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Notice to the Annual General Meeting of Shareholders of Fortum Corporation 2020

FORTUM CORPORATION STOCK EXCHANGE RELEASE 30 MARCH 2020 AT 2:00 P.M. EET

The shareholders of Fortum Corporation are invited to the Annual General Meeting to be held on Thursday, 23 April 2020, starting at 2:00 p.m. (EET) at the company headquarters, address Keilalahdentie 2-4, Espoo, Finland.

Fortum takes the coronavirus situation very seriously and aims to ensure the best interests of the company and its shareholders by holding the Annual General Meeting on 23 April 2020. By holding the meeting, the Annual General Meeting can decide on the payment of the approximately EUR 977 million dividend proposed by the Board of Directors. The largest shareholders of Fortum Corporation include, among others, the State of Finland and mutual pension insurance companies.

The company will impose several precautionary measures to be able to hold the meeting and to ensure the safety of the persons who have to be present at the meeting. The meeting shall be kept as short as possible, and all presentations prepared in advance will be shortened significantly. The company will publish a more comprehensive video review by the President and CEO on its website prior to the meeting.

The company urges shareholders to avoid attending the Annual General Meeting at the AGM venue. Due to the coronavirus epidemic, the Annual General Meeting can only be held if the number of participants at the meeting is so low that the meeting can be held in compliance with the instructions given by authorities. Therefore, the company recommends that shareholders vote in advance or alternatively authorise Merilampi Attorneys Ltd. to represent them at the meeting (free of charge). The shareholders can follow the meeting via a live video stream. It is possible for those shareholders who have voted in advance or issued a power of attorney to pose questions to the company in advance regarding the matters to be considered at the meeting until 4:00 p.m. (EET) 14 April 2020. The company may consider the questions received when preparing proposals for the General Meeting and aims at responding to them at the meeting to the extent possible. A template power of attorney as well as further instructions for the authorisation, advance voting, video stream service and posing questions are available on the company's website www.fortum.com/agm.

Under the circumstances, to ensure the decision-making process and to shorten the length of the meeting, the company has received an advance notice from the largest shareholders representing a majority of all the shares in the company that they support the proposals of the Board of Directors to the Annual General Meeting, the statement of the Board of Directors on agenda item 20, and the proposals of the Shareholders' Nomination Board to the Annual General Meeting.

No refreshments will be served in connection with the meeting. Fortum follows all instructions given by authorities and will update its instructions regarding the Annual General Meeting if necessary. The company will disclose separately should there be further instructions for the meeting.

The Annual General Meeting participants are advised to follow Fortum's website www.fortum.com/agm for possible additional instructions or changes.

A. Matters on the agenda

At the Annual General Meeting, the following matters will be considered:

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1. Opening of the meeting
2. Matters of order for the meeting
3. Election of persons to confirm the minutes and to verify counting of votes
4. Recording the legal convening of the meeting and quorum
5. Recording the attendance at the meeting and adoption of the list of votes
6. Presentation of the financial statements, the consolidated financial statements, the operating and financial review and the auditor's report for 2019
 - Review by the President and CEO
7. Adoption of the financial statements and consolidated financial statements
8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The distributable funds of Fortum Corporation as at 31 December 2019 amounted to EUR 4,219,128,198.51 including the profit of the financial period 2019 of EUR 213,409,797.80. 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 2019.

Based on the number of registered shares as at 30 March 2020, the total amount of dividend would be EUR 977,123,911.50. 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 27 April 2020 are recorded in the company's shareholders' register held by Euroclear Finland Ltd. The Board of Directors proposes that the dividend be paid on 5 May 2020.

9. Resolution on the discharge from liability of the members of the Board of Directors and the President and CEO
 10. Review of the company's remuneration by the Chairman of the Nomination and Remuneration Committee
 11. Presentation of the remuneration policy for the company's governing bodies
- Presentation of the remuneration policy for the governing bodies of the company and the advisory resolution of the annual general meeting on the approval of the remuneration policy.
12. Resolution on the remuneration of the 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 the market levels

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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 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 meetings 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.

13. Resolution on the number of the members of the Board of Directors

The Shareholders' Nomination Board proposes that the Board of Directors consist of nine (9) members, including the Chairman and the Deputy Chairman.

14. Election of the chairman, deputy chairman and members of the Board of Directors

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 2021: Ms Eva Hamilton, Ms Essimari Kairisto, Mr Matti Lievonen, Mr Klaus-Dieter Maubach, Ms Anja McAlister, Mr Veli-Matti Reinikkala and Mr Philipp Rösler are proposed to be re-elected as members, and Mr Teppo Paavola and Ms Annette Stube are proposed to be elected as new members.

Mr Matti Lievonen is proposed to be elected as Chairman and Mr 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.

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The current board members proposed to be re-elected have been presented on Fortum Corporation's website www.fortum.com/governance, and the biographical details of the new proposed Board members on www.fortum.com/agm.

