

An unofficial translation
of the original document
in Finnish into English

ANNUAL GENERAL MEETING 2017 OF FORTUM CORPORATION

Time: Tuesday, 4 April 2017 at 2:00 p.m. – 5:10 p.m.

Place: 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

The 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 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

Kai Ollikainen and Pekka Siltala were elected to scrutinise the minutes. Samuel Wendelin and Juhani Salo 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 2017. The company had also published a notice to the meeting in Finnish newspapers Helsingin Sanomat, Kauppalehti and Hufvudstadsbladet on 3 February 2017.

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 2 248 shareholders were either represented at the meeting or attended the meeting in person. It was noted that 638 017 797 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.

6 PRESENTATION OF THE 2016 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 2016. 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 period of 1 January – 31 December 2016. 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 16 February 2017, 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 Jukka Vattulainen 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 2016.

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 based on the adopted balance sheet for the financial year that ended on 31 December 2016. 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 6 April 2017. According to the proposal, the dividend shall be paid on 13 April 2017.

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

The General Meeting resolved that a dividend be paid based on the adopted balance sheet for the financial year ended on 31 December 2016 in accordance with the proposal of the Board of Directors.

A total of 150 705 opposing votes were recorded under this agenda item.

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 2016 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 Waltasaari (voting ballot number 1063) to discharging from liability of those persons that acted as members of the Board of Directors during the year 2016 who had previously as members of the Board of Directors or as President and CEO during the year 2013 participated in decision making related to the divestment of the company's electricity distribution business, not demanding, however, vote on the agenda item, was recorded under this agenda item.

A total of 236 741 opposing votes and 27 596 abstaining votes were recorded under this agenda item.

10 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.

The chairman of the Shareholders' Nomination Board Eero Heliövaara 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.

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.

11 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.

The chairman of the Shareholders' Nomination Board Eero Heliövaara 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).

A total of 17 348 abstaining votes were recorded under this agenda item.

12 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.

The chairman of the Shareholders' Nomination Board Eero Heliövaara 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 Sari Baldauf, Heinz-Werner Binzel, Eva Hamilton, Kim Ignatius, Tapio Kuula and Veli-Matti Reinikkala be re-elected as members of the Board of Directors, and that Matti Lievonen and Anja McAlister be elected as new members of the Board of Directors. In addition, it was noted that the Shareholders' Nomination Board had proposed that Sari Baldauf be elected as Chairman and Matti Lievonen 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.

Opposition of shareholder Waltasaari (voting ballot number 1063) to re-election of those members of the Board of Directors who had as members of the Board of Directors or as President and CEO during the year 2013 participated in decision-making related to the divestment of the company's electricity distribution business, not demanding, however, vote on the agenda item, was recorded under this agenda item.

A total of 1 222 486 abstaining votes were recorded under this agenda item.

13 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 6 187 opposing votes were recorded under this agenda item.

14 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 a firm of authorized public accountants. 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 & Touche Ltd., Authorised Public Accountants, be elected as the auditor, and that the General Meeting request the auditor to give a statement on the adoption of the financial statements, the granting of discharge from liability and the Board of Directors' proposal for the distribution of funds.

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

15 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 are to 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 2016 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 411 748 opposing votes and 17 348 abstaining votes were recorded under this agenda item.

16 **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.

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. The disposals may 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 2016 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 338 800 opposing votes were recorded under this agenda item.

17 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 18 April 2017 at the latest.

The Chairman announced the meeting closed at 5:10 p.m.

[Signatures on the following page]

Chairman of the General Meeting:

Manne Airaksinen
MANNE AIRAKSINEN

In fidem:

Sirpa-Helena Sormunen
SIRPA-HELENA SORMUNEN

Minutes reviewed and confirmed by:

Kai Ollikainen
KAI OLLIKAINEN

Pekka Siltala
PEKKA SILTALA

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

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

The following appendices appear in the Financial Statements for 2016 which can be found from Fortum Corporation's webpage at the following address:
http://apps.fortum.fi/investors/Fortum_Financials_2016.pdf

Appendix 6 Financial statements
Appendix 7 Auditor's report (pages 129-132)

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 2016 amounted to EUR 5,203,674,879.03 including the profit of the financial period 2016 of EUR 779,867,542.66.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.10 per share be paid for 2016.

