

## **Minutes**

### **DONG Energy A/S**

#### **Annual General Meeting 2015**

On 4 March 2015 at 02:00 p.m. the annual general meeting was held in DONG Energy A/S (company registration no. (CVR) 36 21 37 28), Municipality of Fredericia, at MESSE C Conferencecenter, Vestre Ringvej 101, DK-7000 Fredericia.

The agenda was as follows:

1. The Board of Directors' report on the activities of the Company and its subsidiaries during the period from 1 January 2014 until 31 December 2014.
2. Presentation of the audited annual report for adoption.
3. Resolution on the ratification of the acts of the members of the Board of Directors and the Executive Board.
4. Resolution on the appropriation of the profit according to the adopted annual report.
5. Any proposal from the Board of Directors for authorisation to acquire treasury shares.
6. Any further proposals submitted by the Board of Directors and the shareholders.
7. Election of the Chairman and Deputy Chairman of the Board of Directors and of other members to the Board of Directors.
8. Determination of the remuneration payable to the Board of Directors for the financial year 2015.
9. Appointment of auditor.
10. Any other business.

Thomas Thune Andersen addressed a few words of welcome to the shareholders and stated that the Board of Directors had appointed attorney-at-law Christian Th. Kjølbbye as chairman of the meeting.

The chairman of the meeting established that the annual general meeting had been convened by email of 17 February 2015 to all shareholders.

The chairman of the meeting then established that shareholders representing 99.3 per cent of the voting share capital were represented at the general meeting and that the quorum requirement in article 9.1 of the Articles of Association was fulfilled since at least 50 per cent of the share capital was represented at the general meeting.

The chairman of the meeting also established that the requirements for convening the meeting stipulated in sections 94-98 of the Danish Companies Act and article 6 of the Articles of Association had been fulfilled.

The chairman of the meeting stated *that* notification of the general meeting had been given to the employees via the intranet (Vital) on 17 February 2015, *that* the notice convening the meeting and the recommendations from the Nomination Committee of 17 February 2015 had been submitted electronically to the Danish Business Authority and to the shareholders in compliance with article 6.6 of the Articles of Association and section 97(3) of the Danish Companies Act, *that* the agenda and the full wording of the proposals, appendices and the audited annual report for 2014 had been available for inspection by the shareholders in compliance with article 6.8 of the Articles of Association and section 98 of the Danish Companies Act, and *that* the updated recommendations from the Nomination Committee were submitted to all shareholders and uploaded electronically to the Danish Business Authority on 26 February 2015.

The chairman of the meeting then established that the annual general meeting had been lawfully convened and was legally competent to transact business in every respect.

The chairman of the meeting mentioned that according to the rules on state-owned limited companies, the annual general meeting was open to the press.

The chairman of the meeting introduced the agenda.

**1. The Board of Directors' report on the activities of the company and its subsidiaries during the period from 1 January 2014 until 31 December 2014**

**2. Presentation of the audited annual report for adoption**

On behalf of the Board of Directors, Thomas Thune Andersen, Chairman of the Board of Directors, presented the Board's report on the activities of the company and its subsidiaries throughout the year under review and presented the audited annual report for adoption.

The annual report included an auditors' report which is unqualified and without any supplementary information.

In continuation of the review printed in the annual report, the Chairman of the Board of Directors stated the following:

*"2014 was a good year for DONG Energy. We made significant progress in our transition of the Group's business platform, to ensure its long-term, profitable growth and competitiveness. Operating profit rose by 9% to DKK 16.4 billion, despite the strong negative impact of the drop in oil and gas prices. This is the highest in the history of the Group. At the same time, we achieved the*

*lowest accident frequency ever, thanks to a major focus on safety throughout the Group. Needless to say, any accident is an accident too many, and DONG Energy continues the work to reduce our accident frequency.*

*DONG Energy is one of the energy companies in Europe which is leading the transition to renewable energy.*

