

# **RWE** STRAIGHT TALKING.

The energy to lead

Invitation to the Annual General Meeting  
of RWE Aktiengesellschaft  
on Wednesday, April 20, 2011



# RWE AKTIENGESELLSCHAFT ESSEN

International Securities Identification Numbers (ISIN):

DE 0007037129

DE 0007037145

## INVITATION TO THE ANNUAL GENERAL MEETING

Dear Shareholders,

We hereby invite you to attend our Ordinary Annual General Meeting, which shall convene at 10:00 a.m. on Wednesday, 20 April 2011, in the Grugahalle on Norbertstraße 2, 45131 Essen, Germany.

## AGENDA

1. **Presentation of the approved Financial Statements of RWE Aktiengesellschaft and the Group for the financial year ended December 31, 2010, with the combined Review of Operations of RWE Aktiengesellschaft and the Group including the explanatory reports by the Executive Board on takeover-related issues and on the main characteristics of the internal control and risk management system, the proposal of the Executive Board for the appropriation of distributable profit, and the Supervisory Board Report for fiscal 2010.**

The Supervisory Board approved the financial statements of RWE Aktiengesellschaft and the Group. The financial statements of RWE Aktiengesellschaft are thus adopted in accordance with Section 172, Sentence 1 of the German Stock Corporation Act. There is thus no need for a resolution to be passed by the Annual General Meeting.

2. **Appropriation of distributable profit**

The Executive Board and the Supervisory Board propose that RWE Aktiengesellschaft's distributable profit for fiscal 2010 be appropriated as follows:

Payment of a dividend of EUR 3.50	
per dividend-bearing share	= EUR 1,867,454,844.50
Profit carryforward	= EUR 38,966.69
Distributable profit	= EUR 1,867,493,811.19

This dividend proposal takes into account the non-dividend-bearing shares held by the company as of December 31, 2010. The number of dividend-bearing shares may decline before the Annual General Meeting if further shares are purchased. Accordingly, the number of dividend-bearing shares may rise if treasury stock is

sold before the Annual General Meeting. In either of these cases, based on an unchanged dividend per dividend-bearing share, an adjusted proposal for the appropriation of the distributable profit will be made to the Annual General Meeting, according to which the total amount payable to the shareholders will be reduced by the partial amount that would be payable for the additional shares bought back between January 1, 2011 and the date of the proposal for the appropriation of distributable profit and will be increased by the partial amount that would be payable for treasury stock sold between January 1, 2011, and the date of the proposal for the appropriation of distributable profit. The profit carryforward will rise or fall by these partial amounts.

**3. Approval of the Acts of the Executive Board for fiscal 2010**

The Executive Board and the Supervisory Board propose that the Executive Board be granted approval for its acts in fiscal 2010.

**4. Approval of the Acts of the Supervisory Board for fiscal 2010**

The Executive Board and the Supervisory Board propose that the Supervisory Board be granted approval for its acts in fiscal 2010.

**5. Appointment of the auditors for fiscal 2011**

Supported by the recommendation of the Audit Committee, the Supervisory Board proposes that

PricewaterhouseCoopers Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft,  
Frankfurt am Main,  
Zweigniederlassung Essen,

be appointed auditors for fiscal 2011.

**6. Appointment of the auditors for the audit-like review of the financial report for the first half of 2011**

Supported by the recommendation of the Audit Committee, the Supervisory Board proposes that

PricewaterhouseCoopers Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft,  
Frankfurt am Main,  
Zweigniederlassung Essen,

be appointed auditors for the condensed Financial Statements and the interim Review of Operations which are part of the Financial Report for the first half of 2011.

**7. New Supervisory Board elections**

The tenure of all the members of the Supervisory Board who were elected by the Annual General Meeting ends on conclusion of the Annual General Meeting on April 20, 2011. Therefore, new elections are necessary.

In accordance with Section 96, Paragraph 1 and Section 101, Paragraph 1 of the German Stock Corporation Act; Section 7, Paragraph 1, Sentence 1, Item 3 of the German Co-Determination Act and Section 8, Paragraph 1 of the Articles of Incorporation, the Supervisory Board consists of ten members to be elected by the Annual

General Meeting and ten members to be elected by the employees. The Annual General Meeting is not bound by election proposals.

The Supervisory Board proposes that the following individuals be elected to the Supervisory Board as shareholder representatives on an individual basis:

- a) Dr. Paul Achleitner, Munich,  
Member of the Board of Management of Allianz SE.

Dr. Paul Achleitner is a member of the following legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

- › Allianz Global Investors AG
- › Allianz Investment Management SE (Chairman)
- › Bayer AG
- › Daimler AG

- b) Carl-Ludwig von Boehm-Bezing, Bad Soden,  
former Member of the Board of Management of Deutsche Bank AG.

Mr. Carl-Ludwig von Boehm-Bezing is not a member of other legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises.

- c) Roger Graef, Bollendorf,  
Member of the Board of Directors of Verband der kommunalen RWE-Aktionäre GmbH [RWE Municipal Shareholder Association],

former Chief Administrative Officer, Bitburg-Prüm District of the Eifel.

Mr. Roger Graef is a member of the following legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

- › RWE Deutschland AG

- d) Frithjof Kühn, St. Augustin,  
Chief Administrative Officer, Rhine-Sieg Rural District.

Mr. Frithjof Kühn is a member of the following legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

- › RW Holding AG (Chairman)
- › Kreissparkasse Köln

- e) Dagmar Mühlenfeld, Mülheim an der Ruhr,  
Mayor of the City of Mülheim an der Ruhr.

Ms. Dagmar Mühlenfeld is a member of the following legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

- › Beteiligungsholding Mülheim an der Ruhr GmbH
- › Flughafen Essen/Mülheim GmbH (Chairwoman)
- › medl GmbH (Chairwoman)
- › Mülheim & Business GmbH (Chairwoman)
- › Ruhrbania Projektentwicklungsgesellschaft mbH (Chairwoman)

- f) Dr. Manfred Schneider, Cologne,  
former Chairman of the Board of Management of  
Bayer AG.

