

Corporate Governance Declaration in accordance with Sec. 289 a of the German Commercial Code (HGB)

The management of RWE Aktiengesellschaft (“RWE”), a German listed company, is primarily determined by the German Stock Corporation Act (AktG) and the rules set forth in the latest version of the German Corporate Governance Code.

In line with statutory regulations, RWE is subject to what is termed the “dual governance system,” which envisages the strict separation of the Executive Board as managing body and the Supervisory Board as monitoring body. The Executive and Supervisory Boards cooperate closely in the interest of the company.

The **Executive Board** manages the company, aiming to create lasting added value, for which it assumes responsibility. In this regard, the principle of overall responsibility applies, i.e. the members of the Executive Board share the overall responsibility for managing the company. They develop the corporate strategy and coordinate efforts with the Supervisory Board to ensure that it is implemented. The principles of the RWE Executive Board’s cooperation have been summarised in the **Rules of Procedure for the Executive Board** [Link to the Rules of Procedure for the Executive Board: <http://www.rwe.com/web/cms/mediablob/en/109876/data/109896/4/rwe/investor-relations/corporate-governance/articles-of-incorporation-and-rules-of-procedures/en-Rules-executive-Board.pdf>]. In particular, they establish the areas for which the individual Executive Board members are responsible, the affairs the rights to which are reserved by the Executive Board as a whole, the passage of resolutions, the required majorities for passing resolutions by name, and the rights and duties of the Chairman of the Executive Board. RWE’s Executive Board currently consists of 4 members. More detailed information on the Executive Board members and the areas for which they are responsible can be found **here** [Link to the Executive Board: <http://www.rwe.com/web/cms/en/109916/rwe/investor-relations/corporate-governance/executive-board/>].

The Executive Board regularly, promptly and comprehensively informs the Supervisory Board of all issues related to business performance that are material to the RWE Group, major transactions as well as the latest earnings situation along with the company’s risk position and risk management. Deviations in the business trend from preceding forecasts and targets are commented and reasoned in detail. Furthermore, the Executive Board regularly reports on compliance, i.e. action taken to adhere to statutory regulations and internal company policies, an issue for which the Executive Board is also responsible.

The **Supervisory Board** advises the Executive Board in managing the company and monitors its activity. It appoints and dismisses the members of the Executive Board, determines the compensation system for Executive Board members, and establishes the total compensation for each of them. It is involved in all decisions that are of fundamental importance to RWE. RWE’s **Supervisory Board** [Link to the Supervisory Board: <http://www.rwe.com/web/cms/en/109916/rwe/investor-relations/corporate-governance/executive-board/>] consists of 20 members and is staffed by an equal number of shareholder and employee representatives, in line with the German Co-Determination Act (MitbestG). The principles of the RWE Supervisory Board’s cooperation have been summarised in the **Rules of Procedure for the Supervisory Board** [Link to the Rules of Procedure for the Supervisory Board: <http://www.rwe.com/web/cms/mediablob/en/109872/data/109918/11/rwe/investor-relations/corporate-governance/supervisory-board/20042011-Rules-of-Procedure-for-the-Supervisory-Board.pdf>]. Among other things, they stipulate the formation of committees. RWE has five committees at present: the Executive Committee, the Mediation Committee in accordance with Sec. 27, Paragraph 3 of the German Co-Determination Act (MitbestG), the Personnel Affairs Committee, the Audit Committee and the Nomination Committee. The committees’ tasks and compositions are set forth in Article 10 et seq. of the **Rules of Procedure for the Supervisory Board** [Link to the Rules of Procedure for the Supervisory Board: <http://www.rwe.com/web/cms/mediablob/en/109872/data/109918/11/rwe/investor-relations/corporate-governance/supervisory-board/20042011-Rules-of-Procedure-for-the-Supervisory-Board.pdf>]. The names of the committee members are provided **here** [Link to the Supervisory Board Committees: <http://www.rwe.com/web/cms/en/207234/rwe/investor-relations/corporate-governance/supervisory-board/supervisory-board-committees/>]. Committee chairmen regularly report

to the Supervisory Board on the committees' work. Further details on the specifics of the work done by the Supervisory Board and its committees are included in the latest Supervisory Board Report [Link to the Supervisory Board Report: <http://www.rwe.com/web/cms/mediablob/en/1346200/data/109918/6/rwe/investor-relations/corporate-governance/supervisory-board/RWE-AG-Report-of-the-Supervisory-Board-2013.pdf>].