*In 2000, only 2% of Europe's electricity generation was based on renewable energy. This figure has risen to 15% today. With 46% of our electricity and heat production being based on renewable energy from our offshore wind farms and biomass-fired power stations in 2014, DONG Energy is far ahead of the market average.*

*The Group's carbon emissions per kWh of electricity produced fell by 16% compared to 2013, reaching their lowest level ever. The lower carbon emissions were the result of greater use of biomass at the power stations, and the fact that wind power accounted for a higher proportion of the Group's total electricity generation.*

*DONG Energy is a world leader in both of these technology areas. DONG Energy has constructed more offshore wind farms than any other company in the world, and our portfolio of producing and planned biomass-fired power stations is unsurpassed. This gives us the necessary expertise and economies of scale to realise our business objectives.*

*In parallel with our transition to electricity and heat production using more renewable energy, we are contributing to the ongoing utilisation of North West Europe's oil and gas resources. Oil and gas will be necessary resources for the proper functioning of society for many years to come. Moreover, the extraction of the local resources contributes to strengthening the security of supply in the various countries and to reducing their dependence on imported oil and gas. In 2014, DONG Energy achieved the highest production of oil and gas in the Group's history.*

*The oil and gas markets saw major price declines in 2014. As a result of the price declines, we had to record a total impairment loss in our oil and gas business of DKK 6.6 billion after tax. This meant that the Group returned a loss of DKK 5.3 billion for the year, despite the strong operating profit.*

*Following a dedicated effort, we succeeded in restoring DONG Energy's capital structure in 2014. In 2013 and 2014 the Group's capital base was strengthened by more than DKK 36 billion through the divestment of assets for DKK 23 billion, and an injection of new equity of more than DKK 13 billion. Strengthening the capital base has made it possible to significantly reduce the Group's net debt. At the same time, costs have been permanently reduced by DKK 1.4 billion. The combination of declining debt, improved cost efficiency and increasing operating profit mean that we have now restored the desired ratio between cash flow from operations and net debt. The ratio was 36% at the end of 2014, and it is our goal to maintain a level of around 30%.*

*The strong capital structure allows us to continue our extensive investment programme and thereby achieve our strategic goals. We invested DKK 15 billion in new assets in 2014, and we expect to maintain a strong level of investment in the years ahead, with the aim of continuing DONG Energy's transition to renewable energy.*

*Good progress has been made across the entire business in 2014, which I will now briefly outline.*

### Wind Power

2014 was a breakthrough year with regard to securing Wind Power's pipeline. The pipeline is key to realising Wind Power's target of a total installed offshore wind capacity of 6.5GW by 2020. The deciding factor was the award of subsidies for the three UK offshore wind farm projects – Burbo Bank Extension, Walney Extension and Hornsea. Against this background, the Board of Directors decided in December to go ahead with the Burbo Bank Extension.

The UK West of Duddon Sands offshore wind farm started full production and the UK Westernmost Rough wind farm commenced production.

Wind Power has taken significant steps in 2014 to reduce the costs of producing offshore wind power through the standardisation of modules, components and processes, working closely with suppliers. We are therefore confident of reaching our goal of reducing the cost of offshore wind power by 35-40% by 2020.

### Exploration & Production

Our oil and gas production set a record in 2014, with average production of 115,000 barrels per day. The high production was due to a whole year of higher ownership interest in the Norwegian Ormen Lange gas field, and high availability for our producing fields.

The extensive and complex repair of the Siri platform in the North Sea was completed after almost four years of work, and normal operations were resumed.

At the same time, the Hejre project reached a major milestone marked by the installation of the platform's foundations in the North Sea and the drilling of the first production well. However, work on the top section of the Hejre platform was impacted by supplier delays, and we therefore now expect production to commence in 2017.

The other major development project – the Laggan-Tormore field – was also impacted by delays in the construction of the gas treatment plant on the Shetland Islands. The operator, Total, has therefore postponed the expected production start from 2014 to 2015. When the field commences production, expected later in 2015, it will make a key contribution to E&P's future earnings.

