

# Notice to attend the Annual General Meeting of Vattenfall AB

Notice is hereby issued for the Annual General Meeting of Vattenfall AB,  
Corporate Identity Number 556036-2138

**Time:**

**Wednesday, 26 April, 2023, 9.30 a.m.**

(registration will open at 08.00 a.m. Last admission at 9.00 a.m.)

**Location:**

Vattenfall AB Head office, Evenemangsgatan 13, Solna, Sweden

**Right to participate and attend, and notification of attendance***Shareholder*

The party recorded in the shareholder register as the shareholder on the day of the Annual General Meeting has the right to participate in the Meeting.

*Members of Swedish Parliament*

Members of Swedish Parliament have the right, after registration with the Board, to attend the Annual General Meeting and in connection with that to ask questions to the company.

*General public*

The Annual General Meeting is open to the general public. In connection with the Meeting, a Question & Answer session will be arranged, in which the general public will have the opportunity to ask questions to the company's management.

**Notification**

Notification to attend the Annual General Meeting by members of the general public is done by filling out a form on Vattenfall AB's website, **[vattenfall.se/anmalan-bolagsstamma](https://vattenfall.se/anmalan-bolagsstamma)** (in Swedish). Notification to attend by Members of Swedish Parliament can be sent to Vattenfall AB, Marie Åkerblom, CEO Office, SE-169 92 Stockholm, e-mail: **[ceo.office@vattenfall.com](mailto:ceo.office@vattenfall.com)**.

**Notification to attend for Members of Swedish Parliament as well as members of the general public should be filed with the company not later than one week before the Meeting.**

# Proposed agenda

1. Calling to order of the Annual General Meeting
2. Election of a Chairman to preside over the Annual General Meeting
3. Drawing up and approval of the voting list
4. The Chairman of the Annual General Meeting elects a person to record the minutes
5. Election of one or two persons to check and sign the minutes
6. Approval of the agenda
7. Resolution on the right for outside parties to attend
8. Issue as to whether the Annual General Meeting has been duly convened
9. Presentation of
  - a) The Annual and Sustainability Report, including the Corporate Governance Report and the consolidated accounts, and
  - b) The audit report and the consolidated audit report
10. Report on operations during the past year
  - a) The Chairman of the Board as well as the President and CEO,
  - c) The company's auditor
11. Resolutions on
  - a) Adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet,
  - b) Distribution of the company's profit or loss in accordance with the adopted balance sheet, and
  - c) Discharge of liability for the Board members and the CEO
12. Report on remuneration and the auditor's statement as to whether previously adopted guidelines for remuneration to senior executives have been adhered to, as well as approval of the remuneration report
  - a) Presentation of the remuneration report and oral presentation by the Chairman of the Board on remuneration to senior executives,
  - b) Presentation of the auditor's statement pursuant to Ch. 8 § 54 of the Swedish Companies Act (2005:551)
  - c) Resolution on approval of the remuneration report
13. Resolution on the Board's proposed guidelines for remuneration to senior executives
14. Report on the proposal for decision on fees, board members and Chairman of the Board
15. Resolution on the number of Board members
16. Resolution on fees for the Board
17. Election of Board members and the Chairman of the Board
18. Resolution on the number of auditors
19. Resolution on fees for the auditor
20. Election of auditor
21. Other items of business
22. Conclusion of Annual General Meeting

# Proposed resolutions

## 2. Chairman to preside over the Annual General Meeting

The shareholder proposes that Ulf Thornander, LL.M., be elected as Chairman to preside over the Annual General Meeting.

## 11b). Resolution on distribution of the company's profit or loss in accordance with the adopted balance sheet

The Annual General Meeting has at its disposal retained profits, including profit for the year, totalling SEK 31,772,251,562. The Board of Directors proposes that the profits be distributed as follows:

- to be distributed to the shareholder SEK 4,000,000,000
- to be carried forward SEK 27,772,251,562

The proposed distribution corresponds to a dividend of SEK 30,37 per share. The dividend is proposed to be paid on 5 May 2023. The Board of Directors has issued its statement pursuant to Ch. 18 § 4 of the Swedish Companies Act (2005:551) on the proposed distribution of profits.

## 13. Resolution on the Board's proposed guidelines for remuneration to senior executives

The Board proposes that guidelines for remuneration to senior executives are resolved in accordance with **Appendix 1**.

