



Annual General Meeting of Uniper SE 2019

Supplement to the Agenda

Publication

Following the convocation of the annual general meeting of Uniper SE ("Uniper") for Wednesday, 22 May 2019, in Düsseldorf (publication in the German Federal Gazette (Bundesanzeiger) on 12 April 2019), KVIP International V L.P. requested in accordance with article 56 sentences 2 and 3 of the SE Regulation, section 50 (2) of the German SE Implementation Act (*SE-Ausführungsgesetz*; SEAG), section 122 (2) of the German Stock Corporation Act (*Aktiengesetz*; AktG) that a further item be added to the agenda of the general meeting and this supplement together with the proposed resolutions and associated reasons be announced without delay. Based on this request, the agenda of the annual general meeting of Uniper on 22 May 2019 will be supplemented with the following agenda item 11:

Agenda Item 11: Resolutions on instructing the Management Board to prepare a spin-off of the International Power business segment or, respectively, a spin-off of the European Generation business segment in Sweden

Resolution Proposals

The shareholder KVIP International V L.P. proposes that the following resolution be adopted:

1. *"The Management Board is instructed to prepare and submit to the General Meeting for resolution, as soon as possible and at the latest by the date of the next Annual General Meeting of the Company, draft agreements and corresponding reports for the legally valid spin-off of the International Power business segment for absorption into a newly formed or already existing separate legal entity selected in accordance with the duties of the Management Board. The Management Board is instructed to satisfy all necessary prerequisites for the implementation of the aforementioned spin-off at its reasonable discretion in accordance with this resolution."*

In the event that the resolution proposed under no.1 above is not adopted by the required majority, the shareholder KVIP International V L.P. proposes that the following alternative resolution be adopted:

2. *"The Management Board is instructed to prepare and submit to the General Meeting for resolution, as soon as possible and at the latest by the date of the next Annual General Meeting of the Company, draft agreements and corresponding reports for the legally valid spin-off of operations in Sweden that are included in the European Generation business segment, in particular Uniper's participation in Sydkraft AB with registered office in Malmö, Sweden, for absorption into a newly formed or already existing separate legal entity selected in accordance with the duties of the Management Board. The Management Board is instructed to satisfy all necessary prerequisites for the implementation of the aforementioned spin-off at its reasonable discretion in accordance with this resolution."*



Reasons

The shareholder KVIP International V L.P. states its reasons for the resolution proposal as follows:

"The shareholder KVIP International V L.P. has been a supportive shareholder of Uniper since the Company was spun off in 2016.

We and other shareholders are very concerned at the state of quasi-paralysis caused by Uniper and its largest shareholder being unable to agree on a strategy for the Company for more than a year. The harm that is caused by this all too evident lack of agreement has a negative impact in a number of ways, not least the fact that it has resulted in the resignation of the CEO and CFO, the Management Board's two most senior and experienced members. Uniper is now pursuing a strategy that is evidently not endorsed by the majority of the shareholders. This means that de facto there is no agreed strategy. This is not good for anyone – the Company, its shareholders, its employees or its other stakeholders.

As responsible long-term investors we cannot watch this situation and not react. The search for common ground between Uniper and Fortum is informally being led by Dr. Bernhard Reutersberg, Chairman of the Supervisory Board, who has made it clear that no information will be provided to the market until September at the earliest. The whole process is completely opaque and allows for no consultation with shareholders regarding a process that will almost certainly result in a takeover or transformation of the Company by Fortum. This lack of transparency on a matter of such importance to both shareholders and employees for so long a period of time is unacceptable.

We sought to overcome this by proposing to the Supervisory Board that a special committee of independent shareholder representatives be formed – excluding Fortum's representative and the Chairman, whose independence is questionable given his historic ties with management – but this was turned down based on procedural arguments with which we disagree. Given the unusual circumstances, shareholders must therefore now engage at the upcoming AGM in order to help break the deadlock. We felt that the best way of initiating this process is by tabling the above mentioned resolutions, neither of which should have any negative impact on employment in Germany and both of which would open the door to Fortum and Uniper finally resolving their difference to the mutual benefit of all stakeholders.

Our first proposed resolution, if passed, would instruct Uniper's management to prepare a spin-off of the 83.73% shareholding that Uniper has in Unipro, a major Russian utility, thereby mechanically releasing Fortum from the anti-trust ruling that prevents it from taking its ownership interest in Uniper through 50%. Following the spin-off, Fortum would separately own 49.99% of Uniper and 49.99% of the receiving entity which would absorb Unipro. The elimination of this roadblock should greatly facilitate the process by which Fortum and Uniper finally reach agreement regarding the shape of their future relationship.

Our second proposed resolution, if passed, would instruct Uniper's management to prepare a spin-off of Sydkraft AB, the company which owns Uniper's hydroelectric and nuclear power generation assets in Sweden. This business would remain listed so that shareholders of Uniper would end up separately owning a shareholding in Uniper and an equivalent shareholding in Sydkraft. On the date of the spin-off Fortum would own 49.99% of Uniper and 49.99% of Sydkraft but – with the elimination of the Russian anti-trust issue – would now be free to increase its holding in this very attractive carbon-free Nordic business, with which it undoubtedly has strong affinities.

KVIP International V L.P. has actively been engaging with Uniper's Management and Supervisory Boards as well as other shareholders with a view to resolving the situation for the benefit of all stakeholders including Uniper's shareholders, employees, creditors and customers. We have endeavored to do so constructively and with an open mind. There is no predetermined strategic plan that we wish to propose.



In order to emphasize this point we confirm that it is our intention to vote in favour of all reasonable resolutions – and not only our own – that help Fortum and Uniper reach agreement in a way that is consistent with our fiduciary duties. Given that for some matters a second vote will be required so as to make them effective, we may also vote in favour of more than one resolution on the understanding that management can be instructed to work on several alternatives in parallel. In this spirit we also reserve the right to withdraw the above-mentioned resolution proposals at the AGM, if it seems reasonable in the sense of the above.

KVIP International V.L.P. believes that the proposed spin-offs would each result in the creation of value for Uniper's shareholders. In the case of the first resolution, the spin-off would result in Uniper no longer having the political and foreign exchange risks associated with so large an investment in Russia. The spin-off in the second resolution proposal would enable investors who are currently prevented from investing in Uniper due to its substantial carbon footprint to invest solely in Sydkraft, thereby encouraging investment which will result in an increased overall valuation."

Düsseldorf, April 2019
The Management Board