

Report of the Executive Board to the Annual General Meeting on Item 8

It is proposed to the Annual General Meeting that the Executive Board be authorised to increase the company's capital stock, subject to Supervisory Board approval, by up to EUR 314,749,693.44 once or by partial amounts until 25 April 2023 through the issuance of up to 122,949,099 new bearer common shares in return for contributions in cash and/ or in kind (authorised capital). The former authorised capital will expire on 15 April 2019. The reinstatement of authorised capital is to keep the company in a position to rapidly and flexibly raise additional equity when needed, without having to conduct a capital increase via a resolution passed by the Annual General Meeting, which may not be possible due to time constraints. If it is fully utilised, the proposed amount of new authorised capital of a total of up to 122,949,099 new bearer common shares would correspond to an increase of the current capital stock of 20 %.

The shareholders shall generally be entitled to subscription rights when authorised capital is used. In order to simplify the process, the Executive Board is to be authorised to exempt fractional amounts from the subscription rights, subject to Supervisory Board approval. A waiver of this kind, which is both sensible and in line with market practices, will enable the exercise of the authorisation on the basis of rounded amounts, while maintaining an even subscription ratio.

The Executive Board is further to be authorised, subject to Supervisory Board approval, to waive shareholder subscription rights in cases where the shares are issued in return for contributions in kind for the purpose of mergers or the acquisition of companies, parts of companies, operations, or stakes in companies. This is to put the company in a position to offer shares as quid pro quo for mergers, acquisitions of companies, parts of companies, operations, or stakes in companies. Shares are an important acquisition currency. They can represent an attractive financing option for the company. Sellers often request that they receive them as quid pro quo. 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. At present, there are no acquisition projects requiring the use of authorised capital. Therefore, no statements on issuance amounts can currently be made.

Furthermore, the Executive Board is to be authorised, subject to the approval of the Supervisory Board, to waive subscription rights in order to grant subscription rights to those who are entitled to option or conversion privileges or are obliged to fulfil option or conversion obligations commensurate to what they would be entitled to as shareholder after exercising the option or conversion privilege or fulfilling the option or conversion obligation. This grants holders of such instruments protection against dilution. They are thus given the status they would have if they were already shareholders. The advantage to this is that the option or conversion price of option or conversion privileges and option or conversion obligations that have already been granted or imposed does not need to be reduced. In order to provide the debenture bonds with this kind of protection against dilution, shareholder subscription rights to these shares must be waived.

Furthermore, subject to Supervisory Board approval, in compliance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act, in the event of capital increases in exchange for cash contributions, the Executive Board is to be authorised to waive shareholder subscription rights if the total prorated amount allocable to the new shares for which subscription rights are waived does not exceed 10% of the capital stock either at the time the resolution is passed or at the time of exercising this authorisation and the issuance price of the new shares is not significantly below the listed price of the common shares with the same entitlements already quoted on the stock exchange. The proposed authorisation is primarily to enable the company to issue shares in the company at short notice. It serves to ensure that the company has a lasting and suitable amount of shareholders' equity. In the opinion of the Executive Board, the time the resolution on this authorisation is passed or - if this figure is lower - the date of the exercise of the authorisation is decisive for determining the upper limit of 10 % of the company's capital stock. The inclusion of this standard in the authorisation resolution ensures that the 10 % limit is adhered to even in the event of a reduction in capital at a later point in time. The upper limit of 10 % of the company's capital stock shall be reduced by the prorated share of the capital stock accounted for by shares of the company which are issued or sold waiving subscription rights during the term of the authorised capital using other equity instruments which allow for subscription rights to be waived in corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. This applies to the issuance of shares to redeem option or convertible bonds which are issued without subscription rights during the term of the authorised capital as well as the sale of treasury shares and capital increases waiving subscription rights in corresponding

application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. This ensures that the 10 % limit set forth in Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act is adhered to during the term of the authorisation. In the event of a discount relative to 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. By limiting the number of issuable shares and stipulating that the issue price of new shares be close to the listed price, the shareholders will be suitably protected from a dilution of their shares. At the same time, this will ensure that the cash flows realised by the company are appropriate. In addition, all shareholders can buy shares at comparable conditions on the stock exchange in order to maintain their stake in the company.

In sum, the shares issued waiving subscription rights based on the authorisation described above as part of capital increases in exchange for contributions in cash or in kind may not exceed a prorated 20% of the company's capital stock either at the time the resolution is passed or at the time the authorisation is exercised. This cap of 20 % of the company's capital stock shall be reduced by the shares issued or to be issued by the Executive Board waiving subscriptions rights in corresponding application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act or in exchange for contributions in kind during the term of this authorisation. This limitation of the total volume of shares issued waiving subscription rights from authorised capital while deducting other issuances or sales of shares or issuances of option and convertible bonds, all waiving subscription rights, serves to additionally limit potential dilutions of the shareholders' stakes.

The Executive Board is to be able to determine the further specifics of the share entitlements and the conditions of the share issuances at the appropriate time, subject to the approval of the Supervisory Board. The Executive Board shall seek to obtain the Supervisory Board's consensual approval before utilising the authorised capital.

In addition to the direct issuance of new shares to the shareholders, it is also to be possible for the new shares to be assumed by financial institutions or companies within the meaning of Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act appointed by the Executive Board for the purpose of offering them to the shareholders for subscription. Using financial institutions or companies within the meaning of

Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act as an intermediary merely facilitates the technical implementation of the share issuance.

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

Essen, 28. February 2018

RWE Aktiengesellschaft

The Executive Board

(Dr. Rolf Martin Schmitz)

(Dr. Markus Krebber)