

Corporate Governance Declaration in Accordance with Section 289f and Section 315d of the German Commercial Code

Declaration Made in Accordance with Section 161 of the German Stock Corporation Act by the Management Board and the Supervisory Board of E.ON SE

The Board of Management and the Supervisory Board hereby declare that E.ON SE will comply in full with the recommendations of the "Government Commission German Corporate Governance Code," dated February 7, 2017, published by the Federal Ministry of Justice and for Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger).

The Board of Management and the Supervisory Board furthermore declare that E.ON SE has been in compliance in full with the recommendations of the "Government Commission German Corporate Governance Code," dated May 5, 2015, published by the Federal Ministry of Justice and for Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) since the last declaration on December 16, 2016.

Essen, December 18, 2017

For the Supervisory Board of E.ON SE
Dr. Karl-Ludwig Kley
(Chairman of the Supervisory Board of E.ON SE)

For the Management Board of E.ON SE
Dr. Johannes Teysen
(Chairman of the Management Board of E.ON SE)

This declaration and those of the previous five years are continuously available to the public on the Company's Internet page at www.eon.com.

Relevant Information about Management Practices

Corporate Governance

E.ON views good corporate governance as a central foundation of responsible and value-oriented management, efficient collaboration between the Management Board and the Supervisory Board, transparent disclosures, and appropriate risk management.

In the past financial year the Management Board and Supervisory Board paid close attention to E.ON's compliance with the German Corporate Governance Code's recommendations and suggestions. They determined that E.ON SE fully complies with all of the Code's recommendations and with nearly all of its suggestions.

Transparent Management

Transparency is a high priority of the Management Board and Supervisory Board. Our shareholders, all capital market participants, financial analysts, shareholder associations, and the media regularly receive up-to-date information about the situation of, and any material changes to, the Company. We primarily use the Internet to help ensure that all investors have equal access to comprehensive and timely information about the Company.

E.ON SE issues reports about its situation and earnings by the following means:

- Interim Reports
- Annual Reports
- Annual press conference
- Press releases
- Telephone conferences held on release of the quarterly Interim Reports and the Annual Report
- Numerous events for financial analysts in and outside Germany.

A financial calendar lists the dates on which the Company's financial reports are released.

In addition to the Company's periodic financial reports, the Company issues ad hoc statements when events or changes occur at E.ON SE that could have a significant impact on the price of E.ON stock.

The financial calendar and ad hoc statements are available on the Internet at www.eon.com.

Managers' Transactions

Persons with executive responsibilities, in particular members of E.ON SE's Management Board and Supervisory Board, and persons closely related to them, must disclose specific dealings in E.ON stock or bonds, related derivatives, or other related financial instruments pursuant to Article 19 of the EU Market Abuse Regulation in conjunction with Section 26, Paragraph 2, of the German Securities Trading Act. Such dealings that took place in 2017 have been disclosed on the Internet at www.eon.com.

Integrity

Our actions are grounded in integrity and a respect for the law. The basis for this is the Code of Conduct established by the Management Board. It emphasizes that all employees must comply with laws and regulations and with Company policies. These relate to dealing with business partners, third parties, and government institutions, particularly with regard to antitrust law, the granting and accepting of benefits, the involvement of intermediaries, and the selection of suppliers and service providers. Other rules address issues such as the avoidance of conflicts of interest (such as the prohibition to compete, secondary employment, material financial investments) and handling company information, property, and resources. The policies and procedures of our compliance organization ensure the investigation, evaluation, cessation, and punishment of reported violations by the appropriate Compliance Officers and the E.ON Group's Chief Compliance Officer. Violations of the Code of Conduct can also be reported anonymously (for example, by means of a whistleblower report). The Code of Conduct is published on www.eon.com.

Description of the Functioning of the Management Board and Supervisory Board and of the Composition and Functioning of Their Committees

Management Board

The E.ON SE Management Board manages the Company's businesses, with all its members bearing joint responsibility for its decisions. It establishes the Company's objectives, sets its fundamental strategic direction, and is responsible for corporate policy and Group organization.

In 2017 the Management Board consisted of five members initially and, after the end of Mr. Sen's service, effective April 1, 2017, of four members. It had one Chairman. No Management Board member has more than three supervisory board memberships in listed non-Group companies or on the supervisory bodies of non-Group companies that require a similar commitment.

Someone who has reached the general retirement age should not be a member of the Management Board. The Management Board has in place policies and procedures for the business it conducts and, in consultation with the Supervisory Board, has assigned task areas to its members.

The Management Board regularly reports to the Supervisory Board on a timely and comprehensive basis on all relevant issues of strategy, planning, business development, risk situation, risk management, and compliance. It also submits the Group's investment, finance, and personnel plan for the next financial year as well as the medium-term plan to the Supervisory Board, generally at the last meeting of each financial year.