Based on the number of registered shares as at 1 February 2017, 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 dividend payment 6 April 2017 are recorded in the company's shareholders' register held by Euroclear Finland Ltd. The Board of Directors proposes that the dividend be paid on 13 April 2017.

Espoo, 1 February 2017

Fortum Corporation
The Board of Directors

PROPOSAL OF THE SHAREHOLDERS' NOMINATION BOARD

PROPOSAL OF THE FORTUM SHAREHOLDERS' NOMINATION BOARD TO THE ANNUAL GENERAL MEETING 2017 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 will propose to the Annual General Meeting 2017 that the Board of Directors consists of eight (8) members and that the following persons be elected to the Board of Directors for a term ending at the end of the Annual General Meeting 2018:

To be re-elected:

Sari Baldauf as Chairman
Heinz-Werner Binzel as member
Eva Hamilton as member
Kim Ignatius as member
Tapio Kuula as member and
Veli-Matti Reinikkala as member.

To be elected as new members:

Matti Lievonen as Deputy Chairman and
Anja McAlister as member.

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

Fees to Board members:

The Shareholders' Nomination Board will propose to the Annual General Meeting 2017 that the fees to be paid for the terms to be as follows:

Chairman: EUR 75,000 per year
Deputy Chairman: EUR 57,000 per year
Members: EUR 40,000 per 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 living 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 Chairman of the Shareholders' Nomination Board is Eero Heliövaara, Director General of the Prime Minister's Office's Ownership Steering Department, and the members are Timo Ritakallio, President and CEO, Ilmarinen Mutual Pension Insurance Company, Liisa Hyssälä, Director General of Finnish Social Insurance Institution (KELA) until 31 December 2016 and Elli Aaltonen, Director General of Finnish Social Insurance Institution (KELA) from 1 January 2017 onward and Sari Baldauf, Chairman of Fortum Corporation's Board of Directors.

As Chairman of the Board of Directors, Sari Baldauf did not take part in the decision-making on the Shareholders' Nomination Board's proposal related to the Chairman of the Board of Directors and the remuneration payable to Board members.

27 January 2017

Eero Heliövaara, Chairman
on behalf of the Shareholders' Nomination Board

Appendix 1

Biographical details of the new proposed Board member

Matti Lievonen

(born 1958)

President & CEO, Chair of the Neste Executive Board, Neste Corporation

B.Sc. (Eng.), eMBA

D.Sc. (Tech.) h.c.

President & CEO since 1 December 2008

Joined Neste in 2008

Primary working experience:

Served as President of the Fine and Speciality Papers Division at UPM-Kymmene Corporation, and in a number of other senior positions at UPM (1986–2008), and prior to that at ABB.

Key positions of trust:

- Member of UPM-Kymmene's Executive Board (2002–2008).
 - Vice Chair of the Board of Nynas AB.
 - Vice Chair of the Board of the Chemical Industry Federation of Finland. Member of the Board of SSAB AB.
 - Chair of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company and Member of the Advisory Board of National Emergency Supply Agency.
 - Member of the Supervisory Board of The Finnish Fair Corporation.
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Appendix 2

Biographical details of the new proposed Board member

Anja McAlister

Born 1960, Finnish citizen

Head of Transformation and Strategy, Pöyry PLC

Head of Human Resources (interim)

Executive Vice President

M.Sc., Energy technology, Lappeenranta University of Technology, Finland, 1984

MBA, Oxford Brookes University, UK 1994

177. National Defence Academy, National Defence University 2006

Proteus Programme, London Business School 2012

Joined Pöyry in 2014, member of the GEC since 2015

Primary working experience:

