

Joint Report
of the Executive Board of RWE Aktiengesellschaft ("RWE")
and the Board of Directors
of GBV Vierunddreißigste Gesellschaft für Beteiligungsverwaltung mbH ("GBV 34")
on the Control and Profit and Loss Pooling Agreement
between
RWE and GBV 34
Pursuant to Section 293a of the German Stock Corporation Act

For the information of RWE shareholders and in preparation of the passage of the resolution at the Annual General Meeting of RWE, the Executive Board of RWE and the Board of Directors of GBV 34 hereby deliver the following report on the Control and Profit and Loss Pooling Agreement between RWE and GBV 34 (also referred to as the "**Agreement**" hereinafter).

1. Conclusion and Effective Date of the Agreement & Contracting Parties

The Control and Profit and Loss Pooling Agreement between RWE and GBV 34 was concluded on 11 February 2020. The Agreement has been signed by the Chairman of the Executive Board Dr. Rolf Martin Schmitz and the Executive Board member Dr. Markus Krebber as jointly authorised representatives on behalf of RWE and by the Managing Directors Winfried Bröring and Dr. Ulrich Rust as jointly authorised representatives on behalf of GBV 34.

The Agreement shall be submitted to the Annual General Meeting of RWE on 28 April 2020 in accordance with Section 293 of the German Stock Corporation Act. The Shareholders' Meeting of GBV 34 approved the Agreement in accordance with Section 293 of the German Stock Corporation Act on 19 February 2020. The Agreement must be entered in the Commercial Register responsible for GBV 34 in order to enter into force.

RWE is a listed German stock corporation headquartered in Essen and registered in the Commercial Register of the Essen District Court under HRB 14525. Its financial year is the calendar year. It is the parent company of the RWE Group. According to the company's Articles of Incorporation, its object is the management of a group of companies active in the following fields of business in particular: generation and procurement of energy, including renewable energy; extraction, procurement and processing of mineral resources and other raw materials; supply and trading of energy; construction, operation and use of energy transmission systems; supply of water and treatment of wastewater; provision of services in the aforementioned fields, including energy efficiency services.

GBV 34 was established as a German limited liability company on 13 June 2017 and entered into the Commercial Register of the Essen District Court on 2 August 2017 under HRB 28349. Its share capital amounts to EUR 25,000.00. Its financial year is the calendar year. According to the Shareholder Agreement, the object of the company is the acquisition, management, sale and transfer of assets and liabilities of all kinds, in particular of stakes in companies in Germany and abroad, loan receivables and obligations, derivatives and collaterals as well as the provision of administrative, commercial and technical services for consideration, in particular to subsidiaries. GBV 34 is a non-operative intermediate holding company used as a transaction vehicle in the course of the implementation of the transaction with E.ON SE, which today primarily holds RWE's stake in E.ON SE acquired in the course of the transaction.

Since inception, RWE has held all of the shares in GBV 34 and is thus its sole shareholder.

2. Commentary on the Control and Profit and Loss Pooling Agreement

The Agreement's main contents are:

- GBV 34 places the management of its company under RWE. Accordingly, RWE shall be entitled to issue instructions to the Board of Directors of GBV 34 concerning the management of the company.
- GBV 34 shall undertake to transfer its entire profit to RWE. Subject to the accrual or reversal of provisions in accordance with the stipulations set out below or in accordance with Section 300 of the German Stock Corporation Act, net income, less any loss carryforward from the preceding year and any amounts barred from payment pursuant to Section 268, Paragraph 8 of the German Commercial Code, shall be transferred to RWE.

Subject to RWE's approval, GBV 34 may transfer amounts from net income to other retained earnings insofar as permissible under German commercial law and economically justified based on a sound commercial assessment. Other retained earnings accrued during the term of the Agreement in accordance with Section 272, Paragraph 3 of the German Commercial Code shall be reversed on RWE's request and used to offset a net loss or transferred as profit. This shall not affect the transfer of amounts from the reversal of other retained earnings in accordance with Section 272, Paragraph 3 of the German Commercial Code accrued before the beginning of the term of the Agreement.

- The provisions of Section 301 of the valid version of the German Stock Corporation Act in force shall be applied accordingly.
- The obligation to transfer profits shall take effect for the first time for the entire profit of the fiscal year of GBV 34 starting on 1 January 2020. If the entry of the Agreement into the Commercial Register of GBV 34 does not occur by the end of the day on 31 December 2020, the obligation shall take effect for the first time for the entire profit of GBV 34 for the fiscal year starting in the year of entry into the Commercial Register.
- In compliance with the applicable provisions of Section 302 of the valid version of the German Stock Corporation Act, RWE is obligated to assume the losses of GBV 34.

The Agreement was concluded subject to the approval of the Shareholders' Meeting of GBV 34 and the Annual General Meeting of RWE. The Shareholders' Meeting of GBV 34 approved the Agreement on 19 February 2020.

