

## **Minutes**

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

#### **Annual General Meeting 2011**

On 12 April 2011 at 1 p.m. the annual general meeting was held in DONG Energy A/S (CVR No. 36 21 37 28), Municipality of Fredericia, at the Company's office at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia.

The agenda was as follows:

1. Review by the Board of Directors of the Company's and its subsidiaries' activities throughout the period 1 January 2010 until 31 December 2010
2. Presentation of the audited annual report for adoption
3. Decision on discharging the Board of Directors and the Executive Board
4. Decision on the application of profit according to the adopted annual report
5. Decision on authorising the Board of Directors – during the period until the next Annual General Meeting – to let the Company acquire own shares up to a maximum aggregate nominal value totalling 10 % of the Company's share capital.
6. Any proposals by the Board of Directors or by shareholders  

Proposal by the Board of Directors for the approval of a remuneration policy for the Board of Directors and Executive Board in replacement of the overall guidelines for incentive-based compensation and for amendment of Article 7.6 of the Articles of Association.
7. Appointment of Chairman and Deputy Chairman of the Board of Directors and appointment of other Board members
8. Determination of the remuneration payable to the Board of Directors for the financial year 2011
9. Appointment of auditor
10. Any other business

Fritz H. Schur, Chairman of the Board of Directors, addressed a few words of welcome to the attendants at the annual general meeting and stated that the Board of Directors had appointed Christian Th. Kjølbye, attorney, chairman of the meeting.

The chairman of the meeting established that the annual general meeting had been convened by email and by registered letter of 28 March 2011 to all shareholders.

The chairman of the meeting then established that the entire voting share capital was represented.

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 stated *that* notification of the annual general meeting had been given to the employees via the intranet (Vital) on 29 March 2011, *that* the notice convening the meeting had been submitted electronically to the Danish Commerce and Companies Agency and to the shareholders in compliance with article 6.6 of the Articles of Association and section 97(3) of the Companies Act, *that* the agenda and the full wording of the proposals and appendices have been available for inspection by the shareholders in compliance with article 6.8 of the Articles of Association and section 98 of the Companies Act and *that* the recommendations by the Nomination Committee on the appointment of members of the Board of Directors to be appointed at the annual general meeting had been sent to the shareholders on 28 March 2011 together with the notice convening the meeting.

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 limited liability companies, the annual general meeting was open to the press.

**1. Review by the Board of Directors of the Company's and its subsidiaries' activities throughout the period from 1 January 2010 until 31 December 2010**

On behalf of the Board of Directors, Fritz H. Schur, Chairman of the Board of Directors, presented the Board's review of the Company's and its subsidiaries' activities throughout the year under review.

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

*"On 13 March 2006 DONG Energy came into existence. This was the day when the EU Commission endorsed the pooling of strong Danish expertise within energy in the enterprise DONG Energy. Some media immediately reported that the merger was now in place. But the endorsement was merely the beginning of a challenging and complicated process. The expertise and the culture of six different companies were to merge into one robust enterprise more capable than the sum of the capabilities of the individual companies. In addition to that, the merger was to take place during a period that, as we can see today, has been one of the most turbulent periods in the history of the energy sector, but it is safe to say that this was merely a foretaste of the speed of change of the next decades.*

*This year it is the fifth time it says DONG Energy on the annual report we have just published. The merger has created a well-functioning and efficient DONG Energy. Parallel with the merger, the Company has succeeded in formulating a new strategy which is based on the expertise that was pooled through the merger and which is to realise the vision of generating clean and reliable energy.*

*Already in the financial statements for 2010, some of the results of the new strategy can be identified. With EBITDA of DKK 14.1 billion in 2010, we have achieved the best results so far. A visible sign of the reorganisation is the business area Renewables that already now accounts for a significant share, DKK 1.7 billion, of DONG Energy's business.*

*The strategy places DONG Energy in a favourable position in respect of getting a share of some of the business opportunities arising as a result of the many changes taking place in the world around us. Especially on the German and British markets there is a need for both new capacity in replacement of the old, and at the same time it must be energy generation that simultaneously limits the emission of CO<sub>2</sub>. Many of our competitors have regarded meeting the two challenges as difficult. At DONG Energy, however, we have made it the core of our strategy to do just that. We continue to generate more energy while rapidly increasing the green proportion of this energy. And we do so on a sound commercial basis.*

*The turnover in 2010 showed significant progress compared to 2009 and increased by 11 per cent. EBITDA increased by 59 per cent and cash flows from operating activities increased by 50 per cent. The profit for the year after tax increased from DKK 1.1 billion to DKK 4.5 billion. The profit for the year is found to be satisfactory and significantly higher than expected at the beginning of the year.*

