

Proposals by Fortum's Shareholders' Nomination Board to the 2021 Annual General Meeting

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Fortum's Shareholders' Nomination Board has submitted its proposals to the 2021 Annual General Meeting to Fortum's Board of Directors.

Members of the Board of Directors

The Shareholders' Nomination Board proposes to the Annual General Meeting that the Board consist of eight (8) members, the Chairman and the Deputy Chairman included. **Matti Lievonen**, the current Chairman of the Board of Directors, has informed that he will focus on managing the German Oiltanking GmbH and his other duties in Central Europe, and is therefore no longer available for election to 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 2022 Annual General Meeting: Proposed to be re-elected as members:

Essimari Kairisto,
Klaus-Dieter Maubach,
Anja McAlister,
Teppo Paavola,
Veli-Matti Reinikkala,
Philipp Rösler, and
Annette Stube.

Proposed to be elected as new member:

Luisa Delgado.

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

"On behalf of the entire Nomination Board, I would like to thank Matti Lievonen for his work in Fortum's Board of Directors to increase the company's shareholder value. We have especially appreciated his experience and vision as Fortum has grown into a major European clean energy producer and gas company, and the largest listed company in Finland in terms of the total value of the balance sheet," says **Kimmo Viertola**, the Chairman of the Nomination Board.

"A warm thanks to Matti and Eva for their contribution to developing Fortum and the Board's work in the recent years. Cooperation within the Board and with the company's management has been good, and Fortum has managed very well during the difficult year 2020. The company has undergone a major change and, with its updated strategy, is well positioned to drive the European energy transition," says **Veli-Matti Reinikkala**.

All candidates have consented to the appointment and are independent of the company and its significant shareholders.

Remuneration of the Board of Directors

The Shareholders' Nomination Board did not reach a unanimous proposal, and consequently 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 informed the Nomination Board and the company that the Finnish State will propose to the 2021 Annual General Meeting that, given the prevailing exceptional circumstances, increasing the fees of the Board of Directors for the coming period is not justified.

The Finnish State will propose the following remuneration of the Board of Directors for the term 2021:

- Chairman: EUR 77,200/year
- Deputy Chairman: EUR 57,500/year
- Members: EUR 40,400/year
- The Chairman of the Audit and Risk Committee, if he/she does not simultaneously act as Chairman or Deputy Chairman of the Board: EUR 57,500/year.

For each meeting the fee is EUR 600. The fee is paid for the Board and Board Committee meetings. 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.

In Fortum's stock exchange release of 31 January 2020, the Nomination Board stated that the annual fees of Fortum's Board of Directors have fallen significantly behind market levels and that a step-by-step plan, supported by the major shareholders, to gradually increase board remuneration must be developed. It has been decided to launch a program from 2022 onwards, to bring the fees of the Board of Directors to market levels by the year 2026. The Finnish State's support for the program is in accordance with the guidance set out in the Government Resolution on State-Ownership Policy. The policy states that "account should be taken, inter alia, of the following factors

when deciding on remuneration for board work: The company's role in society, the market situation, the requirements imposed by the global aspects of board service and the need to increase shareholder value as well as the common interests of all shareholders".

The Shareholders' Nomination Board supports the increase of fees of the Board of Directors in the longer term in order to reach the prevailing market level, and that the remuneration proposals are annually submitted to the Annual General Meeting in accordance with the Charter of the Nomination Board.

The Shareholders' Nomination Board composition

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 on the remuneration to be paid to the Board of Directors.

Fortum Corporation

Ingela Ulfves, VP, Investor Relations and Financial Communications

Further information:

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Biographical details of the new proposed Board member are available as attachment to this release.

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Fortum

Fortum is a European energy company with activities in more than 40 countries. We provide our customers with electricity, gas, 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. Together with our subsidiary Uniper, we are the third largest producer of CO₂-free electricity in Europe.

With approximately 19,000 professionals and a combined balance sheet of approximately EUR 69 billion, we have the scale, competence and resources to grow and to drive the energy transition forward. Fortum's share is listed on Nasdaq Helsinki and Uniper's share on the Frankfurt Stock Exchange. www.fortum.com