

# Notice to the Annual General Meeting of Shareholders of Fortum Corporation 2018

FORTUM CORPORATION STOCK EXCHANGE RELEASE 2 FEBRUARY 2018 AT 9.15 EET

The shareholders of Fortum Corporation are invited to the Annual General Meeting to be held on Wednesday, 28 March 2018, starting at 11:00 a.m. (EET) at the main auditorium of Finlandia Hall, address Mannerheimintie 13 e, Helsinki, Finland (entrance from Mannerheimintie door M4 and Karamzininkatu door K4). The reception of shareholders who have registered for the meeting will commence at 9:30 a.m. Coffee will be served prior to the meeting.

## A. Matters on the agenda

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

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 2017
    - 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 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.
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 policy by the Chairman of the Nomination and Remuneration Committee
  11. Resolution on the remuneration of the members of the Board of Directors
    - The Shareholders' Nomination Board proposes that the fees to be paid to the members of the Board of Directors for the following term of office 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 each member, EUR 40,000 per year, as well as for the chairman of the Audit and Risk Committee EUR 57,000 per year, if he or she is not at the same time acting as chairman or deputy chairman of the Board Directors.

In addition, the Shareholders' Nomination Board proposes that the meeting fee payable to the members of the Board of Directors during the following term of office is EUR 600. For Board members living outside Finland in Europe, the proposed fee for each Board and Board Committee 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, a single fee will be paid to all members. No fee will be paid for decisions made without a separate meeting.

12. Resolution on the number of the members of the Board of Directors
  - The Shareholders' Nomination Board proposes that the Board of Directors consist of eight (8) members, including the Chairman and the Deputy Chairman.
13. 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 2019: Mr Heinz-Werner Binzel, Ms Eva Hamilton, Mr Kim Ignatius, Mr Matti Lievonon, Ms Anja McAlister, Mr Veli-Matti Reinikkala, and Ms Essimari Kairisto and Mr Klaus-Dieter Maubach as new members.

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

All candidates have been presented on Fortum Corporation's website [www.fortum.com](http://www.fortum.com) and the biographical details of the new proposed Board members on [www.fortum.com/agm](http://www.fortum.com/agm).

14. 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.

15. 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.

16. 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 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.

17. 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.

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 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.

18. 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.

#### 19. 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 entered 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 to the rights attached to such shares are made before the Annual General Meeting has decided on the forfeiture of the shares.

#### 20. Closing of the meeting

### B. Documents of the Annual General Meeting

The proposals for the decisions on the matters on the agenda as well as this notice are available on Fortum Corporation's website [www.fortum.com/agm](http://www.fortum.com/agm). Fortum Corporation publishes its financial statements, consolidated financial statements, operating and financial review and auditor's report on [www.fortum.com/agm](http://www.fortum.com/agm) during week 8 at the latest. The proposals for decisions and the other above-mentioned documents are also available at the meeting.

### C. Instructions for the participants of the Annual General Meeting

#### 1. Shareholders registered in the shareholders' register

Each shareholder, who is registered on 16 March 2018 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 23 March 2018. The registration shall be received by the company no later than on the above-mentioned date. Registration can be done as of 2 February 2018:

- a) on the Fortum website: [www.fortum.com/agm](http://www.fortum.com/agm);
- b) by phone +358 (0) 10 452 9460 (on working days from 8:00 a.m. to 6:00 p.m.); or
- c) by letter to Fortum Corporation, Corporate Legal Affairs/AGM, P.O. Box 100, 00048 FORTUM, Finland.

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

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

#### 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 16 March 2018. 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 23 March 2018 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. 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.

Further information on these matters can also be found on the company website [www.fortum.com/agm](http://www.fortum.com/agm).

#### 3. Proxy representative and powers of attorney

A shareholder may participate in the Annual General Meeting and exercise his/her rights at the meeting by way of proxy representation. A proxy representative 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 should be delivered in originals to Fortum Corporation, Corporate Legal Affairs/AGM, P.O. Box 100, 00048 FORTUM, Finland before the last date and time for registration.

#### 4. Other instructions and information

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 the total number of shares in Fortum Corporation, and votes represented by such shares, is 888,367,045.

Finlandia Hall can be reached by tram (lines 4, 7 and 10; the stop at the National Museum of Finland) and buses running via Mannerheimintie. Shareholders arriving by car may park at their own cost in Q-Park Finlandia with direct underground access from the car park to Finlandia Hall.

In Espoo, 1 February 2018

Fortum Corporation  
The Board of Directors

Further information:

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#### **Fortum**

Fortum is a leading clean-energy company that provides its customers with electricity, heating and cooling as well as smart solutions to improve resource efficiency. We want to engage our customers and society to join the change for a cleaner world. We employ some 9,000 professionals in the Nordic and Baltic countries, Russia, Poland and India, and 62% of our electricity generation is COI-free. In 2016, our sales were EUR 3.6 billion. Fortum's share is listed on Nasdaq Helsinki. [www.fortum.com](http://www.fortum.com)