The development of DONG Energy's activities in the West of Shetlands area was also advanced by our decision to work with the operator, Total, to jointly develop the Glenlivet and Edradour gas fields, connecting to the Laggan-Tormores infrastructure. Under the agreement, E&P reduced its ownership interest to 20%, and Total owns the remaining 80%.

### Thermal Power

The market conditions for electricity and heat production were difficult in 2014. The average temperature in Denmark was the highest ever recorded, and heating demand and power prices therefore moved in the wrong direction for our thermal power plants. This meant a decline in production and operating profit for Thermal Power. Despite the difficult market conditions, we are optimistic regarding the current transformation of Thermal Power's business, such that a steadily increasing proportion of income will derive from long-term heating contracts.

We decided in 2014 to convert the Studstrup and Skærbæk power stations from coal and gas to sustainable biomass. These two investment decisions are important steps towards increasing the proportion of sustainable biomass in Danish electricity and heat production. Our goal is for at least half of the Danish electricity and heat production to be based on sustainable biomass by 2020.

*We are also working with innovative new technologies in the biomass field – Renescience and Inbicon – which are advancing towards commercialisation, and we hope to conclude the first commercial contracts in 2015 and 2016.*

Customers & Markets

*We have a major focus in Customers & Markets on renegotiating the long-term gas purchasing contracts, which have a major impact on the business unit's overall earnings. One renegotiation was completed in 2014, with a result in line with our expectations. As part of the renegotiations, arbitration proceedings were initiated against several of our suppliers. Renegotiations are currently under way in several areas, which we expect to be completed in 2015 and 2016.*

*2014 was also the year in which we completed the major cable laying project, initiated following the major storm in 1999. During the project period, we have replaced 4,200 kilometres of overhead power lines and 120,000 power poles with 8,000 kilometres of underground cables. This has significantly reduced the risk of power cuts during storms, and helps increase security of supply for our customers.*

*Our sales and distribution business is currently undergoing a comprehensive transformation aimed at improving the customer experience. In 2014 we made a decision to replace and modernise the IT systems used to service our customers. Modern IT systems, simplification of our product portfolio and better customer communication should all improve the customers' experience of our company and increase our competitiveness in the market.*

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*Overall, 2014 has been a year in which DONG Energy took a number of important steps towards achieving the strategic goals set towards 2020. This happened in an unpredictable energy market with ongoing volatility, and with many battles still to be won. Apart from the impairment losses which had to be recorded in our E&P business, which were primarily dictated by the market, the strong growth in the Group's operating profit shows that DONG Energy is on the right track in its efforts to become a winner in the European energy industry. It is the goal of the shareholders and Board of Directors to continue DONG Energy's transition to renewable energy, and maintain and extend the strong market positions the Group is built on.*

*We want to develop and offer energy systems which are green, independent and economically viable, and continue the transition towards ever greener energy together with our customers. It is our hope that DONG Energy can thereby continue to contribute to more sustainable development in the countries in which we operate. On behalf of the Board of Directors, I would like to thank our 6,500 talented and dedicated employees and managers for their hard work over the previous year.*

The general meeting took note of the report from the Board of Directors and unanimously adopted the annual report for 2014.

**3. Resolution on the ratification of the acts of the members of the Board of Directors and the Executive Board**

The shareholders present unanimously decided to discharge the Board of Directors and the Executive Board with the required majority. Prior to the general meeting 2,139 postal votes against the proposals had been received.

**4. Resolution on the appropriation of the profit according to the adopted annual report**

The chairman of the meeting stated that the part of the result for the year after tax (IFRS) in the parent company (DONG Energy A/S) attributable to the shareholders was DKK 6,793 million. The part of the result for the year after tax (business performance) in the DONG Energy Group attributable to the shareholders was a net loss of DKK 5,950 million.

