

Disclosure of Takeover Barriers and Explanatory Report of the Board of Management

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 shall total €1,734,200,000.00 and consist of 667,000,000 bearer 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 (that is, if ownership is transferred on July 1, 2008, the blackout period extends to December 31, 2010). 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, 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 shall consist of at least two members. The appointment of deputy Board of Management members is permissible. The Supervisory Board shall decide on the number of members as well as on their appointment and dismissal.

The Supervisory Board shall appoint members to the Board of Management for a term not exceeding five years; a member may be appointed for another term of office or the term of office of a member may be extended for an additional term not exceeding five years; appointment requires at least two thirds of the votes of Supervisory Board members. If two or more persons are appointed as members 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 shall make 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 German Stock Corporation Act and Sections 31 and 33 of the German Codetermination Act of 1976).

Pursuant to Section 179 of the German Stock Corporation Act, an amendment to the Articles of Association shall require a resolution of the Shareholders Meeting. Resolutions of the Shareholders Meeting shall 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 Articles of Association contain no other provisions regarding amendments.

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 after complete or partial consummation of the increase of the share capital in accordance with the respective utilization of the authorized capital and—if the authorized capital has not been utilized at all or not completely by April 27, 2010—after the expiration of the authorization period. Furthermore, the Supervisory Board is authorized to adapt the wording of Section 3 of the Articles of Association according to the utilization of the conditional capital.

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

Pursuant to a resolution of the Shareholders Meeting of May 3, 2007, the Board of Management is authorized, until November 3, 2008, to acquire own shares up to a total of ten percent of the share capital. 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 German Stock Corporation Act must altogether at no point account for more

than ten percent of the share capital. The resolution, which is published on the Company's Website, contains standard provisions regarding how shares may be acquired and how acquired shares may be used, including the authorization to cancel them.

Pursuant to Section 3, Paragraph 2 of the Articles of Association, the Board of Management is, subject to the approval of the Supervisory Board, authorized to increase the Company's share capital until April 27, 2010, by up to €540,000,000 by issuing new bearer shares with no-par value against contribution in cash and/or in kind once or several times (authorized capital pursuant to Section 202 et seq. of the German Stock Corporation Act). See Note 19 to the Consolidated Financial Statements for more information about authorized capital.

Pursuant to a resolution of the Annual Shareholders Meeting of April 30, 2003, the Board of Management is authorized, subject to the approval of the Supervisory Board, until April 30, 2008, to issue, once or several times, bonds with conversion or option rights for shares of E.ON AG with a maximum maturity of 20 years from issue. The aggregate face value of the bonds must not exceed €5,000,000,000. The aggregate face value of the shares to be granted in the event of conversion or option rights from this authorization being issued is €175,000,000 at the most. Therefore, pursuant to Section 3, Paragraph 3 of the Articles of Association, the Company's share capital shall be conditionally increased by up to €175,000,000 (see Note 19 to the Consolidated Financial Statements). The bonds may also be issued in exchange for contributions in kind if the value of these contributions in kind is at least equivalent to the issue price. The resolution, which is published on the Company's Website, contains standard provisions regarding conversion rights and obligations, dilution protection, and, to the extent legally permissible, the exclusion of the shareholders' right of subscription.

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/August 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 all shares in Ruhrgas AG held by it or affiliated

companies to a third party 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.

In accordance with standard market practice in comparable contracts, the credit and guarantee facilities ("Avales") (see Note 26 to the Consolidated Financial Statements) contain change-of-control clauses that give the creditor the right of cancellation. In addition, the bonds issued in 2007 by E.ON International Finance B.V. and guaranteed by E.ON (see Note 26 to the Consolidated Financial Statements) contain a standard change-of-control clause that is considered good corporate governance practice.

Settlement Agreements between the Company and Board of Management Members 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-in-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).

Explanatory Report of the Board of Management on the Disclosures Pursuant to Section 289, Paragraph 4, and Section 315, Paragraph 4 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, 2007, 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).

With regard to the Board of Management's power to issue or buy back shares, the Board of Management intends to ask the 2008 Annual Shareholders Meeting to issue it a new authorization to acquire own shares.

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.

Düsseldorf, February 2008

E.ON AG
Board of Management