

## 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 four 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. actions 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/109918/rwe/investor-relations/corporate-governance/supervisory-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 permanent 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. In addition, there is a special committee “IPO NewCo”. This committee shall make decisions regarding the planned capital increase of the new subsidiary for renewables, grid und retail, and shall be involved if RWE sells minority shares in NewCo. The committees’ tasks and compositions are set forth in detail in Article 10 et seqq. 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 2014: <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 4 March 2015 [Link to the Statement of Compliance 2015: <http://www.rwe.com/web/cms/mediablob/en/2713834/data/11102/2/rwe/investor-relations/corporate-governance/statement-of-compliance/statement-of-compliance-March-4-2015.pdf>]:

*Since the last statement of compliance, which was made on 25 February 2014, RWE Aktiengesellschaft has fully complied with the recommendations of the Government Commission of the German Corporate Governance Code in the 10 June 2013 and 24 June 2014 versions of the Code published by the German Federal Ministry of Justice in the official section of the German Federal Gazette.*

The Executive and Supervisory Boards intend to update the annual **statement of compliance** after a dutiful review. The update is scheduled for 3 March 2016. On issuance of the new statement, it can be accessed **here** [Link to the Statement of Compliance 2016: <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.

In its meeting of 18 September 2015, the supervisory board of RWE resolved for the first compliance period defined in the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector (30 June 2017) a **target quota of women in the executive board** of at least one woman. For the first and second management level below the executive board, the executive board resolved on 22 June 2015 a target quota of 25 percent for the first management level and of 30 percent for the second management level. The target quotas do not fall short of the status quo as far as a proportion of women of 30 percent is not reached yet.

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 2016

RWE Aktiengesellschaft

The Executive Board