Dr. Manfred Schneider is a member of the following  
legally mandated supervisory boards or comparable  
domestic or foreign supervisory bodies of commercial  
enterprises:

- › Bayer AG (Chairman)
- › Daimler AG
- › Linde AG (Chairman)

- g) Dr.-Ing. Ekkehard D. Schulz, Krefeld,  
former Chairman of the Board of Management of  
ThyssenKrupp AG.

Dr.-Ing. Ekkehard D. Schulz is a member of the  
following legally mandated supervisory boards or  
comparable domestic or foreign supervisory bodies  
of commercial enterprises:

- › Axa Konzern AG
- › Bayer AG
- › MAN SE
- › ThyssenKrupp AG

- h) Dr. Wolfgang Schüssel, Vienna, Austria,  
Federal Chancellor of the Republic of Austria (ret.).

Dr. Wolfgang Schüssel is a member of the following  
legally mandated supervisory boards or comparable  
domestic or foreign supervisory bodies of commercial  
enterprises:

- › Bertelsmann Foundation

- i) Ullrich Sierau, Dortmund,  
Mayor of the City of Dortmund.

Mr. Ullrich Sierau is a member of the following legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

- › Dortmunder Stadtwerke AG
- › Emschergenossenschaft
- › Klinikum Dortmund gGmbH
- › Medicos Holding GmbH & Co. KG
- › Schüchtermann-Schiller'sche Kliniken  
Bad Rothenfelde GmbH & Co. KG
- › Sparkasse Dortmund

- j) Dr. Dieter Zetsche, Stuttgart,  
Chairman of the Board of Management of Daimler AG.

Dr. Dieter Zetsche is not a member of other legally mandated supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises.

The elections shall take effect from the end of the Annual General Meeting until the end of the Annual General Meeting at which a resolution is passed on the approval of the Acts of the members of the Supervisory Board for the fourth fiscal year after the beginning of the term; the fiscal year in which the term begins shall not be counted.

It is intended that, if he is elected to the Supervisory Board, Dr. Manfred Schneider be elected Chairman of the Supervisory Board by the members of the Supervisory Board following the Annual General Meeting.

**8. Authorisation to implement share buybacks and use treasury stock, also waiving subscription rights**

The authorisation issued at the 2010 Annual General Meeting to conduct share buybacks expires on October 21, 2011. Therefore, it shall be renewed. The draft resolution contains provisions for the acquisition and subsequent use of treasury stock.

- a) The Executive Board and the Supervisory Board propose that:
  - aa) The company is authorised to buy back up to 10% of its capital stock as of the passage of the resolution by the Annual General Meeting or – if this figure is lower – at the exercise of the authorisation – in shares of any kind until October 19, 2012. The buyback may be limited to a single class of shares. At the Executive Board’s discretion, the acquisition shall be made (1) on the stock exchange or (2) via a public purchase offer.
    - (1) If the acquisition is made on the stock exchange, the price per share paid by the company (excluding ancillary purchase costs) may not deviate by more than 10% from the arithmetic mean of the closing bidding price of the type of share in question on the Xetra trading system (or on a system replacing the Xetra system with comparable functionality) on the Frankfurt Stock Exchange on the last three stock market trading days prior to the purchase.
    - (2) If the acquisition is arranged as a public purchase offer, the price per share offered

and paid by the company (excluding ancillary purchase costs) may not deviate by more than 10% from the arithmetic mean of the closing bidding price of the type of share in question on the Xetra trading system (or on a system replacing the Xetra system with comparable functionality) on the Frankfurt Stock Exchange on the last three stock market trading days prior to the publication of the offer. If the purchase offer is oversubscribed, the purchase may be made based on the ratios of the interests held by the shareholders tendering the shares with respect to each other (share ratios) or based on the ratio of shares tendered (tender ratios). Furthermore, commercial rounding may be carried out to avoid allocation of fractions of shares.

- bb) The Executive Board is authorised to call treasury shares without further approval from the Annual General Meeting. The call can be made without reducing capital by increasing the pro-rated amount of the remaining shares in the company's capital stock. In such a case, the Executive Board shall be authorised to adjust the number of shares in the Articles of Incorporation.
- cc) Furthermore, the Executive Board is authorised to transfer treasury common shares to third parties in connection with mergers or acquisitions of companies, parts of companies or of stakes in companies. Shareholder subscription rights are waived.

- dd) Furthermore, the Executive Board is authorised to sell treasury common shares without selling them on the stock market or offering them to all shareholders, as long as they are sold for cash and at a price that is not significantly lower than the price at which common shares with the same entitlements are listed on the stock market at the time of sale. Shareholder subscription rights are waived. This authorisation is limited to the sale of shares which together account for no more than 10% of the company's capital stock as of the passage of the resolution by the Annual General Meeting or – if this figure is lower – at the exercise of the authorisation. The upper limit of 10% of the company's capital stock shall be reduced by the prorated amount of the capital stock allocable to shares (1) issued during the term of this authorisation within the scope of a capital increase waiving subscription rights in accordance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act or (2) must be issued to redeem option or convertible bonds with option or conversion privileges or to fulfil an option or conversion obligation, as long as the option or convertible bonds have been issued during the term of this authorisation waiving subscription rights in corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act.
- ee) Furthermore, the Executive Board is authorised to provide treasury common shares to holders of option or convertible bonds of the company or of a Group company in the sense of Section 18 of the German Stock Corporation Act, which

were issued on the basis of authorisations issued by the company's Annual General Meeting on April 22, 2009, under Items 9 and 10 of the Agenda, in accordance with the option and bond conditions. Shareholder subscription rights are waived. The share of the capital stock attributable to the common shares transferred on the basis of this authorisation may be no more than 10% as of the passage of the resolution by the Annual General Meeting or – if this figure is lower – at the exercise of the authorisation, as long as the common shares are used to exercise option or conversion privileges or to fulfil option or conversion obligations granted or imposed in corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. Shares issued or sold in direct or corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act during the term of this authorisation shall be included in this limitation.