## 15. Number of directors

The shareholder proposes that the number of AGM-elected directors shall be eight (8) with no deputies.

## 16. Fees for the Board

The shareholder proposes that directors' fees for the time until the conclusion of the next Annual General Meeting shall be payable in the amount of SEK 909 000 for the Chairman of the Board and SEK 417 000 for other AGM-elected director.

In addition, the shareholder proposes that for work on the Audit Committee, a fee of SEK 111 500 be paid to the Committee chair and SEK 84 500 be paid to Committee member, for the time until the conclusion of the next Annual General Meeting, and for work on the Remuneration Committee, a fee of SEK 61 800 be paid to the Committee chair and SEK 46 300 be paid to Committee member, for the time until the conclusion of the next Annual General Meeting.

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

## 17. Board members and Chairman of the Board

The shareholder proposes, for the time until the conclusion of the next Annual General Meeting, re-election of

Mats Granryd	and new election of
Ann Carlsson	Ingemar Engkvist
Håkan Erixon	Per Lindberg
Daniel Kristiansson	Carola Puusteli
Fredrik Rystedt	

The shareholder proposes that Mats Granryd be elected as Chairman of the Board.

Viktoria Bergman and Tomas Kåberger have declined re-election.

The motivation for the proposal is the following: The proposed Board members are deemed to have skills, experience and background being relevant for the company's operations, stage of development and other circumstances. The proposed Board has, as a whole, a versatility and breadth reflecting the requirements stated by the Swedish State's ownership policy. The gender balance of the Board does not reach the Government's goal of gender balance, in accordance with what is stated by the Swedish State's ownership policy.

## 18. Number of auditors

The Board proposes that one (1) chartered accounting firm is elected.

## 19. Fees for the auditor

The Board proposes that fees are to be paid for the auditor's work in accordance with an approved invoice.

## 20. Auditor

The Board proposes re-election of the chartered accounting firm PricewaterhouseCoopers AB, registration number 556067-4276.

The accounting firm will, at the Annual General Meeting, inform who has been appointed as auditor-in-charge.

## Other information

The Annual and Sustainability Report, including the Corporate Governance Report and the audit reports, as well as the remuneration report and the auditor's statement pursuant to Ch. 8 § 54 of the Swedish Companies Act, will be held available at the company's offices, address Evenemangsgatan 13, Solna, Sweden, as from 29 March 2023. The documents will, as from the same date, be available on the company's website [group.vattenfall.com/se](https://group.vattenfall.com/se). This notice to attend the Annual General Meeting and the complete proposals for decision are available on the company's website [group.vattenfall.com/se](https://group.vattenfall.com/se) (translations available on [group.vattenfall.com](https://group.vattenfall.com)).

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Solna, 29 March 2023  
Vattenfall AB (publ)  
THE BOARD OF DIRECTORS

# Appendix 1

## The Board's proposed guidelines for remuneration to senior executives

These guidelines cover the President and other members of the Group management. They also cover board members, to the extent their remuneration is not decided by the Annual General Meeting. The guidelines are designed in accordance with the Swedish Government's principles for remuneration and other terms of employment for senior executives of state-owned companies, decided on 27 February 2020 ([www.regeringen.se](http://www.regeringen.se)), with a deviation as to how the principles are applied in Vattenfall's subsidiaries (see additional information under Explanation for deviations from the government's principles). The guidelines shall apply to remuneration agreed upon, and changes made to already agreed remuneration, after the guidelines have been adopted by the 2023 Annual General Meeting.

### **The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Vattenfall has defined a strategy with the purpose to Power Climate Smarter Living and enable fossil free living within one generation. The business strategy is further described on the web page <https://group.vattenfall.com/who-we-are/about-us/our-goals-and-strategy>.

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 senior executives a competitive total remuneration.

### **Types of remuneration, etc**

The remuneration has to be competitive, capped, appropriate and not market-leading in relation to comparable companies, and may consist of the following components: Fixed cash salary, severance pay, pension benefits and other benefits. Variable remuneration must not be paid to senior executives.

Premiums for retirement and survivors' pension benefits shall be defined contribution solutions that do not exceed 30 per cent of fixed annual cash salary, unless benefits are provided through a group pension plan applied to an enterprise. In that case, the contributions are determined by the terms and conditions of the pension plan. Any expansion of a group pension plan above the pay level covered by the plan has to be on a defined contribution basis where the maximum contribution is 30 per cent of the part of salary above the cap. The minimum retirement age must not be under 65 years.

