

Dated 10 November 2015

VATTENFALL AB (publ)
as Issuer

DEED OF UNDERTAKING

relating to
€1,000,000,000

Subordinated Fixed Rate Reset 12 year Non-Call Capital Securities due 2077

Linklaters

Linklaters LLP

This Deed of Undertaking is made on 10 November 2015 by Vattenfall AB (publ) (the “**Issuer**”) for the benefit of the Trustee and the Holders and Couponholders

Whereas:

- (A) Whereas the Issuer has issued €1,000,000,000 Subordinated Fixed Rate Reset 12 year Non-Call Capital Securities due 2077 (the “**Capital Securities**”).
- (B) Pursuant to the Conditions (as defined below) of the Capital Securities, the Issuer is permitted to redeem all, but not some only, of the Capital Securities upon the occurrence of a Rating Event.

Now, therefore, the Issuer covenants and agrees as follows in favour of and for the benefit of the Trustee, the Holders and the Couponholders:

1 Interpretation

- 1.1** In this Deed, capitalised terms used but not defined have the same meaning as given to them in the Conditions. In addition, unless the context otherwise requires:

“**Conditions**” means the terms and conditions applicable to the Capital Securities in the form set out in Schedule 2 Part B of the Trust Deed (as defined below), as amended from time to time, and any reference to a particularly numbered Condition shall be construed accordingly;

A “**Rating Downgrade Rating Event**” means a Rating Event which has occurred solely as a result of a Rating Downgrade as described in limb (ii) of the definition of Rating Event;

“**Trust Deed**” means the trust deed dated 19 March 2015 and made between the Issuer and the Trustee in relation to the Capital Securities, as amended from time to time; and

“**Trustee**” means The Law Debenture Trust Corporation p.l.c. (and the expression “**Trustee**” shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of the Trust Deed).

- 1.2** Headings shall be ignored in construing this Deed.
- 1.3** References in this Deed to this Deed or any other document are to this Deed or such other document as amended, supplemented or replaced from time to time in relation to the Capital Securities and include any document that amends, supplements or replaces them.

2 Undertaking

- 2.1** The Issuer unconditionally and irrevocably undertakes that it will not exercise its right under Condition 6(c) (*Redemption – Redemption upon a Tax Deductibility Event or a Rating Event*) to redeem all, but not some only, of the Capital Securities following a Rating Downgrade Rating Event.
- 2.2** For the avoidance of doubt, nothing in this Deed shall affect the rights of the Issuer to redeem or repurchase the Capital Securities under the Conditions (including, without limitation, following a Rating Event which is not a Rating Downgrade Rating Event) other than such rights which result solely from a Rating Downgrade Rating Event.

3 Amendment and Disapplication of this Deed

- 3.1** The Issuer undertakes that it will not amend, vary, terminate or suspend this Deed or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by an Extraordinary Resolution (as defined in the Trust Deed) to which the special quorum provisions specified in the Trust Deed apply, save that nothing in this Clause

shall prevent the Issuer from increasing or extending its obligations under this Deed by way of supplement to it at any time.

4 General

- 4.1** This Deed shall enure for the benefit of the Trustee, the Holders and the Couponholders from time to time, and each of them.
- 4.2** The Trustee shall not be bound to enforce the terms of this Deed or to take any other action or step under or pursuant to this Deed, the Trust Deed or the Capital Securities or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- 4.3** Only the Trustee may enforce the rights of the Holders and Couponholders against the Issuer, whether the same arise under general law, the Trust Deed, this Deed, the Capital Securities, the Coupons or otherwise, and no Holder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.
- 4.4** The Issuer acknowledges and agrees that its covenants and agreements in this Deed, to the extent given to or made in favour of the Trustee, are given to or made in favour of the Trustee in its capacity as Trustee under the Capital Securities. Accordingly, the Issuer acknowledges that all of the rights, remedies, privileges and protections afforded to the Trustee under the Trust Deed will be deemed to extend to the rights of the Trustee under, and to any action taken by the Trustee under, this Deed.

5 Governing Law and Jurisdiction

- 5.1** This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 5.2** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Holders and Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- 5.3** The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its registered office for the time being (being, as at the Date of this Deed, Fifth Floor, 100 Wood Street, London EC2V 7EX, England) as its agent in England to receive service of process in any Proceedings in England based on this Deed. If for any reason the Issuer does not have such an agent in England, it shall promptly appoint a substitute process agent and notify the Trustee, the Holders and Couponholders of such appointment in accordance with the Conditions. Nothing herein shall affect the right to serve process in any other manner permitted by law.

EXECUTED as a **DEED** by **VATTENFALL
AB (publ)**

acting by

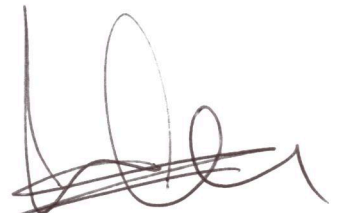
and

acting under the authority of that company,

in the presence of:

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Johan Gyllenhoff
Group Treasurer


Viktor Markel