

Translation

VATTENFALL AB
Swedish Corporate Identity
Number 556036-2138

Minutes, recorded at the Annual
General Meeting in Solna on April 28, 2021

PRESENT

Shareholder

Number of shares held

The Swedish State, represented
by Ulrika Löfqvist, Deputy Director,
as per power of attorney, **Appendix 1**

131 700 000

Others present

A total of approximately 15 people, consisting of Members of the Board, the Executive Group Management, the Auditor and employees in the Vattenfall Group.

1 §

The Meeting was opened.

2 §

Ulf Thornander, LL.M., was appointed Chairman of the Meeting.

3 §

The above list of present shares and their owner was approved as the voting list for the Meeting.

4 §

The Chairman of the Meeting appointed Anne Gynnerstedt, Secretary to the Board, to record the minutes of the Meeting.

5 §

Ulrika Löfqvist, Deputy Director, and Ulf Thornander, Chairman of the Meeting, were appointed to check and approve the minutes from the Meeting.

6 §

The sent-out agenda was approved.

7 §

It was approved that the Meeting was webcast over the Internet.

8 §

It was noted that the Meeting had been duly convened.

9 §

The following documents were presented.

- a) the Annual and Sustainability Report, including the Corporate Governance Report and the consolidated accounts, **Appendix 2**, and
- b) the audit report and consolidated audit report (part of **Appendix 2**).

It was noted that the Annual Report for Vattenfall AB, including the Corporate Governance Report, the Sustainability Report and the audit report, and the consolidated accounts and consolidated audit report for the Vattenfall Group for the fiscal year 2020, had been available at the company's web site and that printed copies had been available at the company.

It was stated that the documents were properly presented.

10 §

Lars G Nordström, Chairman of the Board, and Anna Borg, CEO, provided a statement of the work of the Board during the fiscal year 2020, moderated by acting Head of Staff Function Communications Oskar Ahnfelt. The statement is available on Vattenfall AB's website group.vattenfall.com/se under the headline "Bolagsstyrning"¹.

Staffan Landén, the Company's auditor in charge, reported on the auditing work.

Members of the Swedish Parliament were given the opportunity to put forward questions to the company.

11 §

It was resolved

- a) in accordance with the recommendation of the auditor, to adopt the income statement and balance sheet in the Annual Report, for Vattenfall AB and the Vattenfall Group respectively,
- b) to distribute the profit in accordance with the Board's proposal, in which profits at the disposal of the Annual General Meeting, a total of 70 065 099 040, to be allocated as follows:
 - To be distributed to shareholder SEK 4 000 000 000
 - To be carried forward SEK 66 065 099 040The dividend will be paid on 12 May, 2021, and
- c) in accordance with the recommendation of the auditor, to discharge the members of the Board and the CEO from liability for the administration of the business in 2020.

¹ English translations are available on group.vattenfall.com under "Corporate Governance".

12 §

The Remuneration Report for 2020 was presented, **Appendix 3**. It was noted that the Remuneration Report had been available at the company's web site and that printed copies had been available at the company. It was stated that the Remuneration Report was properly presented.

It was informed that detailed information on remuneration and other terms of employment for the Chairman, other Board members, the CEO and other senior executives and the adherence of the guidelines decided by the 2020 Annual General Meeting for remuneration to senior executives, is further described in the Annual and Sustainability Report, note 42 to the consolidated accounts.

The terms of remuneration for Anna Borg, CEO, and Magnus Hall, previous CEO, were presented, in accordance with the information provided in the Annual and Sustainability Report, note 42 to the consolidated accounts. With regard to remuneration to other senior executives, reference was made to the Remuneration Report and the Corporate Governance Report, as well as to note 42 of the consolidated accounts.

Staffan Landén, the Company's auditor in charge, reported on the adherence of previously adopted guidelines for remuneration and other terms of employment for senior executives, and presented the Auditor's statement according to Ch 8 § 54 Swedish Companies Act (2005:551), **Appendix 4**.

It was resolved to approve the Remuneration Report for 2020.

13 §

The Board's proposal for guidelines for remuneration for senior executives was presented and resolved. The Board's entire proposal for guidelines appears in the Annual and Sustainability Report, page 88 and 89.

14 §

Ulrika Löfqvist, Deputy Director, presented and motivated the proposal with regard to Directors of the Board and Chairman as well as their remuneration.

Information was provided on assignments that those proposed Directors, which are appointed by the Annual General Meeting, have in other companies. It was noted that further information can be found on group.vattenfall.com/se under the headline "Bolagsstyrning"².

15 §

It was resolved, according to the proposal, that the number of Directors to be appointed to the Board by the Annual General Meeting shall be nine (9) with no deputies.

² English translations available on group.vattenfall.com under "Corporate Governance".

