

## Translation

**VATTENFALL AB**  
Swedish Corporate Identity  
Number 556036-2138

Minutes, recorded at the Annual  
General Meeting in Solna on April 27, 2015

## PRESENT

### Shareholder

Number of shares held

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

131 700 000

### Others present

A total of approximately 70 people, consisting of the Members of the Board, the Executive Group Management, the Auditor, employees in the Vattenfall Group, State Secretary Eva Lindström, 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, Desk Officer, and Axel Calissendorff, Chairman of the Meeting, were appointed to check and approve the minutes from the Meeting.

### 6 §

The 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 Report (including the Corporate Governance Report and the Sustainability Report) and Audit Report, **Appendix 2**, and
- b) the consolidated accounts 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 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, provided a statement of the work of the Board during the financial year 2014, followed by a statement from Magnus Hall, CEO. The statements are available on Vattenfall's website [www.vattenfall.se](http://www.vattenfall.se) under the headline "Bolagsstyrning"<sup>1</sup>.

Hamish Mabon, the Company's auditor in charge, reported on the auditing work.

Eva Lindström, State Secretary, made a statement.

## 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) in accordance with the Board's proposed distribution of profits, that no dividend is distributed to the shareholder for the financial year and that the retained profits of SEK 43 736 750 503 is carried forward, 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 2014.

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<sup>1</sup> English translations are available on [www.vattenfall.com](http://www.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 2014 Annual General Meeting for employment terms and conditions for senior executives, is further described in the Annual Report, note 53 to the consolidated accounts.

Lars G Nordström, Chairman of the Board, presented the terms of remuneration for Magnus Hall, CEO and Øystein Løseth, previous CEO, in accordance with the information provided in the Annual Report, note 53 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 53 of the consolidated accounts.

Furthermore, Lars G Nordström reported on the extent to which the guidelines decided by the 2014 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**.

Hamish Mabon, 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 Report, page 65.

It was resolved to approve the Board's proposal to apply unchanged 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 20 April 2009, 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](http://www.regeringen.se).

## 14 §

Maurice Forslund, Desk Officer, presented and motivated the proposal with regard to Directors of the Board, Chairman and Auditor 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 [www.vattenfall.se](http://www.vattenfall.se) under the headline "Bolagsstyrning"<sup>2</sup>.

## 15 §

It was resolved, according to the proposal,

that unchanged fees for the time until the conclusion of the next Annual General Meeting shall be payable in the amount of SEK 580 000 for the Chairman of the Board and SEK 280 000 for each of the other Directors elected by the Annual General Meeting,

that for the work in the Board's Audit Committee and Remuneration Committee, respectively, an unchanged fee of SEK 60 000 shall be paid to each of the respective Committee chairs and a fee of SEK 45 000 to each of the respective Committee members,

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<sup>2</sup> English translations are available on [www.vattenfall.com](http://www.vattenfall.com) under "Corporate Governance".

that no fees are payable to employee representatives and to Directors who are employed by the Swedish Government Offices, and

that fees shall be paid for the auditor's work as per approved invoice.

It was noted that remuneration to the Directors could be paid as salary or, under certain circumstances, be invoiced by the Director's sole proprietorship ("enskild firma") with F-tax card or by the Director's company. When the assignment is carried out via a Director's sole proprietorship or company, the Director's remuneration for Board and Committee work includes an amount corresponding to such social security contributions that Vattenfall AB in such case will not have to pay. Any agreement with the Director's sole proprietorship with F-tax card or with the Director's company on invoicing of remuneration for Board and Committee work must be cost neutral for Vattenfall AB.

#### 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).

#### 17 §

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  
Gunilla Berg  
Håkan Buskhe  
Håkan Erixon  
Jenny Lahrin  
Lars G Nordström  
Åsa Söderström Jerring

and to elect Viktoria Bergman and Tomas Kåberger as new Directors of the Board.

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: Ronald Ekwall as director, Lennart Bengtsson as deputy director.

For Unionen, the Union of White-collar Employees: Johnny Bernhardsson as director, Jeanette Regin as deputy director.

For Akademikerrådet: Carl-Gustaf Angelin as director with Christer Gustafsson, Ledarna (Swedish Association for Managers), as deputy director.

