

Translation

VATTENFALL AB
Swedish Corporate Identity
Number 556036-2138

Minutes, recorded at the Annual
General Meeting in Solna on April 11, 2019

PRESENT

Shareholder

Number of shares held

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

131 700 000

Others present

A total of approximately 60 people, consisting of the Members of the Board, the Executive Group Management, the Auditor, employees in the Vattenfall Group and a number of people especially invited to attend the Annual General Meeting, as well as other persons who had notified their presence at the Meeting.

1 §

The Chairman of the Board, Lars G Nordström, opened the Meeting.

2 §

Axel Calissendorff, member of the Swedish Bar Association, 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 §

Maurice Forslund, Deputy Director, and Axel Calissendorff, 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 to allow the general public to be present at the Meeting and 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 2018, had been available at the company's web site and that printed copies had been available at the company.

It was noted that the documents were properly presented.

10 §

Lars G Nordström, Chairman of the Board, and Magnus Hall, CEO, provided a statement of the work of the Board during the financial year 2018. The statement is available on Vattenfall's website corporate.vattenfall.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 48 617 698 593, are to be allocated as follows:
 - To be distributed to shareholder SEK 2 000 000 000
 - To be carried forward SEK 46 617 698 593The dividend will be paid on 25 April, 2019, 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 2018.

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

12 §

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 2018 Annual General Meeting for employment terms and conditions for senior executives, is further described in the Annual and Sustainability Report, note 42 to the consolidated accounts.

Lars G Nordström, Chairman of the Board, presented the terms of remuneration for Magnus Hall, CEO, 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 Corporate Governance Report, as well as to note 42 of the consolidated accounts.

Furthermore, the Chairman of the Board reported on the extent to which the guidelines decided by the 2018 Annual General Meeting had been adhered to, with regard to remuneration and other terms of employment for senior executives in Vattenfall AB and its subsidiaries, **Appendix 3**.

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**.

13 §

Lars G Nordström, Chairman of the Board, reported on the Board's proposal for guidelines for remuneration for senior executives. The Board's entire proposal for the remuneration guidelines, including the explanatory statement, appears in the Annual and Sustainability Report, page 84.

It was resolved to approve the Board's proposal to apply guidelines for remuneration to senior executives, meaning that the Swedish government's guidelines for terms of employment for senior executives of state-owned companies, which were approved by the government on 22 December 2016, shall apply, with the deviation that instead of using the definition of senior executive set forth in the Swedish Companies Act, senior executives shall be defined based on whether they have significant impact on the Group's earnings, through application of the International Position Evaluation (IPE). Executives with positions of IPE 68 and higher shall be considered to be senior. The government's guidelines are available on the Swedish government's website, www.regeringen.se.

14 §

It was resolved to adopt new Articles of Association, **Appendix 5**.

15 §

Maurice Forslund, 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 corporate.vattenfall.se under the headline "Bolagsstyrning"².

16 §

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 are available on group.vattenfall.com under "Corporate Governance".

17 §

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 790 000 for the Chairman of the Board and SEK 370 000 for other AGM-elected director,

that for work on the Audit Committee, a fee of SEK 99 000 shall be payable to the Committee chair and SEK 75 000 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.

18 §

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.

Fredrik Arp
Viktoria Bergman
Håkan Erixon
Tomas Kåberger
Jenny Lahrin
Lars G Nordström
Fredrik Rystedt
Åsa Söderström Winberg

and new election of Ann Carlsson.

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.

19 §

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

20 §

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

21 §

It was resolved, according to the proposal, to appoint Ernst & Young AB to serve as auditor for the time until the conclusion of the next Annual General Meeting.

It was noted that Ernst & Young AB had appointed Authorised Public Accountant Staffan Landén as auditor-in-charge.

22 §

The Swedish State's ownership policy, including the government's guidelines for external reporting in state-owned companies and the government's guidelines for terms of employment for senior executives in state-owned companies, were decided. The documents are available at the Government's web page, www.regeringen.se.

23 §

The Chairman of the Board expressed his appreciation to the employee representative Johnny Bernhardsson, who resigned in connection with the Annual General Meeting, for worthily having contributed to the work of the Vattenfall Board.

Maurice Forslund, Deputy Director, conveyed the owner's thanks to the Board, the Executive Group Management and personnel for their fine efforts during the year.

24 §

The Meeting was closed.

Minutes taken by:

Anne Gynnerstedt

Approved by:

Maurice Forslund

Axel Calissendorff



Näringsdepartementet
Statsrådet Ibrahim Baylan

Fullmakt

Med stöd av regeringens bemyndigande den 14 februari 2019 utser jag kanslirådet Maurice Forslund eller, om han har förhinder, kanslirådet Erik Sandstedt att på bolagsstämman den 11 april 2019 i Vattenfall AB företräda och utöva rösträtt för staten som aktieägare i bolaget.