In compliance with the proposal by the Board of Directors, the shareholders present resolved not to distribute dividend and to carry forward the result of 6,793 million to 2015 with the required majority. Prior to the general meeting, 372 postal votes against the proposal had been received.

**5. Any proposal from the Board of Directors for authorisation to acquire treasury shares**

The chairman of the meeting stated that no proposal for authorisation to acquire treasury shares had been made by the Board of Directors.

**6. Any further proposals submitted by the Board of Directors or the shareholders**

The chairman of the meeting stated that no further proposals had been made by the Board of Directors, and that no proposals has been received from the shareholders.

**7. Election of the Chairman and Deputy Chairman of the Board of Directors and of other members to the Board of Directors**

The chairman of the meeting stated that the Chairman, the Deputy Chairman and the other members of the Board of Directors elected by the general meeting resign in compliance with article 10.2 of the Articles of Association, and that the Deputy Chairman Jørn P. Jensen had stated that he does not run for re-election to the Board of Directors.

The chairman of the meeting also stated that a Nomination Committee had been set up (article 12 of the Articles of Association) and that recommendations of 17 and 26 February 2015 by the Nomination Committee on the appointment of members of the Board of Directors to be appointed by the general meeting had been submitted to all shareholders prior to the general meeting,. Cf. article 2.2 of the Rules of Procedure for the Nomination Committee adopted by the shareholders in general meeting.

The Nomination Committee recommended:

1. Election of 8 members to be appointed by the annual general meeting.
2. The following members elected by the annual general meeting are re-elected: Thomas Thune Andersen, Pia Gjellerup, Martin Hintze, Benny D. Loft, Poul Arne Nielsen, and Claus Wiinblad.
3. Lynda Armstrong and Lene Skole are elected new members to the Board of Directors elected by the annual general meeting
4. Thomas Thune Andersen is elected as Chairman of the Board of Directors
5. Lene Skole is elected as Deputy Chairman of the Board of Directors.

The recommendations by the Nomination Committee included information on the management positions held by the individuals nominated for the Board of Directors in enterprises outside the DONG Energy Group as well as their special skills and independence in respect of the criteria set up in section 3.2.1 of the Recommendations on Corporate Governance by the Committee on Corporate Governance from May 2013 as updated on November 2014.

The shareholders present unanimously adopted the proposal included in the recommendations by the Nomination Committee on the number of members for the Board of Directors to be elected by the general meeting and on the election of members by the general meeting as well as the Chairman and Deputy Chairman of the Board of Directors with the required majority. Prior to the general meeting the following postal votes had been received: 744 votes against the proposal to elect 8 board members to be appointed by the general meeting, 1,116 votes against the proposal to re-elect Thomas Thune Andersen as Chairman of the Board of Directors, and 372 votes against the proposal to elect a Deputy Chairman in accordance with the updated recommendations by the Nomination Committee.

#### **8. Determination of the remuneration payable to the Board of Directors for the financial year 2015**

The shareholders present unanimously decided with the required majority that the remuneration for the Board of Directors for the financial year 2015 remains unchanged compared to the remuneration for 2014, which means that the remuneration is as follows:

Chairman of the Board of Directors	DKK 500,000
Deputy Chairman of the Board of Directors	DKK 300,000
Other members of the Board of Directors	DKK 175,000
Chairman of the Remuneration Committee	DKK 50,000
Other members of the Remuneration Committee	DKK 25,000
Chairman of the Audit and Risk Committee	DKK 100,000
Other members of the Audit and Risk Committee	DKK 50,000

Prior to the general meeting, 1,116 postal votes against the proposal had been received.

No remuneration is paid to alternate members of the Board of Directors.

#### **9. Appointment of auditor**

The general meeting unanimously adopted the resolution to appoint PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab as the company's auditors.

#### **10. Any other business**

No other business to be transacted.

The general meeting was closed.

Fredericia, 4 March 2015

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Thomas Thune Andersen  
Chairman

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Christian Th. Kjølbye  
Chairman of the meeting