*The fact that the profit for the year turned out better than expected is due to renewed increase in the demand for both oil, electricity and gas after a 2009 that was strongly affected by the financial crisis. The increased demand and expectations of higher economic growth resulted in higher energy prices. Moreover, 2010 was characterised by cold weather in both the first and the fourth calendar quarters which had a positive impact on both the demand for and the prices of electricity and gas.*

*The profit for the year indicates that DONG Energy has emerged strengthened from the financial crisis with a robust and future-oriented business. It is thus our target to double earnings between 2009 and 2015. In 2010, DKK 15.7 billion were therefore invested in new activities, in expansions as well as in the improvement of efficiency and renewal of existing plants. At the same time assets, enterprises and minority stakes of DKK 7.1 billion were sold which means that the net investments came to DKK 8.6 billion in 2010.*

*DONG Energy's success in 2010 indicates that it is possible to both supply more energy with an ever decreasing CO<sub>2</sub> content and run a profitable and robust business.*

*The need for more energy we deal with in two ways. We continue to increase the production of natural gas and oil in Denmark, Norway and in the sea between the Shetland Islands and the Faroes. The strategic objective is to achieve solid growth in the production of oil and gas while strengthening the long-term projects portfolio in order to maintain the long-term value creation. The ambition is that equity gas is to account for 30 per cent of the Group's gas sales and the proportion of oil in the portfolio is to increase.*

*In 2010 DONG Energy was awarded new licences in Great Britain, Norway and West Greenland, and as operator we made discoveries under the Solsort licence in Denmark and participated as partner in Great Britain where we made new discoveries. DONG Energy also started production at new fields with the Nini Øst field in the North Sea, and at the beginning of 2011 production was started at the Trym field. Over the coming years, still more new fields will be added. DONG Energy has decided to expand the fields Laggan-Tormore in Great Britain and Marulk in Norway and to further expand the Syd-Arne field in Denmark.*

*At the same time we meet the need for more energy by constructing offshore wind farms in both Denmark and abroad. In 2010 we opened a number of wind farm projects, including the offshore*

wind farm Gunfleet Sands in Great Britain and the onshore wind farms Karcino and Karnice in Poland and Mehuken 2 in Norway. In the coming years, DONG Energy will continue to expand offshore wind.

In 2010 such focus meant that we sold our ownership interest in the Norwegian hydro power companies Salten Kraftsamband and Nordkraft to the Troms Kraft Group. This focus also meant that we took new steps towards the industrialisation of the offshore wind sector which we are continuously working on. In 2010 we decided to build the installation vessel SEA INSTALLER, which is to form part of the fleet of vessels of the specialist shipping company A2SEA and to contribute to reducing the installation time for the construction of offshore wind farm projects. At the same time it must also enhance robustness in the installation phase. A2SEA was also strengthened through the acquisition by Siemens of a 49 per cent owner interest via capital contributions in 2010 and 2011.

An important part of the industrialisation is to secure access to the capital required to finance the development of offshore wind farms in a world that is still in the process of recovering from the financial crisis. Within this area we went down entirely new paths in 2010 by selling off ownership interests in the offshore wind farms Nysted in Denmark and Walney in Great Britain to Danish and Dutch pension funds respectively. In this way the wind farms will apply a model similar the one applied in the oil and gas fields where several parties share the risk. This innovative financing model diversifies DONG Energy's risks and enables us to construct more offshore wind farms and thus exploit our expertise in the best possible way. DONG Energy hopes that the investments by the pension funds in renewable generation will pave the way for further similar investments of pension funds and sees the partnerships as recognition of our unique expertise within construction and operation of offshore wind farms.

Also gas-fired power stations may contribute to meeting the demand for energy with a lower CO<sub>2</sub> content. In 2010 DONG Energy opened two highly efficient gas-fired power stations in Wales and Norway respectively and this year we will open yet another in the Netherlands. Natural gas emits significantly less CO<sub>2</sub> than coal and is at the same time a more flexible type of fuel that is particularly useful in an energy system with increasingly fluctuating wind power.

