

## **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 2012 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. This means, among others, that the total remuneration to senior executives is reasonable and well-considered. It is furthermore competitive, with a set ceiling and appropriate for its purpose, as well as contributing to high ethical standards and a good corporate culture. The remuneration is not salary level leading in relation to comparable companies but characterised by moderation.

Compliance with the adopted guidelines is described in more detail in Note 53 to the consolidated accounts.

Stockholm, 20 March 2013