- ff) Furthermore, in the event of a sale of treasury stock through an offer to all shareholders, or in the event of a capital increase recognising shareholder subscription rights, the Executive Board is authorised to issue to the holders of option or convertible bonds of the company or of a Group company in the sense of Section 18 of the German Stock Corporation Act issued on the basis of the authorisations by the company's Annual General Meeting on April 22, 2009, as per Items 9 and 10 of the Agenda treasury common shares in the company commensurate to the common shares in the company which the holders of the

option or convertible bonds would be entitled to subscribe after exercising the option or conversion privilege or fulfilling the option or conversion obligation. Shareholder subscription rights are waived. Common shares transferred on the basis of this authorisation may not account for more than a prorated 10% of the capital stock as of the passage of the resolution by the Annual General Meeting or – if this figure is lower – at the exercise of the authorisation. Shares issued or sold in direct or corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act during the term of this authorisation shall be included in this limitation.

- gg) The Executive Board shall further be authorised to use treasury stock to fulfil the company's obligations resulting from future employee share schemes by offering for sale or transferring the treasury stock to employees qualified to subscribe shares within the scope of the employee share schemes. Shareholder subscription rights are waived.
  - hh) All of the aforementioned authorisations for the purchase and use of treasury stock may be exercised by the company or its Group companies in the sense of Section 18 of the German Stock Corporation Act in full or in part, once or several times, acting singly or jointly, or by third parties on its or their account.
- ii) The limited authorisation to conduct share buy-backs issued by the Annual General Meeting on

April 22, 2010, which expires effective October 21, 2011, shall be revoked once the new authorisation has been issued.

- b) It shall also be possible to conduct share buybacks using derivative financial instruments.

The Executive Board and the Supervisory Board thus propose that:

- aa) Share buybacks implemented pursuant to the authorisation granted as per Item 8 a), Sub-items aa) and hh) may also be carried out by exercising put and call options. In such events, the option-based transactions must be carried out with a financial institution or with companies whose activities comply with Section 53, Paragraph 1, Sentence 1, or Section 53 b, Paragraph 1, Sentence 1, or Section 7 of the German Banking and Financial Dealings Act (referred to as "financial institutions" hereinafter) as long as, on exercise of the option, said financial institution delivers shares which were purchased in line with the principle of equal treatment. Share buybacks using put and call options are limited to shares accounting for a maximum of 5% of the company's capital stock when the resolution is adopted by the Annual General Meeting or – if this figure is lower – at the exercise of the authorisation. The term of the options must be selected such that the purchase of shares via the exercise of the options is conducted no later than October 19, 2012. The option premium paid or received by the company for exercising the call or put options may not deviate by more than 5% from

the theoretical market value of the options in question, determined using generally accepted investment mathematics methods. The purchase price per share due on exercise of the options may not deviate by more than 10% from the arithmetic mean of the closing bidding price of the type of share in question on the Xetra trading system (or on a system replacing the Xetra system with comparable functionality) on the Frankfurt Stock Exchange on the last three trading days prior to the conclusion of the option transaction (excluding ancillary purchasing costs, but including the option premium received or paid).

- bb) The use of treasury stock purchased on the basis of this authorisation is subject to the provisions in Item 8 a), Sub-Items bb) through hh) of this Agenda.

**9. Amendment to Article 18 (Appropriation of Profits) of the Articles of Incorporation**

Section 58, Paragraph 5 of the German Stock Corporation Act allows annual general meetings to resolve to pay a dividend in kind if such payment is envisaged by the articles of incorporation. The prerequisites for making use of this legal room for manoeuvre in the event that such use prove reasonable in the future are to be introduced to the Articles of Incorporation.

The Executive Board and the Supervisory Board thus propose that:

The wording of current Article 18 of the Articles of Incorporation become Paragraph 1. This shall be followed by the following Paragraph 2:

“2. The Annual General Meeting may resolve to pay a dividend in kind instead of, or in addition to, a cash dividend.”

## REPORT OF THE EXECUTIVE BOARD TO THE ANNUAL GENERAL MEETING ON ITEM 8

We propose to the Annual General Meeting that the company continue to be authorised to buy back shares of all types. The authorisation issued by the 2010 Annual General Meeting, which expires effective October 21, 2011, shall be revoked once the new authorisation has entered into force.

Besides making acquisitions on the stock exchange, the company should also be enabled to conduct share buybacks via a public purchase offer submitted to all of the holders of shares of the class in question. This will afford the company greater flexibility. The principle of equal treatment set forth in German stock corporation law must be taken into account. If a public purchase offer is oversubscribed, the allocation may be made based on the ratios of the interests held by the shareholders tendering the shares with respect to each other (share ratios) or based on the ratio of shares tendered (tender ratios). Commercial rounding shall be used to avoid arithmetic fractions of shares. Therefore, it is permissible to round the number of shares to be purchased from tendering shareholders in order to ensure the purchase of whole shares.

Section 71, Paragraph 1, Item 8, Sentence 4 of the German Stock Corporation Act allows the Executive Board to sell shares bought back on the basis of the preceding authorisations on the stock exchange. It is also proposed that the Annual General Meeting authorise the Executive Board to sell shares acquired on the basis of this or previously granted authorisations, or in another manner such as universal succession on the stock market, or in another manner.

It is also proposed that the Annual General Meeting authorise the Executive Board to call treasury shares without further approval from the Annual General Meeting. The proposed authorisation envisions the Executive Board also calling

shares without decreasing the company's capital, in accordance with Section 237, Paragraph 3, Item 3 of the German Stock Corporation Act. In cases where shares are called without decreasing the company's capital, the prorated amount of the other shares in the company's capital stock increases. In such cases, the Executive Board shall be authorised to amend the Articles of Incorporation to reflect the change in the number of shares.