16 §

It was resolved, according to the proposal,

that directors' fees for the time until the conclusion of the next Annual General Meeting shall be payable in the amount of SEK 840 000 for the Chairman of the Board and SEK 390 000 for other AGM-elected director,

that for work on the Audit Committee, a fee of SEK 103 000 shall be payable to the Committee chair and SEK 78 000 be paid to Committee member, for the time until the conclusion of the next Annual General Meeting,

that for work on the Remuneration Committee, a fee of SEK 60 000 shall be payable to the Committee chair and SEK 45 000 be paid to Committee member, for the time until the conclusion of the next Annual General Meeting, and

that no fees are payable to employees of the Swedish Government Offices or to employee representatives.

17 §

It was resolved, according to the proposal, to re-elect the following persons as Directors of the Board, to serve for the time until the conclusion of the next Annual General Meeting.

Viktoria Bergman
Ann Carlsson
Håkan Erixon
Mats Granryd
Tomas Kåberger
Jenny Lahrin
Lars G Nordström
Fredrik Rystedt
Åsa Söderström Winberg

Lars G Nordström was re-elected as Chairman of the Board.

It was noted that the local trade union organisations, in accordance with the Swedish Private Sector Employees (Board Representation) Act had appointed the following Directors to the Board.

For SEKO, the Union of Service and Communication Employees: Robert Lönnqvist as director, Lennart Bengtsson as deputy director.

For Unionen, the Union of White-collar Employees: Jeanette Regin as director, Anders Bohlin as deputy director.

For Akademikerrådet: Rolf Ohlsson as director, with Christer Gustafsson, Ledarna (Swedish Association for Managers), as deputy director.

18 §

It was resolved, according to the proposal, that one (1) chartered accounting firm is elected to serve as auditor.

19 §

It was resolved, according to the proposal, that fees shall be paid for the auditor's work as per approved invoice.

20 §

It was resolved, according to the proposal, to appoint PricewaterhouseCoopers AB, registration number 556067-4276, to serve as auditor for the time until the conclusion of the next Annual General Meeting.

It was noted that PricewaterhouseCoopers AB had appointed Authorised Public Accountant Eva Carlsvi as auditor-in-charge.

21 §

The Government's principles for corporate governance in state-owned companies, for external reporting in state-owned companies as well as for terms of employment for senior executives in state-owned companies, decided by the Government on 27 February 2020, were decided. The documents are available at the Government's web page, www.regeringen.se.

22 §

On behalf of the Board, Lars G Nordström, Chairman of the Board, expressed his appreciation to Ernst & Young and Staffan Landén, auditor-in-charge, for worthily having performed audit of Vattenfall AB and other companies in the Vattenfall Group during a long time.

Ulrika Löfqvist, Deputy Director, conveyed the owner's thanks to the Board, the Executive Group Management and company's employees for their fine efforts during the year.

23 §

The Meeting was closed.

Minutes taken by:

Anne Gynnerstedt

Approved by:

Ulrika Löfqvist

Ulf Thornander



Näringsdepartementet
Statsrådet Baylan

Fullmakt

Med stöd av regeringens bemyndigande den 14 februari 2019 utser jag kanslirådet Ulrika Löfqvist eller, om hon har förhinder, ämnestrådet Magnus Johansson att på bolagsstämman den 28 april 2021 i Vattenfall AB företräda och utöva rösträtt för staten som aktieägare i bolaget.

Ibrahim Baylan

Remuneration Report 2020

Vattenfall

Introduction

This remuneration report provides an outline of how Vattenfall's guidelines for executive remuneration (the "remuneration guidelines"), adopted by the 2020 Annual General Meeting, have been implemented in 2020. In addition, the report provides information regarding Vattenfall's CEO and other members of the company's Executive Group Management. The report has been prepared in accordance with the Swedish Companies Act and the Government's Principles for remuneration and other terms of employment for senior officers of state-owned enterprises, resolved on February 27, 2020.

The report does not include remuneration to the Board that is subject to the Annual General Meeting. Such remuneration is reported in Note 42 on pages 135 - 137 in the Annual Report 2020.

Information required in accordance with Chapter 5, Sections 40 - 44 of the Annual Accounts Act (1995: 1554) can be found in note 42 on pages 135 - 137 in the company's Annual Report for 2020 (the "Annual Report 2020").

Information about the Remuneration Committee's work in 2020 can be found in the corporate governance report, which can be found on page 78 in the 2020 annual report.

Development in 2020

The CEO summarizes the company's overall results in her report on page 6 - 9 in the 2020 Annual Report 2020.

Remuneration guidelines

In Vattenfall's remuneration guidelines, the total remuneration payable to senior executives has to be reasonable and well considered. It also has to be competitive, capped and appropriate, while fostering high ethical standards and a good corporate culture. The remuneration must not be market-leading in relation to comparable companies and should be moderate in character.