The Chairperson of the Management Board informs, without undue delay, the Chairperson of the Supervisory Board of important events that are of fundamental significance in assessing the Company's situation, development, and management and of any defects that have arisen in the Company's monitoring systems. Transactions and measures requiring the Supervisory Board's approval are also submitted to the Supervisory Board in a timely manner.

Members of the Management Board are also required to promptly report conflicts of interest to the Executive Committee of the Supervisory Board and to inform the other members of the Management Board. Members of the Management Board may only assume other corporate positions, particularly appointments to the supervisory boards of non-Group companies, with the consent of the Executive Committee of the Supervisory Board. There were no conflicts of interest involving members of the E.ON SE Management Board in 2017. Any material transactions between the Company and members of the Management Board, their relatives, or entities with which they have close personal ties require the consent of the Executive Committee of the Supervisory Board. No such transactions took place in the reporting period.

The Management Board has no board committees but has established a number of committees that support it in the fulfillment of its tasks. The members of these committees are senior representatives of various departments of E.ON SE whose experience, responsibilities, and expertise make them particularly suited for their committee's tasks. Among these committees are the following:

The Management Board has established a Disclosure Committee and an Ad Hoc Committee for issues relating to financial disclosures. These committees ensure that such information is disclosed in a correct and timely fashion.

A Risk Committee ensures the correct application and implementation of the legal requirements of Section 91 of the German Stock Corporation Act ("AktG"). This committee monitors the E.ON Group's risk situation and its risk-bearing capacity and devotes particular attention to the early-warning system to ensure the early identification of going-concern risks in order to avoid developments that could potentially threaten the Group's continued existence. In this context, the Risk Committee also deals with risk-mitigation strategies (including hedging strategies). In collaboration with relevant departments, the committee ensures and refines the implementation of, and compliance with, the Company's reporting policies with regard to commodity risks, credit risks, and enterprise risk management.

Supervisory Board

The E.ON SE Supervisory Board had eighteen members in the 2017 financial year. Pursuant to E.ON SE's Articles of Association, it is composed of an equal number of shareholder and employee representatives. The shareholder representatives are elected by the shareholders at the Annual Shareholders Meeting; the Supervisory Board nominates candidates for this purpose. As a rule, the Annual Shareholders Meeting decides on the elections by individual vote. Pursuant to the agreement regarding employees' involvement in E.ON SE, the other currently nine members of the Supervisory Board are appointed by the SE Works Council, with the provision that at least three different countries are represented and one member is selected by a trade union that is represented at E.ON SE or one of its subsidiaries in Germany. Persons are not eligible as Supervisory Board members if they:

- are already supervisory board members in ten commercial companies that are required by law to form a supervisory board,
- are legal representatives of an enterprise controlled by the Company,
- are legal representatives of another corporation whose supervisory board includes a member of the Company's Management Board, or
- were a member of the Company's Management Board in the past two years, unless the person concerned is nominated by shareholders who hold more than 25 percent of the Company's voting rights.

The members of the E.ON SE Supervisory Board fulfill these requirements. Pursuant to the AktG, at least one member of the Supervisory Board must have expertise in preparing or auditing financial statements. The Supervisory Board believes that, in particular, Dr. Theo Siegert and Andreas Schmitz meet this requirement. The Supervisory Board believes that its members in their entirety are familiar with the sector in which the Company operates.

The Supervisory Board oversees the Company's management and advises the Management Board on an ongoing basis. The Management Board requires the Supervisory Board's prior approval for significant transactions and measures, such as the Group's investment, finance, and personnel plans; the acquisition or sale of companies, equity interests, or parts of companies whose fair value or, in the absence of a fair value, whose book value exceeds €300 million; financing measures that exceed €1 billion and have not been covered by Supervisory Board resolutions regarding finance plans; and the conclusion, amendment, or termination of affiliation agreements. The Supervisory Board examines the Financial Statements of E.ON SE, the Management Report, and the proposal for profit appropriation and, on the basis of the Audit and Risk Committee's preliminary review, the Consolidated Financial Statements and the Combined Group Management Report and the separate Non-Financial Report and the separate Combined Non-Financial Report. The Supervisory Board provides to the Annual Shareholders Meeting a written report on the results of this examination.

The Supervisory Board has established policies and procedures for itself, which are available on the Company's Internet page. It holds at least four regular meetings in each financial year. Its policies and procedures include mechanisms by which, if necessary, a meeting of the Supervisory Board or one of its committees can be called at any time by a member or by the Management Board. Shareholder representatives and employee representatives can prepare for Supervisory Board meetings separately. In the event of a tie vote on the Supervisory Board, the Chairperson has the tie-breaking vote.

Furthermore, the Supervisory Board's policies and procedures gave it the option, if necessary, of holding executive sessions; that is, to meet without the Management Board.

