

Disclosures Pursuant to Section 289, Paragraph 4, and Section 315, Paragraph 4, of the German Commercial Code (Part of the Combined Group Management Report)

Composition of Share Capital

The share capital totals €2,001,000,000.00 and consists of 2,001,000,000 registered shares without nominal value. Each share of stock grants the same rights and one vote at a Shareholders Meeting.

Restrictions on Voting Rights or the Transfer of Shares

Shares acquired by an employee under the Company-sponsored employee stock purchase program are subject to a blackout period that begins the day ownership of such shares is transferred to the employee and that ends on December 31 of the next calendar year plus one. As a rule, an employee may not sell such shares until the blackout period has expired.

Pursuant to Section 71b of the German Stock Corporation Act (known by its German abbreviation, "AktG"), the Company's own shares give it no rights, including no voting rights.

Legal Provisions and Rules of the Company's Articles of Association Regarding the Appointment and Removal of Board of Management Members and Amendments to the Articles of Association

Pursuant to the Company's Articles of Association, the Board of Management consists of at least two members. The appointment of deputy Board of Management members is permissible. The Supervisory Board decides on the number of members as well as on their appointment and dismissal.

The Supervisory Board appoints members to the Board of Management for a term not exceeding five years; a member may be appointed for another term of office or a member's term of office may be extended for an additional term not exceeding five years. If more than one person is appointed as a member of the Board of Management, the Supervisory Board may appoint one of the members as Chairperson of the Board of Management. If a Board of Management member is absent, in the event of an urgent matter, the court makes the necessary appointment upon petition by a concerned party. The Supervisory Board may revoke the appointment of a member of the Board of Management and the Chairperson of the Board of Management for serious cause (for further details, see Sections 84 and 85 of the AktG and Sections 31 and 33 of the German Codetermination Act).

Pursuant to Section 179 of the AktG, an amendment to the Articles of Association requires a resolution of the Shareholders Meeting. Resolutions of the Shareholders Meeting require a simple majority and, in cases where a majority of the share capital is required, a simple majority of the share capital represented, unless the law or the Articles of Association explicitly prescribe otherwise.

The Supervisory Board is authorized to decide by resolution on amendments to the Articles of Association that affect only their wording (Section 24 of the Articles of Association). Furthermore, the Supervisory Board is authorized to revise the wording of Section 3 of the Articles of Association upon utilization of authorized or conditional capital.

Board of Management's Power to Issue or Buy Back Shares

Pursuant to a resolution of the Shareholders Meeting of May 6, 2010, the Board of Management is authorized, until May 5, 2015, to acquire own shares. The shares acquired and other own shares that are in possession of or to be attributed to the Company pursuant to Sections 71a et seq. of the AktG must altogether at no point account for more than 10 percent of the Company's share capital.

At the Board of Management's discretion, the acquisition may be conducted:

- through a stock exchange
- by means of a public offer directed at all shareholders or a public solicitation to submit offers
- by means of a public offer or a public solicitation to submit offers for the exchange of liquid shares that are admitted to trading on an organized market for Company shares
- by use of derivatives (put or call options or a combination of both).

These authorizations may be utilized on one or several occasions, in whole or in partial amounts, in pursuit of one or more objectives by the Company and also by affiliated companies or by third parties for the Company's account or its affiliates' account.

With regard to treasury shares that will be or have been acquired based on the above-mentioned authorization and/or prior authorizations by the Shareholders Meeting, the Board of Management is authorized, subject to the Supervisory Board's consent and excluding shareholder subscription rights, to use these shares—in addition to a disposal through a stock exchange or an offer granting a subscription right to all shareholders—as follows:

- to be sold and transferred against cash consideration
- to be sold and transferred against contribution in kind
- to be used in order to satisfy the rights of creditors of bonds with conversion or option rights or, respectively, conversion obligations issued by the Company or its Group companies
- to be offered for purchase and transferred to individuals who are employed by the Company or one of its affiliates.

These authorizations may be utilized on one or several occasions, in whole or in partial amounts, separately or collectively by the Company and also by Group companies or by third parties for the Company's account or its affiliates' account.

In addition, the Board of Management is authorized to cancel treasury shares, without such cancellation or its implementation requiring an additional resolution by the Shareholders Meeting.

