

**Script for the speech of Dr. Pohlig
CFO
to the Annual General Meeting,
22 April 2010
explaining the share buy-back, amendments to the RWE S&T
control and profit transfer agreement and other legal matters**

Ladies and Gentlemen,

The German Stock Corporation Act (AktG) stipulates that the Executive Board should submit certain information to you at the Annual General Meeting – including information on the extent to which last year’s authorisation to conduct share buybacks has been taken up, and information on the proposal being put to you today for approval of an amendment to a control and profit transfer agreement. It is my pleasure to do so now.

On the basis of the authorisations resolved at the last Annual General Meeting, no share buybacks have occurred. The number of RWE shares not entitled to dividend payments as of today’s date is 28,846,473 units – which means the number has not changed since the last Annual General Meeting.

At this point, I would like to mention that the Executive Board has described and explained the relevant takeover data pursuant to section 289, paragraph 4 and section 315, paragraph 4 of the German Commercial Code (HGB), and also the key features of our Internal Control and Risk Management System pursuant to section 289, paragraph 5 and section 315, paragraph 2 (No. 5) of the German Commercial Code in the Management Report and in separate written reports. There is nothing special about the

information included in these reports. For full details, I refer you to the relevant passages of the Review of Operations, which you will find on pages 89 ff. and 102 ff. of the Annual Report, and to the separate written reports that have been uploaded on the RWE website and can also be accessed and viewed here today.

I would now like to address a number of proposed resolutions which the Executive Board and the Supervisory Board are submitting for your approval at today's Annual General Meeting.

Under Item 9 of the Agenda, a further resolution is proposed for authorisation to conduct share buybacks. This authorisation is in line with generally accepted standards and is essentially identical to the motions for authorisation presented to the last Annual General Meeting.

I would now like to go into the proposed amendments to the Articles of Incorporation. The proposed Agenda Item 10a) is about updating the Object of the Company as defined in our Articles of Incorporation. The current version of the Object of the Company as defined in the Articles of Incorporation reflects the Group's structure in the year 2000. Since then the Group has undergone a series of changes. Our business activities are now more firmly focused on our core business. This is why we are now proposing that the Object of the Company as per the Articles of Incorporation is more precisely focused and excludes activities that are no longer relevant to the Group. It is

also proposed that the Object of the Company is extended to reflect the expansion of renewables and provision of energy efficiency services.

The proposed amendment under Agenda Item 10 b) to the Articles of Incorporation addresses a change to the German Stock Corporation Act by the law designed to modernise the German limited liability law (GmbHG) and the Prevention of Abuse Act (MoMiG). In future any Supervisory Board member will be entitled to receive declarations of intent vis a vis the Supervisory Board, instead of only the Chairman of the Supervisory Board, as in the past.

The necessity for the proposed amendments to our Articles of Incorporation under Agenda Item 10 c) arises from new regulations contained in the German law on the Implementation of the Shareholders' Rights Directive (ARUG). Firstly, an amendment is proposed to the timeframe for calling the Annual General Meeting as per our Articles of Incorporation, in order to bring it into line with the wording of the ARUG.

Furthermore – and this relates to the second point of Agenda Item 10 c) – the ARUG gives companies the option of inviting shareholders to attend the Annual General Meeting via electronic communication channels (so-called online participation). Provision may also be made for shareholders to place their vote in writing or via an electronic channel without attending the Annual General Meeting in person (so-called postal voting). We would like to make the necessary provision in our Articles of

Incorporation for both online participation and postal voting. Practical implementation of both methods would not be possible until the Annual General Meeting in 2011 at the earliest. However, this also presupposes that a number of outstanding legal and technical issues associated with the introduction of online participation rights in particular can be resolved by that time.

Finally – and this brings me to the third point of Agenda Item 10 c) – the ARUG allows for simplification of the compulsory form for granting proxy rights compared to the statutory text form. While the currently proscribed text form already allows proxy to be granted via email, fax or internet dialogue, the option of permitting more simplified forms also means that any new technical communication channels that may emerge and currently fall outside the specified text form may be used as a means of granting proxy. It is conceivable, for instance, that in future proxy could be confirmed via SMS from a mobile phone or via text message from a Smartphone.

