

Remuneration Policy

GP03

This policy is part of the Vattenfall Management system. It is owned by the CEO of Vattenfall AB.

The Vattenfall remuneration policy supports the Group Strategic Direction and the Vattenfall People Strategy. It should enable the organization within Vattenfall to drive an engaging and high-performance culture and to secure relevant and diverse competence and talent.

The remuneration policy outlines the general principles of compensation and benefits in Vattenfall. The policy gives guidance and framework for the development of the remuneration strategy and structure in Vattenfall and has been developed in line with the guidelines for Swedish state-owned companies.

The business strategy is found in the link below:

<https://group.vattenfall.com/who-we-are/about-us/our-goals-and-strategy>

Remuneration objectives and structure

The remuneration in Vattenfall should be fair and consistent, reflective of the local market, legislation and collective agreements, it should also provide recognition of individual performance, corporate objectives and professional competency.

The remuneration structure in Vattenfall should follow the general market but not be market leading.

Remuneration in Vattenfall consists of base salary, short-term and long-term variable incentives, pension and other statutory or voluntary benefits. According to the Annual

General Meeting resolution and the guidelines for Swedish state-owned companies, our senior executives (Swedish: ledande befattningshavare) do not receive any variable pay.

For further information see Vattenfall's Terms of Employment for Senior Executives (GI07).

Remuneration Principles

To achieve these objectives our remuneration is based on the following principles:

- Pay for Job and Performance*

The compensation is based on the complexity of the tasks and responsibilities within the job, contribution to the company results and the individual performance within the job.
- Compliance with local law, regulations and collective agreements*

The salary structures and statutory benefits are based on the local law and regulations in alignment with local employee representatives (works councils, trade unions and spokesmen committees).
- Equal pay*

The compensation is fair, gender equal and in line with the local market, supported by reward surveys within the relevant peer group.
- Secure critical competence and talent*

The compensation and benefits programs should be developed to secure recruitment and retention of required, and for Vattenfall critical competence and talent.