In each case, the Board of Management will inform the Shareholders Meeting about the reasons for and the purpose of the acquisition of treasury shares, the number of treasury shares acquired, the amount of the registered share capital attributable to them, the portion of the registered share capital represented by them, and their equivalent value.

Pursuant to Section 3, Paragraph 5 of the Articles of Association, the Board of Management is authorized, subject to the Supervisory Board's consent, to increase the Company's share capital until May 5, 2014 by up to €460,000,000 by issuing new registered shares with no-par value against contribution in cash and/or in kind once or several times (Authorized Capital pursuant to Sections 202 et seq. of the AktG). In such issuances, the Board of Management is authorized, subject to the Supervisory Board's consent, to exclude shareholders' subscription right in the case of an issue of shares against cash contributions in an amount of up to 10 percent of the Company's share capital. The shares applied to the 10-percent limit will be those issued, under the exclusion of subscription right, by means of the measures described in the resolution of the Shareholders Meeting. The Board of Management is authorized, subject to the Supervisory Board's consent, to exclude the shareholders' subscription right in the case of an issue of shares against contributions in kind, but only to such an extent that the aggregate amount of the shares issued under this authorization (Section 3, Paragraph 5 of the Articles of Association) against contribution in kind with an exclusion of the shareholders' subscription right does not exceed 20 percent of the Company's share capital. In addition, the total amount of shares issued against contributions in cash or in kind with an exclusion of the subscription right may not exceed 20 percent of the Company's share capital.

Furthermore, the Shareholders Meeting of May 6, 2010, gave the Board of Management the authorization to issue bonds with conversion or option rights and with conversion obligations, profit participation rights, or participating bonds (or a combination of these instruments). Under these authorizations, the Board of Management may, with the Supervisory Board's consent, issue, once or several times, until May 5, 2015, registered option bonds, convertible bonds, profit participation rights, or participating bonds (or a combination of these instruments) with a total face value of up to €5 billion and grant

option rights to the holders of option bonds and/or conversion rights to the holders of convertible bonds for registered Company shares with a proportionate amount of the Company's share capital totaling up to €175,000,000 pursuant to the details of the terms and conditions of the option and/or conversion bonds. This ensures that the total face value of up to €5 billion could only be utilized once through the utilization of the authorization. In line with the authorization, the Company's share capital is conditionally increased by up to €175,000,000 and again by up to €175,000,000 pursuant to Section 3, Paragraphs 3 and 4, of the Articles of Association. Here, too, the Board of Management is authorized, subject to the Supervisory Board's consent, to fully exclude the shareholders' subscription right on bonds (with option or conversion rights or conversion obligation) issued against contributions in cash.

Significant Agreements to Which the Company is a Party that Take Effect on a Change of Control of the Company following a Takeover Bid

The ministerial approval of the German Federal Minister of Economics and Technology dated July 5/September 18, 2002, on the proposed mergers of E.ON/Gelsenberg and E.ON/Bergemann contains the following condition: at the direction of the Federal Ministry of Economics and Technology, E.ON must sell to a third party all shares in Ruhrgas AG held by E.ON or its affiliated companies if another company acquires a voting-rights or share-capital majority in E.ON and the acquirer gives reasonable cause for concern that the Federal Republic of Germany's energy policy interests will be negatively affected. The acquirer of Ruhrgas shares requires the prior approval of the Federal Ministry of Economics and Technology; such prior approval may be denied only if the acquirer gives reasonable cause for concern that the Federal Republic of Germany's energy policy interests will be negatively affected. This obligation is valid for a period of ten years after the mergers' consummation.

Debt issued since 2007 generally contains change-of-control clauses that give the creditor the right of cancellation. This applies, inter alia, to bonds issued by E.ON International Finance B.V. and guaranteed by E.ON AG, promissory notes issued by E.ON AG, and other instruments such as credit contracts. Granting change-of-control rights to creditors is considered good corporate governance and has become standard market practice. Further information about financial liabilities is contained in the section of the Combined Group Management Report entitled "Financial Condition" and in Note 26 to the Consolidated Financial Statements.

Settlement Agreements between the Company and Board of Management Members or Employees in the Case of a Change-of-Control Event

In the event of a premature loss of a Board of Management position due to a change-of-control event, the service agreements of Board of Management members entitle them to severance and settlement payments (see the detailed presentation in the Compensation Report).

