunct Professor
  - Danish Ship-owners Association, Chair of the CSR Committee
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