

Supplement to the Agenda

of the Invitation to the
Annual General Meeting
on 26 April 2018

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RWE

RWE Aktiengesellschaft Essen

International Securities Identification Numbers (ISIN):

DE 0007037129

DE 0007037145

Supplement to the Agenda of the Ordinary Annual General Meeting on 26 April 2018

Pursuant to Section 122, Paragraph 2 of the German Stock Corporation Act, DELPHI Unternehmensberatung Aktiengesellschaft and Deutsche Balaton Aktiengesellschaft have requested that the following item and draft resolution be included in the Agenda of the Annual General Meeting of RWE Aktiengesellschaft, which will take place at 10:00 a.m. on 26 April 2018 at the Grugahalle at Messeplatz 2 (formerly Norbertstraße 2) in 45131 Essen, Germany, and announced.

The Agenda, which was published on 13 March 2018, shall thus be supplemented by the following additional Item 9, while maintaining Items 1 to 8 to date, and hereby announced:

Agenda

9. Passage of a resolution on the cancellation of the preferential share in profits of preferred shares and a corresponding amendment to the Articles of Incorporation

DELPHI Unternehmensberatung Aktiengesellschaft, Heidelberg, and Deutsche Balaton Aktiengesellschaft, Heidelberg, propose that the following resolution be passed:

The 39,000,000 bearer preferred shares without voting rights shall be converted to 39,000,000 bearer common shares with voting rights at a ratio of 1:1, without additional consideration. The preferential share in profits set forth in Article 4, Paragraph 4 of the Articles of Incorporation shall be cancelled. In addition, the wording of Article 4, Paragraph 1, Article 16, Paragraph 2 and Article 18, Paragraph 1 of the Articles of Incorporation shall be amended accordingly.

The Executive Board is instructed to immediately convene a separate meeting of the holders of preferred shares in order to pass a necessary special resolution in accordance with Section 141, Paragraph 1 of the German Stock Corporation Act on the approval of the conversion of preferred shares to common shares in conjunction with the cancellation of the preferential share in profits as soon as the difference between the weighted average price of RWE common shares (ISIN: DE0007037129) and the weighted average price of RWE preferred shares (ISIN: DE0007037145) in XETRA falls below 2.00 euros on five consecutive trading days. If the separate meeting of the holders of preferred shares gives its approval, the Executive Board is ordered to immediately file the amendments to the Articles of Incorporation for registration with the Commercial Register and shall be authorised, subject to the approval of the Supervisory Board, to determine the details of the implementation of the conversion.

Article 4, Paragraph 1 of the Articles of Incorporation shall be reworded as follows:

“(1) The capital stock of the Company amounts to EUR 1,573,748,477.44. It is divided into 614,745,499 common shares. The shares are non-par-value shares made out to the bearer.

Article 4, Paragraph 4 of the Articles of Incorporation shall be deleted without substitution.

Article 16, Paragraph 2 of the Articles of Incorporation shall be deleted without substitution; the subsequent paragraphs

in Article 16 shall be renumbered accordingly. In Article 16, Paragraph 3 shall become Paragraph 2, Paragraph 4 shall become Paragraph 3, Paragraph 5 shall become Paragraph 4, and Paragraph 6 shall become Paragraph 5.

Article 18, Paragraph 1 of the Articles of Incorporation shall be reworded as follows:

“(1) The Annual General Meeting shall pass a resolution on the appropriation of distributable profit.”

Reasoning

RWE Aktiengesellschaft needs a future-oriented capital structure.

The Company's capital stock is known to amount to 1,573,748,477.44 euros, divided into a total of 614,745,499 shares, of which 575,745,499 are common shares (93.66 %) and 39,000,000 are preferred shares (6.34 %).

For about 20 years, the financial press has published articles with headlines such as “The Days of Preferred Shares are Numbered” (Die Welt, 18 April 1998) and “Preferred Stock Proves to be Obsolete” (Die Welt, 16 September 2000). Since then, some companies have simplified their capital structure, and RWE also took some steps in this respect before 2000 and shortly thereafter.