If a salary swap scheme is offered, the solution has to be cost-neutral.

Other benefits may include, among others, company cars. Compensation in connection with work incapacity due to illness shall follow the terms and conditions for sick pay and disability pension set out in applicable collective agreements. Any expansion of group disability insurance above the pay level covered by collective agreement has to correspond to market practice.

As regards employment relationships governed by non-Swedish legislation, the appropriate adjustments may be made concerning pension benefits and other benefits so as to follow mandatory rules or established local practice; in doing so, the overall purpose of these guidelines has to be satisfied as far as possible.

It shall be avoided that a board member or deputy board member is engaged as a consultant in the company and thus receives consultancy fees in addition to the director's fee. If this is the case, the assignment shall be examined by the Board of Directors on a case-by-case basis, be clearly separate from the ordinary board assignment, limited in time and regulated by written agreement between the company and the member. The remuneration for such assignments shall be consistent with these guidelines.

# Appendix 1 cont.

## **Termination of employment**

If the company gives notice of termination, the period of notice must not exceed six months and severance pay must be limited to at most twelve months' salary. Severance pay is to be paid monthly and consist only of the fixed monthly salary with no pension benefits or other benefits added. In case of new employment or some other additional paid assignment or income from business activity, remuneration from the terminating company shall be reduced by an amount equivalent to the new income during the period covered by salary for notice of termination and severance pay. No severance pay is paid if the employee gives notice of termination. Severance pay is paid until the agreed age of retirement at the latest and is never paid after the age of 65 years.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 per cent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

## **Salary and employment conditions for employees**

Remuneration to senior executives shall not be market-leading in relation to comparable companies but should be moderate in character. In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## **The decision-making process to determine, review and implement the guidelines**

The Board has established a Remuneration Committee. The members of the Remuneration Committee are independent of the company and

its executive management. The Committee's tasks include preparing the Board's decision to propose guidelines for remuneration to senior executives. The Board shall annually prepare a proposal for guidelines and annually submit it to the general meeting for decision. The Remuneration Committee shall also follow and assess the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and levels of remuneration in Vattenfall. The President and other members of the executive management do not participate in the Board's processing of and resolutions regarding remuneration-related matters, in so far as they are affected by such matters.

The Board certifies that the remuneration in question is in compliance with the guidelines set by the general meeting in such way that before a decision is made on remuneration and other terms of employment for a senior executive, written documentation shall be available that shows the company's total cost. The proposal for decision shall be drafted by the Board's Remuneration Committee and thereafter be decided by the Board. The company's auditors shall perform a review to ensure that the set remuneration levels and other terms of employment have not been exceeded and, in accordance with the Swedish Companies Act, shall once a year – not later than three weeks before the Annual General Meeting – issue a written statement as to whether the adopted guidelines have been adhered to.

## **Deviations from the guidelines**

The Board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviate and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. The Board makes the decision on deviation from the guidelines. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes any resolutions to deviate from the guidelines. In such a case, the Board of Directors shall disclose the deviation and the reasons therefor.

# Appendix 1 cont.

## **Explanation for deviations from the government's principles**

The deviation from the Government's principles for terms of employment for senior executives of state-owned companies was decided on by the owner at the 2022 Annual General Meeting. The deviation entails use of a generally accepted ranking model instead of the definition of senior executive of a subsidiary in the principles for remuneration. The Board is of the opinion that the following, special reasons exist for deviating from the principles.

Like other international groups, Vattenfall governs its operations from a commercial perspective and not according to the legal company structure. For commercial and legal reasons, the Vattenfall Group has approximately 300 subsidiaries. Through application of the Government's principles for subsidiaries, a very large number of executives would be considered to be senior, without them having any significant influence on the Group's earnings.

The proposed deviation reflects these circumstances. The criteria used to define what constitutes a senior executive are the individual subsidiary's size based on sales, the number of employees and number of steps in the value chain, as well as the requirements on the individual executive for innovation, knowledge, strategic/visionary role and international responsibility.

The International Position Evaluation (IPE) model is used as support for determining in a systematic manner which positions can be considered to be senior. The Board's conclusion is that, in addition to the members of the Executive Group Management, executives in positions of IPE 68 or higher should be considered to be senior.