DONG Energy gets its supplies of natural gas from a number of international sources in order to avoid dependence on a single supplier. DONG Energy obtains natural gas from its own fields, has long-term purchase agreements with international suppliers and is co-owner of the Gate terminal in Rotterdam which will be ready to receive liquefied natural gas from overseas markets as from 2011. Therefore DONG Energy entered into an agreement with the Spanish energy company Iberdrola in 2010 on the supply of liquefied natural gas to the terminal. Finally, DONG Energy buys and sells gas at the European energy exchanges. The gas-fired power stations give us even more flexibility in relation to natural gas, and depending on the market price we can now decide to use

*the natural gas for producing electricity, we can decide to sell the natural gas or we can store it in our gas storage facilities.*

*The transition to more green energy also takes place at a rapid speed at the Danish power stations. Generation must be smaller, healthier and greener. Over just the last four years, DONG Energy's Danish power stations have reduced their consumption of coal by one third and at the same time the quantity of biomass has increased by 60 per cent. By 2015 we expect to reduce the consumption of coal by another third and to replace it with biomass so that even more Danes can look forward to receiving green electricity and heat. The number of coal-fired units has been reduced from ten to five since 2006 and is expected to be reduced by a further three units in the period up to 2014. The remainder quantity of coal that will still have to be used we will use in places where the combustion of coal is most efficient so that we get as much energy as possible out of as little CO<sub>2</sub> consumption as possible.*

*Generally, DONG Energy sees a large potential within biomass. In 2010 we established New Bio Solutions as a new field of activity within Generation which is to commercialise technologies for pretreatment of biomass. The most well-known of such technologies is probably the Inbicon technology that can convert surplus products as for example straw into second-generation bioethanol. However, there is also a great potential in REnescience which converts waste into bio energy and in Pyroneer which can generate biogas through gasification of biomass.*

*The phasing out of the production in a number of power station units and the reduction of engineering activities in Denmark are part of the efficiency improvement and cost reduction programme across the Group. Already in 2010 the programme reached its target of improving EBITDA by DKK 1.5 billion compared to 2008, which is one year ahead of time.*

*In 2010 DONG Energy also continued developing the smart grid which is to constitute the backbone of a green energy system, and this will also be a focus area over the coming years. Another focus area will be to make sure that DONG Energy lives up the customers' expectations in respect of us as supplier of electricity and gas.*

*In 2010 DONG Energy started co-operating with Totalkredit so that now we can offer our customers a one-stop-shop when it comes to better insulation, heat pumps and energy-efficient windows. In respect of our business customers, the growth in the number of climate partnerships continued and we are now partners with more than 60 enterprises, municipalities and organisations. DONG Energy also started co-operating with a Dutch energy company on the handling of the administrative tasks in connection with the supply of electricity and gas to approx. 230,000 private and business customers in the Dutch market.*

*It is very rare, however, that a business enterprise is favoured solely by good fortune throughout a year. For us it has thus also been a year with challenges. Together with our Norwegian partner we encountered a number of difficulties in connection with the start-up of the new power station in Mongstad, problems with the Siri platform and, worst of all, fatal occupational injuries involving our employees and our sub-contractors. All efforts must and will be made to secure the working environment for both our own employees and for the employees of our sub-suppliers and sub-contractors.*

*DONG Energy's strategy is ambitious. Growth takes place on the basis of products developed in Denmark. The establishment of new market positions contributes to developing our expertise and strengthens the robustness of the Group in that the Group diversifies its business risks into several energy markets.*

*Our objective is continuous growth, and in 2011 EBITDA is expected to be positively influenced by DKK 1.3 billion compared to 2010 resulting from the following new or expanded activities: start-up of production in the Trym field at the beginning of 2011; we will start up the offshore wind farm Walney in two stages in 2011; we have the full-year effect from Karcino that was put into operation in the spring of 2010; we have the full-year effect of the gas-fired power station Severn in Great Britain and start-up of a gas-fired power station in the Netherlands at the end of the year.*

*The net investments during the period 2011-2013 are expected to amount to approx. DKK 49 billion which is a smaller amount than announced in November 2010. This is mainly due to the fact that the financing of new projects to a larger extent will be raised through the sale of existing assets as part of the continuous strategic adjustment of the portfolio. The financing will also be brought about through participation in partnerships in the large construction projects as has been the case with Walney, Nysted Havmøllepark, London Array and Anholt. Also in 2011, DONG Energy will be an enterprise operating a healthy business by supplying reliable and ever cleaner energy and in this way contribute positively to the societies which we are part of. This we want to do in an open and transparent manner and in dialogue with the world surrounding us.*

*Finally, I would like to thank the Executive Board and the employees for their efforts. It is especially due to their efforts that we are now beginning to see the results of the development that DONG Energy has been undergoing and which now materialises in the form of higher earnings. I would also like to thank all the Company's shareholders and the Ministry of Finance as well as my colleagues on the Board of Directors for their inspiring interaction."*

The Board of Directors' report was then adopted.