- The Agreement shall enter into force upon its entry into the Commercial Register of GBV 34 and shall be valid retroactively – with the exception of the aforementioned right of RWE to issue instructions – from the beginning of the fiscal year of GBV 34 for which the profit transfer obligation applies for the first time in accordance with the preceding provisions.
- The Agreement shall be firmly concluded for the period ending five years after the beginning of the fiscal year of GBV 34 for which the profit transfer obligation applies for the first time in accordance with the provisions of the Agreement. If GBV 34 introduces a fiscal year that deviates from the calendar year, the term of the Agreement shall be extended until the end of the fiscal year running at the end of the fixed term. The Agreement shall be extended unamended for a year at a time unless it is terminated by one of the contracting parties no later than six months prior to its expiry.
- This shall not affect the right of termination for good cause. RWE shall be entitled to terminate the Agreement for good cause especially if it ceases to hold a majority stake in GBV 34 or has undertaken to relinquish its majority stake. The termination may be made without giving notice, effective from any point in time between the assumption of the obligation and transfer, or effective from the end of the fiscal year of GBV 34 running when the transfer obligation is assumed, or upon transfer.

The Agreement had to be concluded for the duration of at least five calendar years in order for the income tax group to be recognised. The parties agreed on the aforementioned retroactive effect of the Agreement in order to take advantage of the tax group from the first year of entry onwards.

The Agreement does not envisage a compensatory payment or settlement for 5 outside shareholders as RWE is the sole shareholder of GBV 34. Therefore, there was no need to perform a valuation of the companies concluding the Agreement

to determine an appropriate compensation or an appropriate settlement, either.

Since RWE holds all of the business interests in GBV 34, pursuant to Section 293b, Paragraph 1 of the German Stock Corporation Act, there is no need to have the Agreement audited by an expert auditor or to prepare a corresponding audit report in accordance with Section 293e of the German Stock Corporation Act

3. Commercial Significance and Object of the Profit and Loss Pooling Agreement

The prime objective of the Agreement is to establish a corporate tax group for RWE and GBV 34 in accordance with Section 14 of the German Corporate Tax Act. It also serves the purpose of establishing a trade tax group including RWE and GBV 34 in accordance with Section 2, Paragraph 2 of the German Trade Tax Act. Accordingly, the Agreement contains the customary provisions of a control and profit and loss pooling agreement concluded to establish a tax group within a group. The corporate and trade tax group enables the combined income taxation of GBV 34 (Controlled Company) and RWE (Controlling Company). Profits and losses of the Controlled Company occurring during the existence of the tax group shall be directly assigned to the Controlling Company as defined by German tax law. Within the scope of the corporate and trade tax group, positive and negative earnings can thus be offset against each other and considered optimally from a tax perspective at the level of the Controlling Company RWE.

Furthermore, within the scope of the tax group, profits of GBV 34 may be transferred to RWE without an additional tax burden. Without a tax group, profits could only be transferred to RWE via a payment of profits to RWE. Based on currently applicable German tax law, 5% of the profits paid to RWE would be subject to corporate and trade tax, although they would already have been taxed at the GBV 34 level.

The contractual control element ensures the uniform management of GBV 34 6 and its integration into the RWE Group. To this end, the Agreement ensures that RWE may issue instructions to the Board of Directors of GBV 34 on the management of GBV 34. The Board of Directors of GBV 34 is obligated to comply

with the instructions. The Agreement is thus a customary Group management tool.

4. Alternatives to the Conclusion of the Profit and Loss Pooling Agreement

There was no commercially reasonable alternative to the conclusion of the Agreement between RWE and GBV 34 which could have provided an equal or better contractual basis for achieving the aforementioned objectives. Pursuant to Sections 14 and 17 of the German Corporate Tax Act, the conclusion of this Agreement is an indispensable prerequisite for the desired establishment of a corporate and trade tax group.

In particular, this joint taxation of RWE and GBV 34 could not have been achieved by concluding a different type of inter-company agreement as defined by Section 292 of the German Stock Corporation Act (business lease, partial business transfer agreement, profit pool or partial profit pool) or by an operating agreement.

5. Consequences for the Shareholders' Stakes

Pursuant to the Agreement, GBV 34 shall place the management of its company under RWE, which shall be entitled to issue instructions to the Board of Directors of GBV 34. As a result of the Agreement, GBV 34 undertakes to transfer its profits to RWE in accordance with the valid version of Section 301 of the German Stock Corporation Act. This is contrasted by RWE's obligation to GBV 34 to assume losses in accordance with the valid version of Section 302 of the German Stock Corporation Act. Apart from this, there are no particular consequences for RWE shareholders, especially because no compensation or settlement pursuant to Sections 304 and 305 of the German Stock Corporation Act are due since there are no outside shareholders in GBV 34.

A summary assessment of the Agreement reveals that it is beneficial to both RWE and GBV 34.

Essen, 05 March 2020

RWE Aktiengesellschaft

The Executive Board

Dr. Rolf Martin Schmitz

Dr. Markus Krebber

Essen, 05 March 2020

GBV Vierunddreißigste Gesellschaft für Beteiligungsverwaltung mbH

The Board of Directors

Winfried Bröring

Dr. Ulrich Rust