Furthermore, the company seeks to be allowed to offer common shares in the company, waiving subscription rights, as compensation in the event of a merger or the acquisition of a company, parts of a company or of a stake in a company. Treasury stock is an important acquisition currency. It can represent an attractive financing option for the company. Sellers often ask for treasury stock as compensation. If given the corresponding authorisation, the company will be able to rapidly and flexibly complete acquisitions paid for in shares either in full or in part. Most importantly, it will be able to do so without seeking approval from the Annual General Meeting, which is often impossible due to time constraints. Moreover, the usage of treasury stock as acquisition currency benefits existing shareholders in that their voting rights are not diluted compared to the situation before the company bought back its own shares. At present, there are no plans to make acquisitions in exchange for treasury stock.

The company is also to be put in a position in compliance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act to sell treasury common shares, waiving shareholder subscription rights, without selling them on the stock exchange or by making an offer to shareholders in exchange for cash. The primary object is to enable the company to issue shares in the company at short notice.

The proposed authorisation thus helps secure that the company has a sufficient amount of equity over the long term. The prerequisite is that the exercise price not be significantly lower than the price of the common shares in the company with the same entitlements on the stock market at the time of sale. This shall be deemed the case if the sales price is no more than 5 % lower than the arithmetic mean of the closing bidding price of the type of common share in the company in question already quoted on the Xetra trading system on the last five stock market trading days prior to the binding agreement reached with the buyer. In the event of a discount over the price of the shares on the stock market at the time of the sale based on prevailing market conditions, the Executive Board will make sure that the discount is as small as possible. The sum accounted for by the common shares which are up for sale is limited to 10 % of the company's capital stock. Shares otherwise issued waiving subscription rights during the term of this authorisation in direct or corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act will be deducted from this upper limit. Due to the limit imposed on the number of common shares and the obligation to ensure that the sales price of the new common shares mirrors that of the price of common shares on the stock market as closely as possible, the shareholders are afforded suitable protection from a dilution of their shares. At the same time, this ensures that the compensation sought by the company is reasonable.

In addition, the company is to be put in a position to use treasury stock waiving subscription rights, in order to fulfil the company's obligations arising from future employee share schemes to employees with subscription rights resulting therefrom by granting them treasury shares. Employee share schemes are a proven system when it comes to retaining

employees in all income categories and promoting their integration into the company. Furthermore, employee shares serve to have employees partake of the company's success. This is the purpose served by the waiver of subscription rights. It can be sensible to fully or partly fulfil the rights conferred by the employee share scheme to subscribe common shares with treasury common shares.

The Annual General Meeting of April 22, 2009 has resolved as per Items 9 and 10 of the Agenda to authorise the Executive Board, subject to Supervisory Board approval, to issue option or convertible bonds. It may be expedient to enable the exercise of resulting rights to subscribe common shares not through a capital increase, but through common shares in the company either in full or in part. Therefore, a corresponding use of common shares in the company waiving subscription rights is envisaged. The Executive Board will carefully weigh the interests of the company against those of the shareholders before deciding whether to provide common shares in the company or to use conditional capital.

If common shares in the company are sold through an offer to all shareholders, it shall be possible to grant holders of option or convertible bonds issued by the Annual General Meeting of April 22, 2009 on the basis of Item 9 or 10 of the Agenda the right to subscribe shares in the company commensurate to the subscription rights they would have obtained after exercising the option or conversion privileges or fulfilling the option or conversion obligation. The advantage of waiving shareholder subscription rights in this context is that the option or conversion price for option or convertible bonds already issued does not have to be reduced in order to provide protection from dilution. As a result, when option or conversion privileges are exercised or when option or conversion obligations are fulfilled in such a case,

the company obtains more funds. Common shares transferred on the basis of this authorisation may not account for more than a prorated 10% of the capital stock. Shares issued or sold in direct or corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act during the term of this authorisation shall be included in this limitation. The Executive Board will use its best judgment to decide whether to exercise the proposed authorisation and use shares bought back.

The Executive Board will report on the exercise of the authorisation at the Annual General Meeting following such exercise.

Pursuant to Item 8 b) of the Agenda, the authorisation further envisages that derivatives may be used in put or call options, or a combination of the two, when carrying out share buybacks. Item 8 b) of the Agenda thus extends Item 8 a) of the Agenda simply by the possibility of conducting share buybacks by exercising put or call options or a combination of the two, and does not constitute an additional or independent authorisation to implement share buybacks. This means that all of the conditions governing share buybacks under Item 8 a) of the Agenda remain in effect, i.e. the timing provisions. The size of the share buybacks carried out in this manner is further limited to 5% of the company's capital stock within the scope of a general authorisation under Item 8 b). This alternative affords the company the possibility to optimally structure share buybacks.

When selling a put option, the company grants the buyer of the put option the right to sell to the company shares in the company at a price determined by the put option (exercise price). In the event that the put option is exercised, as seller, the company is obligated to purchase the number of shares set forth by the put option at the exercise price. In compen-

sation, the company receives an option premium when the put option is sold.

The advantage of using put options from the company's perspective is that the exercise price can be determined on the day on which the option is concluded. However, the cash and cash equivalents are not paid until the exercise date. If the option is not exercised, because the share price exceeds the exercise price on the exercise date, the company may not purchase any of its own shares using this procedure. However, it keeps the option premium it received on the day the option was concluded.

When purchasing a call option, the company is granted the right – in exchange for paying an option premium – to sell a number of shares at a pre-determined price (exercise price) from the seller of the option. It makes economic sense for the company to exercise a call option when the company's share price exceeds the exercise price at the exercise date, since it can then purchase the shares from the seller at the lower exercise price. By purchasing call options, the company can hedge rising share prices and is only obligated to purchase the number of shares it actually needs at a later point in time.

