



Proposals by Shareholders' Nomination Board of Fortum to the Annual General Meeting 2024

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The Shareholders' Nomination Board of Fortum has submitted its proposals to the Annual General Meeting 2024 to Fortum's Board of Directors. The Annual General Meeting is planned to be held on Monday 25 March 2024.

Members of the Board of Directors

The Shareholders' Nomination Board proposes that the Board of Directors consist of nine (9) members, the Chair and the Deputy Chair included. 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 2025:

Proposed to be re-elected as members:

Ralf Christian,
Luisa Delgado,
Jonas Gustavsson,
Essimari Kairisto,
Marita Niemelä,
Teppo Paavola,
Mikael Silvennoinen,
Johan Söderström, and
Vesa-Pekka Takala.

Mikael Silvennoinen is proposed to be elected as Chair and Essimari Kairisto as Deputy Chair of the Board of Directors.

All candidates have consented to the appointment and all are independent of the company and its significant shareholders in accordance with the Finnish Corporate Governance Code for Listed Companies. Maija Strandberg has informed the Shareholders' Nomination Board that she is not available for election to the Board of Directors for the new term.

On the subject of the election procedure of the Board members, the Shareholders' Nomination Board suggests that the shareholders take a stand on the Board composition and nominations as a whole. The suggestion is based on the fact that the Company has a Shareholders' Nomination Board established by the resolution of the general meeting compliant with the Finnish Corporate Governance Code and good corporate governance practices. The task of the Nomination Board is to ensure that the proposed Board as a whole possesses extensive competences and experience relevant for the company, in addition to ensuring the qualifications of the individual board member candidates. The Nomination Board is also responsible for ensuring that board diversity principles are appropriately taken into account and that the proposed Board composition also meets the other requirements set forth by the legislation and the Finnish Corporate Governance Code for Listed Companies.

Remuneration of the Board of Directors

The Shareholders' Nomination Board states that the long-term programme to increase the remuneration of the members of the Board of Directors of the company decided by the Shareholders' Nomination Board in 2021 and published by a stock exchange release on 29 January 2021 will be continued as planned in such a way that the Board remuneration will achieve the market level in 2026.

Therefore, the Shareholders' Nomination Board proposes to the Annual General Meeting 2024 that the remuneration payable to the Chair, Deputy Chair and the other members of the Board of Directors be changed in line with the earlier decision in principle to increase the remuneration, as follows:

The annual fee of the Chair, Deputy Chair and other members of the Board of Directors:

- Chair: EUR 128,200/year (currently EUR 88,800)
- Deputy Chair: EUR 79,400/year (EUR 63,300), and
- Members: EUR 56,800/year (EUR 43,100)

In addition, it is proposed to pay fixed fees for the Committee work as follows:

- Chair of the Audit and Risk Committee, Chair of the Technology and Investment Committee and Chair of the Nomination and Remuneration Committee: EUR 22,600/year (EUR 20,200, EUR 5,000 and EUR 5,000), in case that they do not simultaneously act as Chair or Deputy Chair of the Board.
- Member of the Audit and Risk Committee, the Technology and Investment Committee and the Nomination and Remuneration Committee: EUR 5,400/year (EUR 3,000, EUR 2,000 and EUR 2,000).

If the Chair of the Audit and Risk Committee, Technology and Investment Committee or the Nomination and Remuneration Committee simultaneously acts as Chair or Deputy Chair of the Board of Directors, they will be paid the fixed fee of a Committee member.

The Chair and the members of any additional Committee established by a Board decision will only be paid the meeting fees.

In addition, the Shareholders' Nomination Board proposes that the meeting fee payable to a Board member, also for the Committee meetings, be EUR 1,000 (EUR 800) for each meeting, or EUR 2,000 (EUR 1,600) in case the member travels to the meeting outside their country of residence. When a member participates in the meeting via remote connection, or for the decisions that are confirmed without convening a meeting, the meeting fee be EUR 1,000 (EUR 800). The travel expenses of Board members are compensated in accordance with the company's travel policy.

Further, the Shareholders' Nomination Board proposes that the annual fee for the Board work of the Board members be paid in company shares and in cash in such a way that approximately 40% of the amount of the annual fee be payable in shares acquired on behalf and in the name of the Board members, and the remainder in cash. The company will pay the costs and the transfer tax related to the purchase of the company shares.

The shares will be acquired on behalf and in the name of the Board members within two weeks following the publication of the company's first quarter 2024 interim report. If share purchases cannot be carried out within the aforementioned schedule due to a reason related to the company or a Board member, the shares will be acquired later, or the annual fee will be paid fully in cash. The meeting fees and the fixed fees for the Committee work are proposed to be paid fully in cash.

Amendment of the Charter of the Shareholders' Nomination Board

The Shareholders' Nomination Board proposes that the Charter of the Shareholders' Nomination Board be amended in such a way that the shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the company maintained by Euroclear Finland Oy on the first working day in June (previously on the first working day in September) each year. Further, the Shareholders' Nomination Board proposes that the Charter be amended in such a way that the Chair of the company's Board of Directors shall act as a non-voting expert of the Shareholders' Nomination Board (previously as member of the Shareholders' Nomination Board). In addition, certain technical amendments are proposed to be made to the Charter of the Shareholders' Nomination Board. The Charter in its proposed amended form will be separately published on the company's website at www.fortum.com/agm and as an appendix to the notice to the Annual General Meeting 2024.

Members of the Shareholders' Nomination Board

Minna Pajumaa, Senior Ministerial Adviser, Financial Affairs, Prime Minister's Office, Ownership Steering Department, acts as the Chair of the Shareholders' Nomination Board. The members of the Shareholders' Nomination Board are Jouko Pölönen, President and CEO of Ilmarinen Mutual Pension Insurance Company, Risto Murto, President and CEO of Varma Mutual Pension Insurance Company, and the Chair of Fortum Board of Directors Mikael Silvennoinen. Mikael Silvennoinen did not take part in the decision-making on the proposal regarding the Chair of the Board of Directors or the remuneration of the Board of Directors.

Fortum Corporation

Ingela Ulfves, Vice President, Investor Relations and Financial Communications

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Fortum

Fortum is a Nordic energy company. Our purpose is to power a world where people, businesses and nature thrive together. We are one of the cleanest energy producers in Europe and our actions are guided by our ambitious environmental targets. We generate and deliver clean energy reliably and help industries to decarbonise their processes and grow. Our core operations in the Nordics comprise of efficient, CO₂-free power generation as well as reliable supply of electricity and district heat to private and business customers. For our ~5 000 employees, we commit to be a safe, and inspiring workplace. Fortum's share is listed on Nasdaq Helsinki. fortum.com