15. Resolution on the remuneration of the auditor

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.

16. 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 Reeta Virolainen, APA, would be the responsible auditor.

17. Authorising the Board of Directors to decide on the repurchase of the company's own shares

The Board of Directors proposes that the Board of Directors be authorised to decide on the repurchase of the company's own shares as follows:

The aggregate 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).

The authorisation would cancel the authorisation resolved by the Annual General Meeting of 2019 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.

18. Authorising the Board of Directors to decide on the disposal of the company's own shares

The Board of Directors proposes 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.

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The Board of Directors would decide on the conditions of the disposals, including to whom, at what price and in which manner the company's shares are disposed. The disposals could also be made in deviation from the shareholders' pre-emptive rights.

The authorisation would cancel the authorisation resolved by the Annual General Meeting of 2019 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.

19. Authorising the Board of Directors to decide on charitable contributions

The Board of Directors proposes that the Board of Directors be authorised to decide on contributions in the total maximum amount of EUR 500,000 for charitable or similar purposes, and to decide on the recipients, purposes and other terms of the contributions.

The authorisation would be effective until the next Annual General Meeting.

20. A shareholder's proposal for amending the Articles of Association of the company

WWF Finland (Maailman Luonnon Säätiö, World Wide Fund for Nature, Suomen rahasto sr) as the shareholder of Fortum Corporation proposes that the Paris Agreement 1.5-degree Celsius target is included to Fortum Corporation's Articles of Association by adding a new article 17. Accordingly, the number of the current article 17 would be changed to article 18.

Wording of the proposed new Art. 17:

"The Board of Directors shall assess the climate risks of the operations and set up a scheduled science-based plan for aligning the operations of the company and the group with the Paris Agreement maximum warming limit of 1.5 degrees Celsius. Climate risks, the alignment plan and its implementation shall be reported annually, for the first time at the Annual General Meeting in 2021."

Fortum's Board of Directors has reviewed and considered the proposal thoroughly with view to Fortum's strategy, businesses and good governance and concluded that the Board does not recommend that the amendment is adopted. The Board of Directors concluded that Articles of Association is not the right place to stipulate strategic targets and actions, even important ones.

Since WWF Finland submitted their proposal, Fortum has increased its ownership in Uniper to approximately 70% and Uniper has published an updated strategy. Among the key targets of the updated strategy is achieving carbon neutrality in Uniper's European operations by 2035. Despite the increase of Fortum's shareholding, Uniper will continue as a separate, listed company and Fortum has ruled out any domination and/or profit and loss transfer agreement (DPLTA) or squeeze-out of minority until the end of 2021. However, it is Fortum's strong intention to start aligning the strategies of the two companies and to establish close collaboration with Uniper without delay. As one outcome of the joint strategy work, Fortum and Uniper want to set ambitious decarbonisation targets covering the combined operations of both companies.

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Fortum's Board of Directors wants to thank WWF Finland for bringing forth this very important topic. The proposal has generated thorough and valuable discussion both inside Fortum and with external stakeholders. In today's world, every company must assess the climate risks it faces. Similarly, every company must have a strategy to mitigate climate change and a plan detailing how it aims to be successful in a carbon neutral world. These decisions and actions are embedded into the company's strategy process. This is the case also at Fortum. The Annual General Meeting nominates the Board of Directors that adopts the strategy of the company and supervises that it is properly implemented. Fortum's shareholders can rest assured that climate targets will form an integral part of Fortum's strategy and businesses also in the future.

The statement by the Board of Directors on WWF Finland's proposal to amend Fortum's Articles of Association is annexed to the notice to the Annual General Meeting.

21. Closing of the meeting

B. Documents of the Annual General Meeting

The proposals for the decisions on the matters on the agenda, the remuneration policy, as well as this notice are available on Fortum Corporation's website www.fortum.com/agm. The financial statements, consolidated financial statements, operating and financial review and the auditor's report of Fortum Corporation were published on www.fortum.com/agm on 10 February 2020. The proposals for decisions and the other above-mentioned documents are also available at the meeting. The minutes of the Annual General Meeting will be available on the above-mentioned website on 7 May 2020 at the latest.

C. Instructions for the participants of the Annual General Meeting

1. Shareholders registered in the shareholders' register

Each shareholder, who is registered on 9 April 2020 in the shareholders' register of the company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the shareholders' register of the company.

A shareholder, who is registered in the company's shareholders' register and wishes to participate in the Annual General Meeting, shall register for the meeting no later than by 4:00 p.m. (EET) on 14 April 2020. The registration shall be received by the company no later than on the above-mentioned date. Registration can be done as of 30 March 2020:

a) on the Fortum website: www.fortum.com/agm;

b) by phone +358 (0) 20 770 6905 (on working days from 9:00 a.m. to 4:00 p.m.) or

c) by post addressed to Fortum Corporation, Corporate Legal Affairs/AGM, P.O. Box 100, 00048 FORTUM, Finland.