The aforementioned option transactions are to be carried out with a financial institution. This enables the head office to conclude option transactions at short notice – unlike when making offers for the purchase of the option to all shareholders. Due to the determination of the option premium as described above and the more limited allowable exercise price set forth in the resolution, shareholders are not put at an economic disadvantage when the company carries out share buybacks by exercising put or call options. Since the company pays a fair market price, shareholders who do

not participate in the option transaction do not lose any value. The shareholders are thus in the position they would be if the share buyback were conducted on the stock exchange, in which case not all shareholders would actually be able to sell shares to the company. Furthermore, when exercising call options, one must comply with the provisions set forth by the resolution, which mandate that on exercise of the option, only shares previously purchased in line with the principle of equal treatment may be delivered.

The conditions set out in Item 8 a) bb) to hh) of the Agenda and the relevant commentary of the Executive Board in this report apply analogously to the use of shares bought back by exercising put or call options.

## NUMBER OF SHARES AND VOTING RIGHTS

At the point in time of the convocation, the company's capital stock was divided among 562,405,000 shares. Of these, 523,405,000 are common shares granting 523,405,000 voting rights, and 39,000,000 are preferred shares without voting rights.

## ATTENDANCE AT THE ANNUAL GENERAL MEETING AND EXERCISE OF VOTING RIGHTS

Entitled to attend the Annual General Meeting or exercise voting rights are shareholders who send their registration to attend the Annual General Meeting to the following address no later than April 13, 2011, 24:00 hours CEST,

RWE Aktiengesellschaft  
c/o Commerzbank AG  
WASHV dwpbank AG  
Wildunger Straße 14  
60487 Frankfurt am Main  
Germany  
(fax: + 49 69 5099-1110)

or via e-mail to:  
hv-eintrittskarten@dwpbank.de

and furnish special proof of their share ownership in the company through a custodian credit institution or custodian financial service institution, reflecting that they were shareholders of the company at the beginning of the day on March 30, 2011, i.e. at 0:00 hours CEST ("deadline for furnishing proof"). Analogously to the registration, proof of share ownership in the company must be received at the address listed above no later than April 13, 2011, 24:00 hours CEST. The registration and proof of share ownership must be in writing in German or English.

From the company's perspective, only individuals who have furnished special proof of share ownership shall be considered shareholders with respect to attendance at the Annual General Meeting and the exercise of voting rights. Attendance entitlement and the scope of voting rights shall be solely based on the share ownership proven by the deadline for furnishing proof. The deadline for furnishing proof is not equivalent to a ban on the sale of share ownership. Even in

the event of a full or partial sale of share ownership after the deadline for furnishing proof, attendance entitlement and the scope of voting rights shall only be based on the shareholder's share ownership at the deadline for furnishing proof; i.e. sales of shares after the deadline for furnishing proof shall not affect attendance entitlement or the scope of voting rights. The same applies to purchases of shares and increases in share ownership after the deadline for furnishing proof. Individuals who do not own shares at the deadline for furnishing proof and only become shareholders thereafter shall not be entitled to attend or exercise voting rights if they have not obtained proxy rights or an authorisation to exercise legal rights.

Shareholders who request an admission ticket for the Annual General Meeting from a custodian credit institution on time do not need to do anything else. In such cases, registration and proof of share ownership are handled by the custodian credit institution.

## PROXY VOTING

### Authorising a third person

Shareholders may have their voting and other rights exercised by a proxy such as a bank, a shareholder association or another third party by issuing a corresponding authorisation.

The issuance, revocation and proof of authorisations vis-à-vis the company must be in text form if neither a bank, nor a shareholder association, nor an equivalent institute, company or individual as defined by Section 135, Paragraphs 8 and 10 of the German Stock Corporation Act has been authorised to exercise voting rights.

Shareholders who wish to authorise a proxy are requested to issue the authorisation using the form provided for this by the company. It is on the back of the admission ticket ("proxy to a third person" marked with an **A**) which shareholders who request an admission ticket in good time receive from their depository institution. In this case, the completed proxy form must be presented by the authorised person together with the corresponding admission ticket on the day of the Annual General Meeting.

In addition, third persons may also be authorised electronically via the internet. Authorisations may be issued via the internet both before and during the Annual General Meeting. This also requires an admission ticket. Shareholders can gain access via the company's website at [www.rwe.com](http://www.rwe.com). By clicking the link "Annual General Meeting 2011," shareholders are directed to the web-based proxy system and other relevant points. To be considered, electronic authorisations must be transmitted in good time prior to the beginning of voting on the day of the Annual General Meeting. The same applies to revocations of authorisations.

If proxy authorisations are granted to banks or institutions or companies of equal standing (Section 135, Paragraph 10 and Section 125, Paragraph 5 of the German Stock Corporation Act) or to shareholder associations or individuals as defined by Section 135, Paragraph 8 of the German Stock Corporation Act, the declaration of authorisation must be verifiably documented by the proxy. Furthermore, it must be complete and may only include explanations related to the exercise of voting rights. Therefore, we ask shareholders intending to give proxy authorisations to a bank, a shareholder association or one of the institutions, companies or individuals of equal standing pursuant to Section 135 of the German Stock Corporation Act to clarify the form of the authorisation with the intended proxy.

#### **Authorising a proxy appointed by the company**

Moreover, we are affording holders of common shares the opportunity to be represented by a proxy appointed by the company once again this year. Such proxies must be given authorisation and instructions regarding the exercise of voting rights to this end. These proxies are obliged to cast votes in accordance with the instructions they are given. Preferred shares do not bear voting rights at the Annual General Meeting.