Remuneration to senior executives may consist of the following components: fixed base salary, severance pay, pension benefits and other benefits. Variable remuneration must not be paid to senior executives.

A prerequisite for the successful implementation of Vattenfall's business strategy and safeguarding of its long-term interests, including its sustainability, is that Vattenfall is able to recruit and retain qualified personnel. To this end, it is necessary that Vattenfall offers competitive remuneration. These guidelines enable Vattenfall to offer the executive management a competitive total remuneration.

The remuneration guidelines, adopted by the 2020 Annual General Meeting, is summarized on page 82 in the Annual Report 2020. In 2020, the company has followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines were made during the year. The Board of Directors and the Remuneration Committee have dealt with remuneration in accordance with the process and the principles set out in the guidelines. The auditor's report on whether the company has followed the guidelines can be found on the company's website <https://group.vattenfall.com>. No remuneration has been reclaimed.

The guidelines are designed in accordance with the Government's Principles for remuneration and other terms of employment for senior officers of state-owned enterprises.

These principles have also been guiding during the development of remuneration policy for other employees within the Group.

Total remuneration to CEO and other senior executives in the Executive Group Management**Table 1 – Total remuneration to CEO and other senior executives in the Executive Group Management during 2020**

		Base Salary	Other benefits	Pension	Variable remuneration	Other remuneration	Total remuneration
Magnus Hall, President & CEO Until 2020-10-31 ¹	kSEK	15 716	68	4 643	-	-	20 427
	Share of total remuneration	77.0%	0.3%	22.7%	-	-	-
Anna Borg, President & CEO From 2020-11-01	kSEK	2 239	15	774	-	-	3 028
	Share of total remuneration	73.9%	0.5%	25.6%	-	-	-
Anna Borg, CFO Until 2020-10-31	kSEK	5 609	75	1 717	-	-	7 401
	Share of total remuneration	75.8%	1.0%	23.2%	-	-	-
Kerstin Ahlfont, CFO From 2020-11-01	kSEK	1 147	4	343	-	-	1 494
	Share of total remuneration	76.7%	0.3%	23.0%	-	-	-
Kerstin Ahlfont, Head of Human Resources Until 2020-10-31	kSEK	3 676	18	1 083	-	-	4 777
	Share of total remuneration	77.0%	0.4%	22.6%	-	-	-
Torbjörn Wahlborg, Head of Business Area Generation	kSEK	7 411	72	2 206	-	-	9 689
	Share of total remuneration	76.5%	0.7%	22.8%	-	-	-
Tuomo Hatakka, Head of Business Area Heat Until 2020-11-30 ²	kSEK	13 681	96	2 882	-	-	16 659
	Share of total remuneration	82.1%	0.6%	17.3%	-	-	-
Ulrika Jardfeldt, Head of Business Area Heat From 2020-12-01	kSEK	512	5	154	-	-	671
	Share of total remuneration	76.3%	0.7%	23.0%	-	-	-
Gunnar Groebler, Head of Business Area Wind	kSEK	6 987	127	1 397	-	-	8 511
	Share of total remuneration	82.1%	1.5%	16.4%	-	-	-
Anne Gynnerstedt, General Counsel & Secretary to the Board of Directors	kSEK	5 119	67	1 476	-	-	6 662
	Share of total remuneration	76.8%	1.0%	22.2%	-	-	-
Martijn Hagens, Head of Business Area Customers & Solutions	kSEK	7 876	42	1 323	-	-	9 241
	Share of total remuneration	85.2%	0.5%	14.3%	-	-	-

¹ Formally employed and paid until January 20th, 2021.² Formally employed and paid until December 31st, 2020.

Niek den Hollander, Head of Business Area Markets Until 2020-05-31	kSEK	3 117	59	561	-	-	3 737
	Share of total remuneration	83.4%	1.6%	15.0%	-	-	-
Andreas Regnell, Head of Strategic Development	kSEK	4 686	78	1 389	-	-	6 153
	Share of total remuneration	76.2%	1.3%	22.5%	-	-	-
Karin Lepasoon, Head of Communications Until 2020-10-31	kSEK	4 411	51	1 121	-	-	5 583
	Share of total remuneration	79.0%	0.9%	20.1%	-	-	-

Base salary includes vacation pay and Other benefits include value of car benefit, health insurance, parking benefit and card for public transportation.

Vattenfall does not offer any variable remuneration to senior executives.