Fortum strongly recommends that shareholders would primarily register through the website or by phone, as in the current situation, the company has difficulties to follow incoming mail regularly due to e.g. remote-work recommendations.

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In connection with the registration, the shareholder shall notify his/her name, personal identity code, address, telephone number, and the name of his/her assistant and proxy representative, and the personal identity code of his/her proxy representative, if any. In case the shareholder chooses to register online, he/she shall provide the identification information required by the service.

Any personal data disclosed to the company by a shareholder will only be used in connection with the Annual General Meeting and the necessary registrations related to the Annual General Meeting.

The shareholder, his/her representative, or proxy representative shall be able to prove his/her identity and/or right of representation at the meeting venue.

Registrations submitted to the cancelled Annual General Meeting, convened to be held on 17 March 2020, will not be valid for this Annual General Meeting, therefore, previously registered shareholders must also re-register.

2. Holders of nominee registered shares

A holder of nominee registered shares has the right to participate in the Annual General Meeting by virtue of such shares, based on which he/she would be entitled to be registered in the shareholders' register of the company held by Euroclear Finland Ltd on the record date of the Annual General Meeting, 9 April 2020. In addition, the right to participate in the Annual General Meeting requires that the shareholder on the basis of such shares has been registered into the temporary shareholders' register held by Euroclear Finland Ltd by 10:00 a.m. (EET) on 20 April 2020 at the latest. For the nominee registered shares, this constitutes due registration for the Annual General Meeting.

A holder of nominee registered shares is advised to request well in advance the necessary instructions regarding the registration in the temporary shareholders' register, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. For the sake of clarity, it is noted that holders of nominee registered shares cannot directly register for the Annual General Meeting on Fortum's website, but must register via their custodian bank. The account management organisation of the custodian bank has to register the holder of the nominee registered shares who wishes to participate in the Annual General Meeting into the temporary shareholders' register of the company by the time stated above at the latest.

3. Proxy representatives and powers of attorney

As stated above, the company urges shareholders to avoid attending the Annual General Meeting at the AGM venue. Instead, the company recommends that shareholders vote in advance or alternatively authorise Merilampi Attorneys Ltd. to represent them free of charge at the meeting. However, also shareholders wishing to authorise a proxy or submit their votes in advance as described below are required to register for the general meeting in accordance with the instructions set out above in this notice, even if they do not attend the meeting at the meeting venue themselves. A template power of attorney as well as further instructions for the authorisation and advance voting are available on the company's website www.fortum.com/agm.

The template power of attorney for authorising Merilampi Attorneys Ltd. is also annexed to this notice, and it must be delivered in either by e-mail attachment (e.g. PDF) to veli.siitonen@merilampi.com, or by regular mail to address: Merilampi Attorneys Ltd, Keskuskatu 7, 00100 HELSINKI, Finland, before the last date and time for registration.

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A shareholder may also participate in the Annual General Meeting and exercise his/her rights at the meeting by way of third-party proxy representation. A proxy shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Annual General Meeting. When a shareholder participates in the Annual General Meeting by means of several proxy representatives representing the shareholder, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the Annual General Meeting. Proxy documents and powers of attorney for authorising a third-party proxy should primarily be delivered to the company by e-mail to agm@fortum.com, or by post in originals to the following address: Fortum Corporation, Corporate Legal Affairs/AGM, P.O. Box 100, 00048 FORTUM, Finland, before the last date and time for registration. The original proxy document should be presented at the Annual General Meeting at the latest, if required.

4. Advance voting

A shareholder, who has a Finnish book-entry account, may vote in advance on certain items on the agenda of the Annual General Meeting through the company's website from 30 March 2020 until 4:00 p.m. (EET) on 14 April 2020. Unless a shareholder voting in advance will be present in person or by proxy in the meeting, he/she may not be able to exercise his/her right under the Finnish Limited Liability Companies Act to request information or a vote in the meeting and if decision proposals regarding certain agenda item have changed after the beginning of the advance voting period, his/her possibility to vote on such item may be restricted. The conditions and other instructions relating to the electronic advance voting may be found on the company's website www.fortum.com/agm. The Finnish book-entry account number of the shareholder is needed for voting in advance.

5. Other instructions and information

Information pertaining General Meetings laid down in the Finnish Companies Act and the Securities Markets Act is available at www.fortum.com/about-us/investors/corporate-governance/general-meeting.

Any changes in the ownership of shares that have occurred after the record date of the Annual General Meeting do not affect the right to participate in the Annual General Meeting or the number of votes of the shareholder at the Annual General Meeting.

Pursuant to Chapter 5 Section 25 of the Finnish Companies Act, a shareholder who is present at the Annual General Meeting has the right to request information with respect to the matters to be considered at the meeting.

On the date of this notice to the Annual General Meeting, 30 March 2020, the total number of shares in Fortum Corporation, and votes represented by such shares, is 888,294,465.

In Espoo, 30 March 2020

Fortum Corporation
The Board of Directors

Further information:

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