

## Translation from Swedish original

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

Minutes, recorded at the Annual  
General Meeting in Solna on April 27, 2017

## PRESENT

### Shareholder

Number of shares held

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

131 700 000

### Others present

A total of approximately 80 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, Senior Advisor, 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 2016, 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 2016, followed by a statement from Magnus Hall, CEO. The statements are available on Vattenfall's website [corporate.vattenfall.se](http://corporate.vattenfall.se) under the headline "Bolagsstyrning"<sup>1</sup>.

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.

Members of the Swedish Parliament were given the opportunity to put forward questions to the company.

## 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 43 618 361 708 is carried forward,
- 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 2016.

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<sup>1</sup> English translations are available on [corporate.vattenfall.com](http://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 2016 Annual General Meeting for employment terms and conditions for senior executives, is further described in the Annual Report, note 46 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 46 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 46 of the consolidated accounts.

Furthermore, the Chairman of the Board reported on the extent to which the guidelines decided by the 2016 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 78.

It was resolved to approve the Board's proposal to apply 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 22 December 2016, 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 §

Malin Fries, Senior Advisor, presented and motivated the proposal with regard to Directors of the Board and Chairman 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](http://corporate.vattenfall.se) under the headline "Bolagsstyrning"<sup>2</sup>.

## 15 §

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).

## 16 §

It was resolved, according to the proposal,

that directors' fees for the time until the conclusion of the next Annual General Meeting shall be payable in the amount of SEK 685 000 for the Chairman of the Board and SEK 330 000 for each of the other AGM-elected directors,

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

that for work on the Audit Committee, a fee of SEK 90 000 shall be payable to the Committee chair and SEK 70 000 be paid to each of the Committee members,

that for work on the Remuneration Committee, a fee of SEK 60 000 shall be payable to the Committee chair and SEK 45 000 be paid to each of the Committee members, and

that no fees are payable to employee representatives and to employees of the Swedish Government Offices.

#### 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  
Hilde Tonne

and to elect Fredrik Rystedt as new Director 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, Robert Lönnqvist as new deputy director.

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

For Akademikerrådet: Rolf Ohlsson as new 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, that fees shall be paid for the auditor's work as per approved invoice.

#### 20 §

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.

#### 21 §

The Swedish State's ownership policy, the government's guidelines for external reporting in state-owned companies and the government's guidelines for terms of employment for senior executives in state-owned companies, all adopted by the government on 22 December 2016, were decided. The documents are available at the Government's web page, [www.regeringen.se](http://www.regeringen.se).

22 §

The Chairman of the Board expressed his appreciation to Staffan Bohman, who had declined re-election, and to the employee representatives Carl-Gustaf Angelin and Lennart Bengtsson, who resign in connection with the Annual General Meeting, for worthily having contributed to the work of the Vattenfall Board.

23 §

The Meeting was closed.

Minutes taken by:

Anne Gynnerstedt

Approved by:

Malin Fries

Axel Calissendorff



2017-04-04

Näringsdepartementet  
Statsrådet Mikael Damberg

## Fullmakt

Med stöd av regeringens bemyndigande den 23 februari 2017 utser jag ämnesrådet Malin Fries eller, om hon har förhinder, kanslirådet Per Lundkvist att på stämman den 27 april 2017 i Vattenfall AB företräda och utöva rösträtt för staten som aktieägare i bolaget.



Mikael Damberg

## **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 2016 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 senior executive, to ensure compliance with the guidelines.

Compliance with the adopted guidelines is described in more detail in the Annual Report, Note 46 to the consolidated accounts.

Stockholm, 21 March 2017

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 2016, complied with the guidelines on remuneration to Group Executive Management, adopted at the Annual General Meeting on 27 April 2015 and the Annual General Meeting on 27 April 2016, 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 2016, complied with the guidelines on remuneration to Group Executive Management, which were adopted by the Annual General Meeting on 27 April 2015 and 27 April 2016 respectively.

Stockholm, 1 March 2017

Ernst & Young AB

Staffan Landén  
Authorized Public Accountant