Disclosures Pursuant to Section 289, Paragraph 5, of the German Commercial Code on the Internal Control System for the Accounting Process (Part of the Combined Group Management Report)

General Principles

We apply Section 315a (1) of the German Commercial Code and prepare our Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") and the interpretations of the International Financial Reporting Interpretations Committee that were adopted by the European Commission for use in the EU as of the end of the fiscal year and whose application was mandatory as of the balance-sheet date (see Note 1 to the Consolidated Financial Statements). Our market units are our IFRS reportable segments.

We prepare the E.ON AG Financial Statements in accordance with the German Commercial Code (in the version of the Accounting Law Modernization Act, known by its German acronym, "Bilmog," which took effect on May 29, 2009) and the German Stock Corporation Act.

We prepare a Combined Group Management Report which applies to both the E.ON Group and E.ON AG.

Accounting Process

The Consolidated Financial Statements are prepared in a multi-step process using the same SAP software throughout the E.ON Group. The financial statements of our market units (prepared by the respective market unit lead company and approved by its independent auditor) are combined at E.ON AG in the Consolidated Financial Statements. E.ON AG is responsible for maintaining and providing support for the consolidation software, for the E.ON-wide standard chart of accounts, and for implementing central consolidation measures. At several E.ON entities, shared service centers conduct some processes (like human resources management) that have an indirect impact on the accounting process.

All companies included in the Consolidated Financial Statements must comply with our uniform Accounting and Reporting Guidelines for the Annual Consolidated Financial Statements and the Interim Consolidated Financial Statements. These guidelines include a description of all general E.ON Group consolidation processes as well as the applicable IFRS accounting and valuation principles. They also explain accounting principles (such as those for provisions for nuclear waste management and the treatment of regulatory obligations) typical in the E.ON Group. In addition, all such companies must meet the deadlines of our balance-sheet closing calendar.

In conjunction with the closing process, additional qualitative and quantitative information is compiled. Furthermore, dedicated quality-control processes are in place for all relevant departments to discuss and ensure the completeness of relevant information on a regular basis.

E.ON AG's Financial Statements are also prepared by using SAP software. The accounting and preparation processes are divided into discrete functional steps. Automated or manual controls are integrated into each process. Defined procedures ensure that all transactions and the preparation of E.ON AG's Financial Statements are recorded, processed, assigned on an accrual basis, and documented in a complete, timely, accurate manner. Relevant data from E.ON AG's Financial Statements are, if necessary, adjusted to conform with IFRS and then transferred to the consolidation software system using SAP-supported transfer technology.

The following explanations about our Internal Control System and our general IT controls apply to the Consolidated Financial Statements and E.ON AG's Financial Statements.

Internal Control and Risk Management System

Internal controls are an integral part of our accounting processes. Guidelines, called Internal_Controls@E.ON, define uniform financial-reporting documentation requirements and procedures for the entire E.ON Group. The guidelines include a definition of their scope, documentation and evaluation standards, a Catalog of Management Controls, a Generic Risk Catalog, a description of the test activities of our Internal Audit division, and a description of the final Sign-Off process. We believe that compliance with these rules provides sufficient certainty to prevent error or fraud from resulting in material misrepresentations in the Consolidated Financial Statements, the Combined Group Management Report, and the Interim Reports.

COSO Model

Our internal control system is based on the globally recognized COSO model (COSO: The Committee of Sponsoring Organizations of the Treadway Commission). The Generic Risk Catalog (which encompasses company- and industry-specific aspects) defines possible risks for accounting (financial reporting) in the functional areas of our operating entities and thus serves as check list and provides guidance for the documentation process.

The Catalog of Management Controls is a key component of a functioning internal control system. It encompasses overarching controls to address risks in a range of issue areas and processes, such as financial reporting, corporate responsibility, fraud, the communications process, planning and budgeting, investment controlling and internal audit.

Central Documentation System

The E.ON companies to which the internal control system applies use a central documentation system to document key controls. The system defines the scope, detailed documentation requirements, requirements for the assessment process and the final evaluation performed by the Sign-Off process.

Scope

Each year, we conduct a multi-stage process using qualitative criteria and quantitative materiality metrics to define which E.ON companies must document and evaluate their financial-disclosure processes and controls. Selection is based on pre-defined line items in the balance sheets, income statements and/or notes of each company's prior-year financial statements.