Authorisations and voting right instructions may be given to a proxy appointed by the company using the form designed for this purpose ("Authorisation given to proxies appointed by RWE AG" marked with a **B**) located at the back of the admission ticket. In such cases, the admission ticket and the completed authorisation form B must be sent to the following address no later than the end of the day on April 18, 2011 (the date and time of receipt being decisive):

RWE Aktiengesellschaft  
Kennwort: Stimmrechtsvertretung  
(keyword: proxy voting)  
45103 Essen  
Germany

In addition, proxies appointed by the company may also be authorised electronically via the internet. Authorisations and instructions may be given via the internet both before and during the Annual General Meeting. Usage of the web-based authorisation and instruction system requires an admission ticket. Shareholders can gain access via the company's website at [www.rwe.com](http://www.rwe.com). By clicking the link "Annual General Meeting 2011," shareholders are directed to the web-based authorisation and instruction system as well as other relevant points. To be considered, electronic authorisations and instructions must be transmitted in good time prior to the beginning of voting on the day of the Annual General Meeting. The same applies to revocations of authorisations and instructions.

Shareholders attending the Annual General Meeting in person may also arrange to be represented by a proxy appointed by the company during votes by giving them authorisation and instructions at the counters marked "proxy voting" in the foyer or at the exit. Shareholders may avail themselves of this option regardless of whether they intend to remain at the Annual General Meeting or leave thereafter.

Punctual registration and proof of share ownership in accordance with the preceding provisions are also required in order to give authorisations.

STATEMENT OF SHAREHOLDER RIGHTS PURSUANT  
TO SECTION 122, PARAGRAPH 2; SECTION 126,  
PARAGRAPH 1; SECTION 127 AND SECTION 131,  
PARAGRAPH 1 OF THE GERMAN STOCK CORPORATION ACT

**Requests for supplements (Section 122, Paragraph 2 of the  
German Stock Corporation Act)**

Shareholders with a total share ownership accounting for one twentieth of the company's capital stock or 500,000 euros may request the inclusion and announcement of items on the Agenda. Every item added must be accompanied with grounds or a draft resolution.

Requests for supplements must be received by the company at least 30 days before the Annual General Meeting, not including the date of receipt or the day of the Annual General Meeting. The last admissible date of receipt is thus Sunday, March 20, 2011, 24:00 hours CET. Requests for supplements received after this deadline shall not be considered.

Requests for supplements shall only be considered if applicants prove that they have owned the number of shares needed to meet the minimum share ownership requirement at least three months before the day of the Annual General Meeting.

Requests for supplements must be communicated to the following address:

RWE Aktiengesellschaft  
Recht/Organangelegenheiten Konzern  
(Group Legal/Board Affairs)  
Opernplatz 1  
45128 Essen  
Germany

## Shareholder motions (Section 126, Paragraph 1 of the German Stock Corporation Act)

Every shareholder has the right to file a reasoned counter-motion against proposals made by the Executive Board and/or the Supervisory Board on any item on the Agenda. Counter-motions received by the company at the address indicated below at least 14 days before the Annual General Meeting, not including the date of receipt or the day of the Annual General Meeting, namely no later than Tuesday, April 5, 2011, 24:00 hours CEST, shall be made accessible via the [www.rwe.com](http://www.rwe.com) website ("Annual General Meeting 2011") along with the shareholder's name, the grounds, and possibly a statement by management (cf. Section 126, Paragraph 1, Sentence 3 of the German Stock Corporation Act).

Section 126, Paragraph 2 of the German Stock Corporation Act states reasons why certain counter-motions and the grounds therefor need not be made accessible via the internet. These reasons are described on the company's website at [www.rwe.com](http://www.rwe.com) ("Annual General Meeting 2011").

Counter-motions (along with their grounds) must be sent to the following address:

RWE Aktiengesellschaft  
Recht/Organangelegenheiten Konzern  
(Group Legal/Board Affairs)  
Opernplatz 1  
45128 Essen  
Germany  
(fax: +49 201 12-16 640)

or via e-mail to:  
[HV2011.Antraege@rwe.com](mailto:HV2011.Antraege@rwe.com)

Counter motions sent to other addresses shall not be considered.

The right of every shareholder to file counter motions against any of the items on the Agenda during the Annual General Meeting without having sent them to the company in advance or before the deadline shall remain unaffected by this.

#### **Nomination of candidates by shareholders (Section 127 of the German Stock Corporation Act)**

Every shareholder has the right to nominate candidates for the election of Supervisory Board members or of the independent auditor during the Annual General Meeting.

Candidate nominations by shareholders received by the company at the address indicated below at least 14 days before the Annual General Meeting, not including the date of receipt or the day of the Annual General Meeting, namely no later than Tuesday, April 5, 2011, 24:00 hours CEST, shall be made accessible via the [www.rwe.com](http://www.rwe.com) website ("Annual General Meeting 2011"). Candidate nominations shall only be made accessible if they include the name, current profession and domicile of the nominated candidate and, as regards candidates nominated for election to the Supervisory Board, information on their membership in other legally mandated supervisory boards (cf. Section 127, Sentence 3 in conjunction with Section 124, Paragraph 3 and Section 125, Paragraph 1, Sentence 5 of the German Stock Corporation Act). Unlike counter motions as defined by Section 126, Paragraph 1 of the German Stock Corporation Act, candidate nominations need not be reasoned.

Pursuant to Section 127, Sentence 1 in conjunction with Section 126, Paragraph 2 of the German Stock Corporation Act,

there are reasons why candidate nominations need not be made accessible via the internet in certain cases. These reasons are described on the company's website at [www.rwe.com](http://www.rwe.com) ("Annual General Meeting 2011").

Candidate nominations must be sent to the following address:

RWE Aktiengesellschaft  
Recht/Organangelegenheiten Konzern  
(Group Legal/Board Affairs)  
Opernplatz 1  
45128 Essen  
Germany  
(fax: +49 201 12-16 640)

or via e-mail to:  
[HV2011.Antraege@rwe.com](mailto:HV2011.Antraege@rwe.com)

Candidate nominations sent to other addresses shall not be considered.

The right of every shareholder to nominate candidates for the election of Supervisory Board members or of the independent auditor during the Annual General Meeting without having informed the company of the nomination in advance or before the deadline shall remain unaffected by this.