Let me remind you briefly at this point of one of the contingent resolutions passed at the last Annual General Meeting in relation to the ARUG. According to the draft ARUG bill – the ARUG had not come into force at the time of the last Annual General Meeting – the decision to broadcast the images and soundtrack of the Annual General Meeting as per the Articles of Incorporation, could only be made by the Executive Board but not by the Chairman of the AGM. On this basis, you approved our proposal for a relevant amendment to the Articles of Incorporation. It was called a contingent resolution, which

means that the Executive Board was instructed not to register the amendment to the Articles of Incorporation with the German Company Register until the ARUG came into force, and then only on condition that no substantive changes appeared in the final version of the law in respect of that provision. Unlike the draft bill, however, the law that subsequently came into force did include the option of empowering the AGM Chairman through the Articles of Incorporation to authorise broadcasting of the images and soundtrack of the AGM. In other words, the contingent resolution became null and void. The amendment to the Articles of Incorporation was not registered with the German Company Register. The decision-making authority of the AGM chairman therefore remains unchanged.

In closing, I would now like to address Item 11 of the Agenda. RWE Supply & Trading GmbH, as the dependent company, and RWE Aktiengesellschaft, as the controlling company, signed a control and profit transfer agreement on 27 June 2000. This facilitates consistent governance of RWE Supply & Trading GmbH, by enabling RWE Aktiengesellschaft to issue instructions about the governance of the company. It includes the obligation to transfer profit to RWE Aktiengesellschaft, which in return is obliged to offset any loss posted by RWE Supply & Trading GmbH. In addition, the agreement specifies an income tax profit and loss mechanism that ensures the best possible tax outcomes.

RWE Aktiengesellschaft and RWE Supply & Trading GmbH reached an agreement on 25 January of this year to retain this control and profit transfer agreement in an amended form. The amendment to the agreement will become effective with the approval of the Annual General Meeting of RWE Supply & Trading GmbH, which is already forthcoming, and with the approval of the Annual General Meeting of RWE AG, once it has been registered with the German Company Register [under RWE Supply & Trading GmbH].

The following points of the existing control and profit transfer agreement have been amended.

Firstly the profit transfer provision has been adjusted in line with the reworded section 301, paragraph 1 of the German Stock Corporation Act, following the introduction of recent legislation designed to modernise German accountancy law.

In addition, the option pursuant to section 272, paragraph 2 (No. 4) of the German Commercial Code, of being able to release capital reserves derived from additional payments during the term of the agreement and transfer them as profit, has been removed. This amendment takes account of a recent ruling by the German Federal Fiscal Court.

Furthermore, the wording of the existing loss transfer procedure has been edited. The reference to relevant application of the provisions of section 302 of the German Stock

Corporation Act primarily ensures that any future law changes can be immediately addressed. This editorial adjustment also ensures ongoing compliance with the requirements of the Corporation Tax Law for recognition of tax-related profit and loss transfer arrangements.

To ensure such recognition of tax-related profit and loss transfer arrangements is not jeopardised – and as a purely precautionary measure – the minimum term of the amended agreement has been extended until 2015, or at least for the duration of five fiscal years, in order to meet the requirements of the German Corporation Tax Law. Moreover, the options for termination for due cause have been extended and some potential dates for any such termination have now been specified. This allows for a more flexible choice of date for termination of the agreement in each case.

Finally, some minor changes have been made to the wording and designation of the respective parties to the agreement, following the recent merger and restructuring exercise, in order to bring them up to date with the current situation.

For any further details, I refer you to the detailed Executive Board Report, which – like the original and amended version of the control and profit transfer agreement – have been uploaded on the RWE website and are also available for you to view here today.

Ladies and Gentlemen, on behalf of the Executive Board, I would therefore ask that you approve the resolutions proposed by the Executive Board and the Supervisory Board relating to the agenda items in front of you.

And with that, I now hand you back to Dr. Schneider.