#### 18 §

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

#### 19 §

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.

20 §

The Chairman of the Board expressed his appreciation for the excellent work performed by Eli Arnstad, who has been a member of the Vattenfall Board of Directors since 2008 and declined re-election. He further expressed his appreciation for the excellent work performed by Hamish Mabon, auditor in charge since 2008.

Maurice Forslund, Desk Officer, presented the State Ownership Policy and the Guidelines for State Owned Companies, as well as the reporting instructions to the Legal, Financial and Administrative Services Agency (Kammarkollegiet) and instruction for payment of dividend. He conveyed the owner's thanks to the Board, the Executive Group Management and personnel for their fine efforts during the year.

21 §

The Meeting was closed.

Minutes taken by:

Anne Gynnerstedt

Approved by:

Maurice Forslund

Axel Calissendorff



REGERINGSKANSLIET

Bilaga 2 till beslut 2015-04-14 i  
ärende N2015/62/SB (delvis)

Näringsdepartementet  
Statsrådet Mikael Damberg

2015-04-14

### Fullmakt

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Med stöd av regeringens bemyndigande den 16 oktober 2014 utser jag departementssekreteraren Maurice Forslund eller, om han har förhinder, departementssekreteraren Lucien Herly att på stämman den 27 april 2015 i Vattenfall AB företräda och utöva rösträtt för staten som aktieägare i bolaget.

Mikael Damberg

Statsrådet Mikael Dambergs egenhändiga namnteckning bevitnas:

Magnus Skåniger

Kerstin Sahlin



Näringsdepartementet

**Förordnande att företräda och utöva rösträtt för staten som aktieägare i Vattenfall AB**

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2 bilagor

Vattenfall AB har den 25 mars 2015 kallat aktieägaren till årsstämma den 27 april 2015.

Med stöd av regeringens bemyndigande den 16 oktober 2014 utser statsrådet Mikael Damberg,

departementssekreteraren Maurice Forslund eller, om han har förhinder, departementssekreteraren Lucien Herly

att på stämman den 27 april 2015, i enlighet med bilagda instruktion, företräda och utöva rösträtt för staten som aktieägare i Vattenfall AB, *bilaga 1*.

Särskild fullmakt ska utfärdas för departementssekreteraren Maurice Forslund och departementssekreteraren Lucien Herly, *bilaga 2*.

Utdrag till

Vattenfall AB  
Maurice Forslund  
Lucien Herly

Utdraget stämmer med originalet

# TRANSLATION FROM THE SWEDISH ORIGINAL

## Auditor's report

To the annual meeting of the shareholders of Vattenfall AB, corporate identity number 556036-2138

### Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Vattenfall AB for the year 2014, except for the corporate governance statement on pages 52-61. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 5, 8-9, 45-46, 52-61 and 65-144.

#### *Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 52-61. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

### Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Vattenfall AB for the year 2014.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. The Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 52-61 has been prepared in accordance with the "The Government's owner policy and guidelines for government owned companies" (Statens ägarpolicy och riktlinjer för företag med statligt ägande).

#### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence which we have obtained is sufficient and appropriate in order to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

#### *Opinions*

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, in accordance with the owner policy, and its mandatory statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm, 17 March 2015

Ernst & Young AB

Hamish Mabon  
Authorized Public Accountant



**Vattenfall AB**

**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 2014 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 the terms and conditions for each individual contract, to ensure compliance with the guidelines.

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

Stockholm, 17 March 2015

The Board of Directors

## TRANSLATION FROM THE SWEDISH ORIGINAL

### **Auditor's report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551) on whether the guidelines adopted by the Annual General Meeting regarding remuneration to Group Executive Management have been complied with**

To the Annual 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 2014, complied with the guidelines on remuneration to Group Executive Management, adopted at the Annual General Meeting on 24 April 2013 and the Annual General Meeting on 28 April 2014, 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 Annual 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 examination has covered the company's organization and documentation of issues concerning remuneration for Group Executive Management, any and all 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 2014, complied with the guidelines on remuneration to Group Executive Management, which were adopted by the Annual General Meeting on 24 April 2013 and 28 April 2014 respectively.

Stockholm, 26 February 2015

Ernst & Young AB