#### **Shareholder right to information (Section 131, Paragraph 1 of the German Stock Corporation Act)**

Pursuant to Section 131, Paragraph 1 of the German Stock Corporation Act, every shareholder must be informed of the company's affairs on request at the Annual General Meeting to the extent necessary to objectively assess the subject

matter of items on the Agenda. The Executive Board's obligation to provide information also includes the legal and business transactions between the company and its affiliates as well as the state of the Group and its consolidated companies (cf. Section 131, Paragraph 1, Sentence 2 and Sentence 4 of the German Stock Corporation Act).

Under certain conditions, set forth in more detail in Section 131, Paragraph 3 of the German Stock Corporation Act, the Executive Board is entitled to refuse providing information. A detailed presentation of the prerequisites allowing the Executive Board to refuse providing information can be found on the company's website at [www.rwe.com](http://www.rwe.com) ("Annual General Meeting 2011").

## REFERENCE TO THE COMPANY'S WEBSITE

This invitation to the Annual General Meeting, the documents that are to be made available to the Annual General Meeting, and other information relating to the Annual General Meeting are accessible on the company's website at [www.rwe.com](http://www.rwe.com) ("Annual General Meeting 2011").

Essen, 8 March 2011

Sincerely yours,

RWE Aktiengesellschaft  
The Executive Board

The invitation to the Annual General Meeting has been published in the electronic Bundesanzeiger (Federal Gazette - [www.ebundesanzeiger.de](http://www.ebundesanzeiger.de)) of March 8, 2011.

## SUPPLEMENTARY INFORMATION TO ITEM 7:

New elections of shareholder representatives to the Supervisory

– **Dr. Paul Achleitner, Munich**

Born in 1956 in Linz, Austria

Nationality: Austrian

Member of the Board of Management of Allianz SE

Education: St. Gallen School of Economics, Law & Social  
Sciences: basic course of study & doctorate

### Careerpath

1984 – 1988	Bain & Co., Boston: Manager, Strategic Business Consulting
1988 – 1989	Goldman Sachs & Co., New York: Vice President, Mergers & Acquisitions
1989 – 1994	Goldman Sachs International, London: Executive Director, Investment Banking
1994 – 1999	Goldman Sachs & Co. OHG, Frankfurt: Manager (and Partner Goldman Sachs Group)
Since 2000	Member of the Board of Management of Allianz SE (formerly Allianz AG)

Membership in legally mandated supervisory boards and  
comparable supervisory bodies of domestic and foreign  
commercial enterprises:

- › Allianz Global Investors AG
- › Allianz Investment Management SE (Chairman)
- › Bayer AG
- › Daimler AG

– **Carl-Ludwig von Boehm-Bezing**, Bad Soden

Born in 1940 in Wroclaw

Nationality: German

Former member of the Board of Management of Deutsche Bank AG

Education: Studies of law

Careerpath

1969	Joined Deutsche Bank AG
1972 – 1976	Deutsche Bank AG Düsseldorf Headquarters
1976 – 1990	Member of various boards of Deutsche Bank AG branch offices
1990 – 2001	Member of the Board of Management of Deutsche Bank AG

No membership in legally mandated supervisory boards or comparable supervisory bodies of domestic and foreign commercial enterprises.

– **Roger Graef**, Bollendorf

Born in 1943 in Ahrweiler

Nationality: German

Member of the Board of Directors of Verband der kommunalen RWE-Aktionäre GmbH [RWE Municipal Shareholder Association],

former Chief Administrative Officer, Bitburg-Prüm District of the Eifel.

Education: Studies of law

### Careerpath

1989 – 2009 Chief Administrative Officer,  
Bitburg-Prüm District of the Eifel

Membership in legally mandated supervisory boards and comparable supervisory bodies of domestic and foreign commercial enterprises:

› RWE Deutschland AG

### – Frithjof Kühn, Sankt Augustin

Born in 1943 in Fürstfeldbruck

Nationality: German

Chief Administrative Officer, Rhine-Sieg Rural District

Education: Studies of law

### Careerpath

1975 Department Head, Government of  
Upper Bavaria

1976 – 1980 Research Associate, German Upper  
House Secretariat, Bonn

1980 – 1981 Legal Government Official, Oberallgäu  
Administrative Office, Sonthofen

As of 1981 Administrative Officer, Rhine-Sieg District

1985 Head of the Environmental Protection  
and Public Order Departments

1991 Head of the Finance and Environmental  
Protection Departments,  
Appointed Treasurer

1994 - 1999 District Chief Administrative  
Officer of the Rhein Sieg Rural District

Since 1999 Chief Administrative Officer,  
Rhine-Sieg Rural District

Membership in legally mandated supervisory boards and comparable supervisory bodies of domestic and foreign commercial enterprises:

- › RW Holding AG (Chairman)
- › Kreissparkasse Köln

– **Dagmar Mühlenfeld, Mülheim an der Ruhr**

Born in 1951 in Mülheim an der Ruhr

Nationality: German

Mayor of the City of Mülheim an der Ruhr

Education: Teaching certificate for German and history

Careerpath

Until 2003 Principal, Luisenschule Gymnasium,  
Mülheim an der Ruhr

Since 2003 Mayor of the City of Mülheim an der Ruhr

Membership in legally mandated supervisory boards and comparable supervisory bodies of domestic and foreign commercial enterprises:

- › Beteiligungsholding Mülheim an der Ruhr GmbH
- › Flughafen Essen/Mülheim GmbH (Chairwoman)
- › medl GmbH (Chairwoman)
- › Mülheim & Business GmbH (Chairwoman)
- › Ruhrbania Projektentwicklungsgesellschaft mbH (Chairwoman)