The following examples of known arguments in favour of abolishing preferred shares:

- international investors in particular are calling for “one share – one vote”;
- international investors mistake the German Vorzugsaktien for preferred shares, which are different in substantive terms;
- split of commercial liquidity into two classes;
- leaner administration due to a single share class; and
- capital increases may lead to disadvantages if the preferred share price is significantly below the common share price and could have a negative effect on the issue price of new shares

are now supplemented by an extremely strong argument:

Given the current positioning of RWE's common shares in the DAX based on market capitalisation, the RWE share is in danger of falling out of the DAX. RWE is in the relegation zone!

Converting preferred shares to common shares can make a decisive contribution to increasing RWE's relevant free float market capitalisation. As all the preferred shares are free float as opposed to the maximum of 85 % of the common shares, the relevant market capitalisation would increase by at least 8 % and, based on experience, the share's liquidity would probably rise as well.

Such an outcome of the conversion would also be desirable from the perspective of the holders of common shares.

Except for a very moderate dilution of voting rights for the holders of common shares, no other disadvantage resulting from the conversion of preferred shares to common shares is identifiable. Preferred shares have long ceased to be a window to the capital market at RWE as well. In the future, raising equity capital by way of capital increases in accordance with the Articles of Incorporation would only be possible through the issuance of common shares.

We broached this topic with RWE's Investor Relations Department over a year ago, and it generally had a positive attitude regarding the conversion of preferred shares. We are certain that the capital market as a whole – and the securities analysts and shareholder protection associations in particular – would welcome such a conversion.

Following RWE's repositioning, which was difficult and turned out well, the successful IPO of Innogy, the progress made in matters of nuclear energy, and the planned transactions with E.ON, the journey towards abolishing the preferred shares at RWE that was embarked upon 20 years ago could reach its destination as a sign of new departures and modernisation.

Statement by management in response to the motion for a supplement to the Agenda by DELPHI Unternehmensberatung Aktiengesellschaft and Deutsche Balaton Aktiengesellschaft:

The Executive Board and the Supervisory Board of RWE Aktiengesellschaft generally have a positive attitude regarding the conversion of preferred shares and check its feasibility on a regular basis taking all relevant aspects into consideration.

The Executive Board and the Supervisory Board of RWE Aktiengesellschaft nevertheless refrained from proposing to this Annual General Meeting that a resolution on the conversion of preferred shares into common shares be passed due to the following considerations. Converting the preferred shares to common shares may be considered giving undue preference to holders of preferred shares because it would take place soon after the dividend for holders of

common shares was suspended in 2015 and 2016. Furthermore, it would dilute the voting rights of holders of common shares. Moreover, the Executive Board and the Supervisory Board are of the opinion that the conversion of preferred shares to common shares is a viable step only if it can be performed without placing an undue burden on holders of shares of either class. This would only be the case if the difference in the prices of the shares of these two classes was as small as possible. As of 21 March 2018 (the date of the request for a supplement) the difference amounted to EUR 3.83. Therefore, management is of the opinion that a conversion cannot take place currently without placing an undue burden on holders of shares of either class.

Even under the conditions proposed by the motion by DELPHI Unternehmensberatung Aktiengesellschaft and Deutsche Balaton Aktiengesellschaft, in the opinion of the Executive Board and the Supervisory Board of RWE Aktiengesellschaft, a conversion of preferred shares to common shares is inappropriate at present. Even with a spread of less than EUR 2.00, a 1:1 conversion without an additional payment would not be the most undistruptive implementation, as this would correspond to more than 10% of the share price in relation to the current price of preferred shares (EUR 16.16 as of 21 March 2018) and of common shares (EUR 19.99 as of 21 March 2018). In addition, a conversion would have to be prepared carefully. This is impossible in reaction to the motion for a supplement to the Agenda.

The Executive Board and the Supervisory Board thus propose to the Annual General Meeting that the motion for the passage of this resolution be denied.

Finally, the Executive Board and the Supervisory Board point out that management is of the opinion that if the motion were granted by the Annual General Meeting, the associated instruction of the Executive Board to convert preferred shares to common shares would only be valid until the day on which the next Annual General Meeting takes place.

Essen, March 2018

Sincerely yours,

**RWE Aktiengesellschaft
The Executive Board**

RWE Aktiengesellschaft

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