- Pöyry PLC, President Energy Business Group 2015-2016
- Pöyry Management Consulting Oy, Vice President 2014-2015
- Renewa Oy (biomass boiler manufacturer), Managing director 2013
- UPM Group, Senior Vice President, Head of Energy Business 2004-2013
- Electrowatt-Ekono Oy (part of the Pöyry Group), Senior Vice President, Head of the Management Consulting Northern Europe 2000–2004
- Ministry of Trade and Industry, Finland, Industrial Counsellor, Head of Energy Policy & Analyses team 1998-2000
- Kymppivoima Oy, Operations Manager and Managing Director 1995-1998
- Energia-Ekono Oy, Senior Consultant 1993-1995
- Sheffield Heat and Power Ltd., Sheffield, UK, Technical Manager 1990-1993
- City of Kuopio, Finland, Operations Manager of 100/200 MW biomass CHP plant 1984-1989
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Key positions of trust:

- Cargotec Oyj, member of the Board of Directors and member of the Audit and Risk management Committee 2009-2016
 - Member of the Council of Security Supply and Infrastructure of Finland 2008-2015
 - Renewa Oy, member of the Board of Directors 2011-2013
 - Dovre Group Oyj, member of the Board of Directors 2013
 - Fingrid Oyj, member of the Board of Directors and member of the Audit Committee 2006-2011
 - Kemijoki Oy, member of the Supervisory Board, 2005-2013
 - Gasum Oyj, member of the Supervisory Board 1999-2000
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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 invoice approved by the company.

The fee paid to the auditor for services rendered and invoiced in 2016 totalled approximately EUR 1,305,000. In addition, the audit firm was paid a total of approximately EUR 213,000 in fees for non-audit services rendered and invoiced.

Espoo, 1 February 2017

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 below recommendation of the Audit and Risk Committee, the Board of Directors proposes that Deloitte & Touche Oy be elected as auditor, and that the Annual General Meeting requests the auditor to give a statement on the adoption of the financial statements, on the granting of discharge from liability and on the Board of Directors' proposal for the distribution of funds.

Deloitte & Touche Oy has notified the company that in the event it will be elected as auditor, Reeta Virolainen, APA, will act as the responsible auditor.

Espoo, 1 February 2017

Fortum Corporation
The Board of Directors

RECOMMENDATION TO THE BOARD OF DIRECTORS FOR THE APPOINTMENT OF A STATUTORY AUDITOR

This recommendation has been prepared and submitted in accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the "Audit Regulation").

Under paragraph 2 of the Article 16 of the Audit Regulation, Fortum Oyj's ("Fortum") Audit and Risk Committee shall submit a recommendation to Fortum's Board of Directors for the appointment of a statutory auditor.

In accordance with the Audit Regulation, the Audit and Risk Committee has to identify two choices for the audit engagement and express a justified preference for one of them. The Audit and Risk Committee has carefully assessed and considered several good and qualified auditor candidates. The Committee has evaluated these auditor candidates against a variety of customarily used selection criteria. The selection criteria were transparently communicated to all candidates in the selection process. Based on these criteria the Committee has identified Deloitte & Touche Oy and PricewaterhouseCoopers Oy as the best choices for the audit engagement. After careful assessment and consideration the Committee's preference, taking into account (i) the tenders, (ii) the above criteria and (iii) Fortum's current circumstances and planned development, is Deloitte & Touche Oy.

As required by the Audit Regulation, the Audit and Risk Committee hereby confirms that this recommendation is free from influence by a third party and that no clause of

1.2.2017

the kind referred to in paragraph 6 of the Article 16 of the Audit Regulation has been imposed upon it.

This recommendation, including the Committee's preference for the auditor, is included in the Board of Directors' proposal to the Annual General Meeting of Shareholders 2017.

Audit and Risk Committee of the Board of Directors of Fortum Oyj.

Kim Ignatius
Chairman

Minoo Akhtarzand
Member

Heinz-Werner Binzel
Member

Jyrki Talvitie
Member

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 would 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 2016 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 2017

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 would 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. The 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. The disposals may 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 2016 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 2017

Fortum Corporation
The Board of Directors