Assessment

After companies have documented their processes and controls, they conduct an annual assessment of the design and the operational effectiveness of the processes as well as the controls embedded in these processes.

Tests Performed by Internal Audit

The management of E.ON companies relies on the assessment performed by their staff and on testing of the internal control system performed by Internal Audit. These tests are a key part of the process. Using a risk-oriented testing plan, Internal Audit tests the E.ON Group's internal control system and identifies potential deficiencies (issues). On the basis of its own evaluation and the results of tests performed by Internal Audit, an E.ON company's management carries out the final signing-off.

Following the preliminary evaluation of the processes and controls performed by an E.ON company's own staff and by Internal Audit, the market units carry out a second evaluation process to ensure quality before a final report is made to E.ON AG. This second evaluation is conducted by a committee of market unit staff or by the market unit management itself.

Sign-Off Process

The final step of the internal evaluation process is the submission of a formal written declaration confirming the system's effectiveness. The declaration process is conducted at all levels of the Group (beginning at the business-unit level) before it is conducted by the market units and, finally, by E.ON AG. It is therefore a formal mechanism that encompasses all levels of the E.ON Group's hierarchy. The Chairman of the E.ON AG Board of Management and the Chief Financial Officer make the final Sign-Off on the effectiveness of the internal control system of E.ON AG's financial reporting.

Internal Audit regularly informs the E.ON AG Supervisory Board's Audit and Risk Committee about the internal control system for financial reporting and any significant issues areas it identifies in the E.ON Group's underlying control processes.

General IT Controls

The effectiveness of the automated controls in the standard accounting software systems and in key additional applications depends to a considerable degree on the proper functioning of IT systems. Consequently, IT controls are embedded in our documentation system. These controls primarily involve ensuring the proper functioning of access-control mechanisms of systems and applications, of daily IT operations (such as emergency intervention), and of the program change process. In addition, support for the central consolidation system is conducted at E.ON AG in Düsseldorf. Furthermore, an E.ON company called E.ON IS provides comprehensive IT services for the majority of our market and business units.

Explanatory Report of the Board of Management on the Disclosures Pursuant to Section 289, Paragraph 4, and Section 315, Paragraph 4, as well as Section 289, Paragraph 5, of the German Commercial Code

The Board of Management has read and discussed the disclosures pursuant to Section 289, Paragraph 4 and Section 315, Paragraph 4 of the German Commercial Code contained in the Combined Group Management Report for the year ended December 31, 2009, and issues the following declaration regarding these disclosures:

The disclosures pursuant to Section 289, Paragraph 4 and Section 315, Paragraph 4 of the German Commercial Code contained in the Company's Combined Group Management Report are correct and conform with the Board of Management's knowledge. The Board of Management therefore confines itself to the following statements:

Beyond the disclosures contained in the Combined Group Management Report (and legal restrictions such as the exclusion of voting rights pursuant to Section 136 of the German Stock Corporation Act), the Board of Management is not aware of any restrictions regarding voting rights or the transfer of shares. The Company is not aware of shareholdings in the Company's share capital exceeding ten out of one hundred voting rights, so that information on such shareholdings is not necessary. There is no need to describe shares with special control rights (since no such shares have been issued) or

special restrictions on the control rights of employees shareholdings (since employees who hold shares in the Company's share capital exercise their control rights directly, just like other shareholders).

To the extent that the Company has agreed to settlement payments for Board of Management members in the case of a change of control, the purpose of such agreements is to preserve the independence of Board of Management members.

The Board of Management also read and discussed the disclosures in the Combined Group Management Report pursuant to Section 289, Paragraph 5, of the German Commercial Code. The disclosures contained in the Combined Group Management Report on the key features of our internal control and risk management system for accounting processes are complete and comprehensive.

Internal controls are an integral part of our accounting processes. Guidelines define uniform financial-reporting documentation requirements and procedures for the entire E.ON Group. We believe that compliance with these rules provides sufficient certainty to prevent error or fraud from resulting in material misrepresentations in the Consolidated Financial Statements, the Combined Group Management Report, and the Interim Reports.

Düsseldorf, February 2011

E.ON AG
Board of Management

Teyssen

Kildahl

Maubach

Reutersberg

Schenck

Stachelhaus