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

Anders Eldrup, Chief Executive Officer, presented the annual report of DONG Energy A/S and the DONG Energy Group for the period 1 January 2010 and 31 December 2010. The slides used by Anders Eldrup at the annual general meeting are available from the Company's website ([www.dongenergy.com](http://www.dongenergy.com)).

The profit for the year after tax in DONG Energy A/S was DKK 1,803.863,999, and the profit for the year after tax in the DONG Energy Group was DKK 4,464 million.

The financial statements included an unqualified auditors' report without any supplementary information.

The annual general meeting unanimously adopted the 2010 annual report of the Company.

## **3. Decision on discharging the Board of Directors and the Executive Board**

The annual general meeting unanimously decided to discharge the Board of Directors and the Executive Board.

## **4. Decision on the application of profit according to the adopted annual report**

The chairman of the meeting stated that profit for the year after tax in *DONG Energy A/S* (the parent company) was DKK 1,803,863,999, whereas profit for the year after tax in the *DONG Energy Group* was DKK 4,464 million.

In compliance with the proposal by the Board of Directors, the shareholders in general meeting decided to distribute dividends totalling DKK 2,202,824,250, partly through distribution of profit for the year in the sum of DKK 1,803,863,999, partly through distribution of DKK 398,960,251 from previously retained earnings.

**5. Decision on authorising the Board of Directors – during the period until the next Annual General Meeting – to let the Company acquire its own shares up to a maximum aggregate nominal value totalling 10 % of the Company's share capital**

The Board of Directors proposed that the shareholders in general meeting authorise the Board of Directors – during the period until the next Annual General Meeting – to let the Company acquire its own shares up to a maximum aggregate nominal value totalling 10 % of the Company's share capital cf. section 198 of the Danish Companies Act. The purchase price of the shares in question is not to deviate by more than 10 % from the current market price of the Company's shares as at the time of acquisition. If, at the time of acquisition, the shares are listed on NASDAQ OMX Copenhagen A/S, the purchase price is not to deviate by more than 10 % from the price of the shares listed on NASDAQ OMX Copenhagen A/S at the time of acquisition of the shares.

The annual general meeting unanimously adopted the proposal by the Board of Directors authorising the Board of Directors – during the period until the next annual general meeting – to let the Company acquire its own shares up to a maximum aggregate nominal value totalling 10 % of the Company's share capital.

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

The chairman of the meeting stated that a proposal had been made by the Board of Directors for approval by the shareholders in general meeting of the draft remuneration policy enclosed as appendix 1 to the notice convening the meeting and for a consequential amendment to article 7.6 of the Articles of Association.

The shareholders in general meeting unanimously adopted the proposed remuneration policy and the amendments to article 7.6 of the Articles of Association.

**7. Appointment of Chairman and Deputy Chairman of the Board of Directors and appointment of other Board members**

The chairman of the meeting stated that the Chairman, the Deputy Chairman and other members of the Board of Directors appointed at the general meeting resign in compliance with article 10 of the Articles of Association.

The chairman of the meeting also stated that in 2008 a Nomination Committee had been set up (article 12 of the Articles of Association) and that the recommendations by the Nomination Committee on the appointment of members of the Board of Directors to be appointed at the general meeting had been sent to all shareholders on 29 March 2011 (clause 2.2 of the Rules of Procedure for the Nomination Committee adopted by the shareholders in general meeting).

The Nomination Committee recommended that 8 members of the Board of Directors be appointed by the shareholders in general meeting, that Fritz H. Schur, Chairman, Lars Nørby Johansen, Deputy Chairman, and the Board members Jens Kampmann, Poul Arne Nielsen, Lars Rebien Sørensen, Jakob Brogaard, Jørn P. Jensen and Mogens Vinther be re-appointed.

The recommendations by the Nomination Committee included information on the management positions held in enterprises outside the DONG Energy Group by the individuals nominated for the Board of Directors.

The general meeting adopted the recommendations by the Nomination Committee on the number of members for the Board of Directors to be appointed and on the appointment of members as well as the Chairman and Deputy Chairman of the Board of Directors.

#### **8. Determination of the remuneration payable to the Board of Directors for the financial year 2011**

The shareholders in general meeting unanimously decided that the remuneration for the Board of Directors for the financial year 2011 remains unchanged compared to the remuneration for 2010, 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

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

## **9. Appointment of auditor**

The annual general meeting unanimously adopted the resolution to re-appoint PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab as auditors of the Company.

## **10. Any other business**

No other business to be transacted. The general meeting was then closed.

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Fritz H. Schur  
Chairman of the Board of Directors

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Christian Th. Kjølbye  
Chairman of the meeting