Ibrahim Baylan

Report on variable compensation of senior executives and evaluation of guidelines for compensation of senior executives

In accordance with the Swedish Code of Corporate Governance, the Remuneration Committee has evaluated the guidelines for compensation of senior executives adopted by the 2018 Annual General Meeting. The report to the Board on this evaluation also includes an opinion on the extent to which the actual compensation of senior executives is in compliance with the guidelines.

Vattenfall does not pay any variable compensation to senior executives and is also in other aspects in compliance with the guidelines decided by the AGM. The total remuneration to senior executives is regarded as reasonable and well-considered. The remuneration is not salary level leading in relation to comparable companies. The Board has taken part of market data and a summary of the terms and conditions for each senior executive, to ensure compliance with the guidelines.

Compliance with the adopted guidelines is described in more detail in the Annual Report, Note 42 to the consolidated accounts.

Stockholm, 19 March 2019

The Board of Directors



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, corporate identity 556036-2138

We have examined whether the Board of Directors and the Managing Director of Vattenfall AB, have, for the year 2018, complied with the guidelines on remuneration to Group Executive Management, adopted at the General Meeting on 27 April 2017 and the General Meeting on 25 April 2018, 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 have, during the year 2018, complied with the guidelines on remuneration to Group Executive Management, which were adopted by the General Meeting on 27 April 2017 and 25 April 2018, respectively.

Stockholm 13 March 2019

Ernst & Young AB

Staffan Landén.

Authorized Public Accountant

ARTICLES OF ASSOCIATION

Registration number: 556036-2138

§ 1 Name of the Company

The name of the Company is Vattenfall AB. The Company is public (publ).

§ 2 Registered Office

The registered office of the Board of Directors shall be in the County of Stockholm, Municipality of Solna, Sweden.

§ 3 Operations

The object for the Company's activities is to generate a market rate of return by, directly or indirectly through subsidiaries and associated companies:

- (a) operating a commercial energy business that enables the company to be among the leaders in developing environmentally sustainable energy production,
- (b) carry on trading with products and services within branches that are promoting, supporting or supplementing the energy business, mainly within the IT and telecom branches, as well as products and services related to subscription,
- (c) carry on contracting and consulting activities mainly within the energy sector,
- (d) own and administer real estate, shares and other securities associated to the aforesaid business activities,
- (e) on behalf of the Group carry on capital and liquidity management operations and engage in trading securities,

and carry on other activities consistent therewith.

§ 4 Share Capital

The Company's share capital shall amount to no less than four thousand million (4,000,000,000) SEK and no more than sixteen thousand million (16,000,000,000) SEK.

§ 5 Number of Shares

The Company shall have no less than eighty million (80,000,000) and no more than three hundred and twenty million (320,000,000) shares.

§ 6 Board of Directors and Auditors

The Board of Directors, to the extent elected by the Annual General Meeting, shall consist of no fewer than five (5) and no more than ten (10) Directors excluding Deputy Directors. The Chairman of the Board of Directors is to be elected by the Shareholder's Meeting. Should

the Chairman of the Board leave his assignment during the term of office, the Board shall within itself elect a chairman for the time until the conclusion of the shareholder's meeting during which a new chairman is elected.

The Company shall have one (1) or two (2) authorised Auditors including or excluding one (1) or two (2) Deputy Auditors. One (1) registered firm of accountants may be elected as an Auditor.

§ 7 Notice

Notice for the Annual General Meeting and Extraordinary General Meeting where an issue regarding a change of the Articles of Association shall be dealt with, shall be issued no earlier than six (6) weeks and no later than four (4) weeks prior to the Meeting. Notice for any other Extraordinary General Meeting shall be issued to shareholders no earlier than six (6) weeks and no later than three (3) weeks prior to the Meeting.

Notice shall be sent by ordinary mail to the shareholder, advertised in Post- och Inrikes Tidningar, and be published at the Company's website. At the time of the notice, information regarding the notice is to be published in Svenska Dagbladet.

§ 8 Location of Shareholder's Meeting

Shareholder's Meeting shall be held in Solna or in Stockholm.

§ 9 Financial Year

The financial year of the Company shall be the calendar year.

§ 10 Members of the Swedish Parliament Presence at the Shareholder's Meetings

If the Company has more than fifty (50) employees, Members of the Swedish Parliament are entitled to be present at Shareholder's Meetings and to put forward questions at the Meeting. Notification to attend should be filed with the Company not later than one week in advance. Notice of the time and place of the Shareholder's Meeting shall be sent by ordinary mail to the Secretariat of the Chamber in connection with the issuance of the notice for the Shareholder's Meeting.

Adopted at the General Meeting on 11 April 2019.