– **Dr. Manfred Schneider, Cologne**

Born in 1938 in Bremerhaven

Nationality: German

Former Chairman of the Board of Management of Bayer AG

Education: Studies of business management,  
doctorate

Careerpath

1966 – 1971	Bayer AG
1971 – 1981	Duisburger Kupferhütte, Head of Finance and Accounting; Chairman of the Board of Management
1984 – 1986	Bayer AG, Head of the Regional Coordination, Corporate Audit and Controlling Departments
1987 – 1992	Bayer AG, Member of the Board of Management
1992 – 2002	Bayer AG, Chairman of the Board of Management
Since 2002	Bayer AG, Chairman of the Supervisory Board

Membership in legally mandated supervisory boards and  
comparable supervisory bodies of domestic and foreign  
commercial enterprises:

- › Bayer AG (Chairman)
- › Daimler AG
- › Linde AG (Chairman)

– **Dr.-Ing. Ekkehard D. Schulz, Krefeld**

Born in 1941 in Bromberg/West Prussia

Nationality: German

Former Chairman of the Board of Management of  
ThyssenKrupp AG

Education: Studies of metallurgy, doctorate

Careerpath

1967 – 1972	Research Associate and Head Engineer, Clausthal Polytechnic, Institute for General Metallurgy and Foundry
1972 – 1984	Various Thyssen Group divisions, focussing on technology
1985	Deputy member of the Board of Management of Thyssen Stahl AG
1986	Member of the Board of Management of Thyssen Stahl AG
1991	Chairman of the Board of Management of Thyssen Stahl AG and member of the Board of Management of Thyssen AG
1997	In addition: Chairman of the Board of Management of Thyssen Krupp Stahl AG
1998	Chairman of the Board of Management of Thyssen AG
1999 – 2011	Chairman of the Board of Management of ThyssenKrupp AG
Since 2011	Member of the Supervisory Board of ThyssenKrupp AG

Membership in legally mandated supervisory boards and comparable supervisory bodies of domestic and foreign commercial enterprises:

- › AXA Konzern AG
- › Bayer AG
- › MAN SE
- › ThyssenKrupp AG

– **Dr. Wolfgang Schüssel, Vienna, Austria**

Born in 1945 in Vienna, Austria

Nationality: Austrian

Federal Chancellor of the Republic of Austria (ret.)

Education: Studies of economics and law, doctorate

Careerpath

- |             |   |
|-------------|---|
| 1975 – 1991 | Secretary General, Austrian Business Federation   |
| 1979 – 2011 | Member of the National Council  |
| 1989 – 1995 | Minister of Economics   |
| 1995 – 2007 | Federal Chairman of the Austrian People's Party   |
| 1995 – 2000 | Vice-Chancellor of the Republic of Austria and Minister of Foreign Affairs                  |
| 2000 – 2007 | Federal Chancellor of the Republic of Austria   |
| 2006 – 2008 | Chairman of the Austrian People's Party Club in the Austrian Parliament                     |
| Since 2008  | Member of the National Council and Foreign Policy Spokesman of the Austrian People's Party, |

President of the Non-Partisan Austrian  
Foreign Policy and United Nations Society

Membership in legally mandated supervisory boards and  
comparable supervisory bodies of domestic and foreign  
commercial enterprises

› Bertelsmann Foundation

– **Ullrich Sierau, Dortmund**

Born in 1956 in Halle/Saale

Nationality: German

Mayor of the City of Dortmund

Education: Studies of spatial planning in Dortmund and  
planning in Oxford

Careerpath

1983 – 1985	Urban Planning Internship, State of North Rhine-Westphalia
1986 – 1994	North Rhine-Westphalian Ministry of Urban Development, Housing and Transport
1994 – 1999	Director, North Rhine-Westphalian State and Urban Development Institute
1999 – 2005	Head of the City of Dortmund Environment and Planning Department
2005 – 2007	Head of the City of Dortmund Planning Department
2007 – 2009	Municipal Director of the City of Dortmund and Head of the Planning, Urban Development and Infrastructure Department

August 2009 Elected Mayor of the City of Dortmund  
May 2010 Re-elected Mayor of the City of Dortmund

Membership in legally mandated supervisory boards and comparable supervisory bodies of domestic and foreign commercial enterprises:

- › Dortmunder Stadtwerke AG
- › Emschergenossenschaft
- › Klinikum Dortmund gGmbH
- › Medicos Holding GmbH & Co. KG
- › Schüchtermann-Schiller'sche Kliniken  
Bad Rothefelde GmbH & Co. KG
- › Sparkasse Dortmund

— **Dr. Dieter Zetsche, Stuttgart**  
Born in 1953 in Istanbul, Turkey  
Nationality: German

Chairman of the Board of Management of Daimler AG

Education: Studies of electrical engineering, doctorate

Careerpath

1976 – 1981 Research Division, Daimler-Benz AG  
1981 – 1987 Various activities in the Divisions of  
Development and Construction,  
Daimler-Benz AG  
1987 – 1988 Head of the Engineering Division,  
Mercedes-Benz do Brasil  
1987 – 1989 Member of the Board of Directors,  
Mercedes-Benz do Brasil  
1989 – 1991 President, Mercedes-Benz Argentina,

	Buenos Aires
1991 – 1992	President and CEO, Freightliner Corp, Portland, USA
1992 – 1995	Deputy Member of the Board of Management, Mercedes-Benz AG
1995 – 1998	Member of the Board of Management, Mercedes-Benz AG
1998 – 2000	Member of the Board of Management, DaimlerChrysler AG
2000 – 2005	Chairman of the Board of Management, Chrysler Group, Auburn Hills
2005	Chairman of the Board of Management, Mercedes-Benz Cars
Since 2006	Chairman of the Board of Management, Daimler AG and Director Mercedes-Benz Corp., Vice-President, VDA
2010 – 2011	President of the European Automobile Association ACEA

No membership in legally mandated supervisory boards or comparable supervisory bodies of domestic and foreign commercial enterprises.

**RWE Aktiengesellschaft**

Opernplatz 1

45128 Essen

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F +49 201 12-15199

I [www.rwe.com](http://www.rwe.com)