

Translation

VATTENFALL AB
Swedish Corporate Identity
Number 556036-2138

Minutes, recorded at the Annual
General Meeting in Solna on April 27, 2016

PRESENT

Shareholder

Number of shares held

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

131 700 000

Others present

A total of approximately 110 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 §

Malin Fries, 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 Report (including the Corporate Governance Report and the Sustainability Report) and the 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 for the fiscal year 2015, 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 2015, followed by a statement from Magnus Hall, CEO. The statements are 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.

Eva Lindström, State Secretary, made a statement and conveyed the owner's thanks to the Board, the Executive Group Management and personnel for their fine efforts during the year.

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 50 172 717 807 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 2015.

¹ English translations are available on corporate.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 2015 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, 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, the Chairman of the Board reported on the extent to which the guidelines decided by the 2015 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 Report, page 69.

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.

14 §

Malin Fries, Deputy Director, 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 corporate.vattenfall.se under the headline "Bolagsstyrning"².

15 §

It was resolved, according to the proposal,

that fees for the time until the conclusion of the next Annual General Meeting shall be payable in the amount of SEK 625 000 for the Chairman of the Board and SEK 300 000 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, a 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,

² English translations are available on corporate.vattenfall.com under "Corporate Governance".

that no fees are payable to employee representatives or to Directors and Committee members 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
Viktoria Bergman
Håkan Erixon
Tomas Kåberger
Jenny Lahrin
Lars G Nordström
Åsa Söderström Jerring

and to elect Staffan Bohman and Hilde Tonne 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 to Gunilla Berg and Håkan Buskhe, who had been members of the Vattenfall Board of Directors since 2012 and declined re-election, to worthily have contributed with valuable skills as well as a constructive approach to the work of the Board in Vattenfall.

In connection herewith, the State Ownership Policy and the Guidelines for State Owned Companies 2015, **Appendix 5**, as well as the reporting instructions to the Legal, Financial and Administrative Services Agency (*Kammarkollegiet*) and instruction for payment of dividend, **Appendix 6**, were handed over.

21 §

The Meeting was closed.

Minutes taken by:

Anne Gynnerstedt

Approved by:

Malin Fries

Axel Calissendorff

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 2015 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 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, 18 March 2016

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 2015, complied with the guidelines on remuneration to Group Executive Management, adopted at the Annual General Meeting on 28 April 2014 and the Annual General Meeting on 27 April 2015, 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 2015, complied with the guidelines on remuneration to Group Executive Management, which were adopted by the Annual General Meeting on 28 April 2014 and 27 April 2015 respectively.

Stockholm, 29 February 2016

Ernst & Young AB

Staffan Landén
Authorized Public Accountant