In addition, the **Articles of Incorporation of RWE** [Link to the Articles of Incorporation: <http://www.rwe.com/web/cms/mediablob/en/109868/data/109896/12/rwe/investor-relations/corporate-governance/articles-of-incorporation-and-rules-of-procedures/14-05-14-RWE-AG-Articles-of-Incorporation.pdf>] (Art. 7) and the **Rules of Procedure for the Supervisory Board** [Link to the Rules of Procedure of the Supervisory Board: <http://www.rwe.com/web/cms/mediablob/en/109872/data/109896/11/rwe/investor-relations/corporate-governance/articles-of-incorporation-and-rules-of-procedures/20042011-Rules-of-Procedure-for-the-Supervisory-Board.pdf>] (Art. 8) include a list of transactions which are subject to Supervisory Board approval.

RWE believes that responsible and transparent corporate governance is the basis for sustained commercial success. The guiding principles in this regard are set forth in the most up-to-date version of the German Corporate Governance Code, which was first introduced in 2002. Therefore, subsequent to dutiful scrutiny, the Executive and Supervisory Boards of RWE issued the following **Statement of Compliance** in accordance with Section 161 of the German Stock Corporation Act (AktG) on 25 February 2014 [Link to the Statement of Compliance 2014: <http://www.rwe.com/web/cms/mediablob/en/2333220/data/111102/2/rwe/investor-relations/corporate-governance/statement-of-compliance/statement-of-compliance-February-25-2014.pdf>]:

Between 27 February 2013 (the date of the last statement of compliance) and 18 April 2013, RWE Aktiengesellschaft complied with the recommendations of the Government Commission of the German Corporate Governance Code issued in the 15 June 2012 version of the Code with the following exceptions:

The recommendation in Item 5.4.1., Para. 2 of the GCGC had not yet been followed entirely. At the time, the Supervisory Board had not defined the number of independent members it intended to have within the meaning of Item 5.4.2 of the GCGC.

The Supervisory Board of RWE AG received both fixed and performance-linked compensation, the latter of which was orientated to the dividend. The dividend proposal is orientated to the RWE Group's recurrent net income, which is adjusted for short-term exceptional items. It could not be determined with sufficient legal certainty whether RWE was therefore in compliance with the recommendation in Item 5.4.6, Para. 2, Sentence 2 of the GCGC. Therefore, as a precaution, we declare that we did not follow this recommendation in the aforementioned period.

In the period from 19 April to 11 December 2013, RWE Aktiengesellschaft also followed the recommendation in Item 5.4.6, Para. 2, Sentence 2 of the GCGC, whereas it continued to deviate from the recommendation in Item 5.4.1, Para. 2 of the GCGC. Neither of the recommendations has changed in the current version of the GCGC, which has since been published in the German Federal Gazette on 10 June 2013.

Since 12 December 2013, RWE Aktiengesellschaft has been in line with the recommendation in Item 5.4.1, Para. 2 of the GCGC and has thus followed all of the recommendations of the Code.

The Executive and Supervisory Boards intend to update the annual **statement of compliance** after a dutiful review. The update is scheduled for 4 March 2015. On issuance of the new statement, it can be accessed **here** [Link to the Statement of Compliance 2015:

<http://www.rwe.com/web/cms/en/11102/rwe/investor-relations/corporate-governance/statement-of-compliance/>].

Earlier statements of compliance issued by RWE which are no longer valid have been posted here [Link to the older Statements of Compliance: <http://www.rwe.com/web/cms/en/11102/rwe/investor-relations/corporate-governance/statement-of-compliance/>]. Further details concerning RWE's corporate governance practice are provided in the latest **Corporate Governance Report** [Link to the Corporate Governance Report: <http://www.rwe.com/web/cms/en/511530/rwe/investor-relations/corporate-governance/corporate-governance-report/>], which also forms part of this corporate governance declaration.

RWE is aware of its role in society and the responsibility it shoulders vis-à-vis its customers, business partners, shareholders and employees. The **RWE Code of Conduct** [Link to the RWE Code of Conduct: <http://www.rwe.com/web/cms/en/109932/rwe/investor-relations/corporate-governance/code-of-conduct/>] and its principles, which are closely aligned to those of the United Nations Global Compact, form the foundation for RWE's responsible and lawful action. The Code is thus the basis for RWE's entrepreneurial activity and is applicable throughout the RWE Group, taking account of the specifics of the sectors and countries in question. RWE uses its groupwide compliance organisation to enforce the RWE Code of Conduct and its policies among its staff and corporate bodies.

Essen, February 2015

RWE Aktiengesellschaft

The Executive Board