Comparative information on changes in remuneration and the company's results*Table 2 - Changes in remuneration and the company's results during the last five reported financial years (kSEK)*

Annual change	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	Financial year 2020
<i>Annual change in total remuneration to CEO and Deputy CEO³</i>						
President & CEO	+247 (1%)	+291 (2%)	+489 (3%)	+717 (4%)	+2 921 (14%) ⁴	23 455 ⁵
Deputy CEO, Vice President & CFO	-647 (-7%) ⁶	- ⁷	- ⁷	- ⁷	- ⁷	- ⁷
Deputy CEO, Head of Generation Business Area	-5 919 (-66%) ⁸	- ⁷	- ⁷	- ⁷	- ⁷	- ⁷
Deputy CEO, Head of Heat Business Area & Head of Mining and Generation	-10 246 (-73%) ⁹	- ⁷	- ⁷	- ⁷	- ⁷	- ⁷
<i>Company's performance</i>						
Operating profit (EBIT) ¹⁰	+ 6 406 000 (126%)	+17 187 000 (1 285%)	-905 000 (-5%)	4 522 000 (26%)	6 865 000 (-31%)	15 276 000
<i>Average remuneration on a full-time equivalent basis of employees¹¹</i>						
Vattenfall Group ¹²	+24 (3%)	+21 (3%)	+53 (7%)	+47 (6%)	-44 (-5%) ¹³	826

³ The change in total remuneration refers to the annual change of the sum of all remuneration components as they are reported in Table 1.

⁴ The President & CEO resigned on October 31st, 2020. The current President & CEO took up the position on November 1st, 2020. However, the previous CEO was formally employed and paid until January 20th, 2021. The total amount is reported in 2020.

⁵ The remuneration for 2020 refers to the remuneration paid to the former and the current CEO combined.

⁶ The deputy CEO and Vice President and CFO resigned on November 30th, 2016.

⁷ 2016 was the last year Vattenfall had official deputy CEOs. Prior to that, Vattenfall included the responsibility of the position Deputy CEO in three executive roles presented in the table.

⁸ The deputy CEO and Head of Generation Business Area resigned as Deputy CEO on April 27th, 2016.

⁹ The deputy CEO and Head of Heat Business Area and Head of Mining and Generation resigned as Deputy CEO on April 27th, 2016.

¹⁰ For more detailed information on the annual changes regarding operating profit and other relevant key figures, see page 91 in Vattenfall's Annual Report 2020.

¹¹ The change of remuneration to other employees is equivalent to the sum of the remuneration components as they are reported to senior executives.

¹² Total remuneration for all other employees in Vattenfall AB Group divided by the number of full-time equivalents each year.

¹³ The annual change in total remuneration is impacted by changes in the structure of personnel, which reduced the average total remuneration in 2020. Furthermore, the salary reviews for 2020 were postponed due to delayed collective bargaining negotiations.

Auditor's report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551) on whether the guidelines adopted by the General Meeting regarding remuneration to Group Executive Management have been complied with

To the General Meeting of Vattenfall AB (publ), corporate identity 556036-2138

We have examined whether the Board of Directors and the Managing Director of Vattenfall AB (publ), have, for the year 2020, complied with the guidelines on remuneration to Group Executive Management, adopted at the General Meeting on 11 April 2019 and the General Meeting on 28 April 2020, respectively.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for compliance with the guidelines and for the internal control the Board of Directors and the Managing Director determine is necessary to ensure compliance with the guidelines.

Auditor's responsibility

Our responsibility is to issue a report, based on our examination, to the General Meeting regarding whether the guidelines have been complied with. The examination has been performed in accordance with FAR's recommendation RevR 8 *Granskning av ersättningar till ledande befattningshavare i aktiemarknadsbolag* (Examination of Remuneration to Group Executive Management in Listed Companies). Those standards require us to comply with the ethical requirements, and also to plan and perform the examination in such a manner that we may obtain reasonable assurance about whether the guidelines on remuneration have been complied with. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Vattenfall AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The examination has covered the company's organization and documentation of issues concerning remuneration for Group Executive Management, new decisions concerning remuneration, as well as a selection of the financial year's payments to Group Executive Management. The procedures selected depend on the auditor's judgement, including the assessment of the risk that the guidelines have not, in all material respects, been complied with. In making this risk assessment, the auditor considers internal control relevant to the company's compliance with the guidelines in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our examination provides a reasonable basis for our conclusion.

Conclusion

In our opinion the Board of Directors and the Managing Director of Vattenfall AB (publ) have, during the year 2020, complied with the guidelines on remuneration to Group Executive Management, which were adopted by the General Meeting on 11 April 2019 and 28 April 2020, respectively. Furthermore, we believe that the Board of Directors and the President of Vattenfall AB (publ) in 2020 followed the company's internal guidelines for remuneration to senior executives.

Stockholm, 23 March 2021

Ernst & Young AB

Staffan Landén
Authorized Public Accountant