Overview of the Attendance of Supervisory Board Members at Meetings of the Supervisory Board and Its Committees

Supervisory Board member	Supervisory Board Meetings	Executive Committee	Audit and Risk Committee	Investment and Innovation Committee ¹	Nomination Committee
Kley, Dr. Karl-Ludwig	6/6	10/10	1/5 ³	1/8 ³	1/1
Lehner, Prof. Dr. Ulrich	5/6	10/10	–	–	1/1
Clementi, Erich	6/6	–	–	3/8 (guest)	–
Dybeck Happe, Carolina	6/6	–	–	7/8 ⁴	–
Kingsmill, Baroness Denise	3/6	–	–	–	–
Schmitz, Andreas	6/6	–	4/5 ^{2,4}	–	–
Segundo, Dr. Karen de	5/6	2/10 (guest)	–	8/8	1/1
Siegert, Dr. Theo	6/6	1/10 (guest)	5/5	–	–
Woste, Ewald	6/6	–	–	7/8 ⁴	–
Scheidt, Andreas	6/6	10/10	–	–	–
Broutta, Clive	6/6	–	–	6/8	–
Gila, Tibor	6/6	–	–	–	–
Hansen, Thies	6/6	–	5/5	–	–
Luha, Eugen-Gheorghe	6/6	–	–	8/8	–
Schulz, Fred	6/6	9/10	5/5	–	–
Šmátralová, Silvia	6/6	–	–	–	–
Wallbaum, Elisabeth	6/6	–	–	–	–
Zettl, Albert	6/6	1/10 (guest)	–	7/8 ⁴	–

¹Until March 31, 2017: Finance and Investment Committee

²Thereof once as a guest.

³Member until March 31, 2017.

⁴Member since April 1, 2017.

In view of Item 5.4.1 of the German Corporate Governance Code and Section 289f, Paragraph 2, Item 6, of the German Commercial Code, in December 2017 the Supervisory Board defined targets for its composition, including a diversity concept and a competency profile, that go beyond the applicable legal requirements. They are as follows:

"The composition of the Supervisory Board of E.ON SE shall comply with the specific SE requirements and Germany's Stock Corporation Act, and with the recommendations of the German Corporate Governance Code.

a) In this context, the following general objectives shall be observed:

- *The Supervisory Board shall include a reasonable number of independent members. Members shall be deemed to be independent if they have no personal or business relationship with the Company, its corporate bodies, a major shareholder or any*

company affiliated with the latter, where such relationship may give rise to a material and not merely temporary conflict of interests. If the total number of Supervisory Board members is 12, a reasonable number of independent members will be eight. In this context, employee representatives will always be regarded as independent members.

- *The Supervisory Board shall not include more than two former members of the Board of Management.*
- *Members of the Supervisory Board must not have seats on the boards of, or act as consultants for, any of the Company's major competitors.*
- *Supervisory Board membership shall usually be limited to no more than three full terms of office (15 years).*

- All Supervisory Board members must have sufficient time available to perform their duties on the boards of various companies. Persons who are members of the board of management of a listed company shall only be eligible as members of E.ON's Supervisory Board if they do not have seats on a total of more than two supervisory boards of listed non-Group companies or of comparable supervisory bodies.

b) In addition, the Supervisory Board has adopted the following diversity concept so as to ensure a balanced structure of the Supervisory Board in terms of age, gender, personality, educational background and professional experience.

- In the search for qualified Supervisory Board members, due consideration shall be given to diversity. When preparing nominations for the election of Supervisory Board members, due consideration shall be given in each case to the question as to whether complementary academic profiles, professional and life experience, a balanced age mix, various personalities and a reasonable gender balance benefit the Supervisory Board's work. In this context, care shall be taken to ensure that a gender quota of 30 percent will be achieved; this shall apply to the Supervisory Board as a whole and to the shareholders' and employees' representatives separately.
- An upper age limit of 75 years shall apply to members of the Supervisory Board; candidates shall not be older than 72 years when they are elected.
- Four Supervisory Board members shall have international experience, i.e. they shall have spent, for instance, many years of their professional career outside Germany.

c) In addition, the following skills profile shall apply; especially the Nominations Committee will strive to apply the skills profile when preparing nominations of candidates for the shareholders' representatives to be proposed to the Annual General Meeting.

- The shareholders' representatives should have leadership experience in companies or other large organizations by the majority. At least four members shall have experience, as management or supervisory board members, in the strategic management or supervision of listed organizations and shall be familiar with the functioning of capital and financial markets.
- At least two members shall be familiar, in particular, with innovation, disruption and digitization and the associated new business models and cultural change.

- At least four members shall have specific expertise in the businesses and markets that are particularly relevant for E.ON. This includes in particular the energy sector, the sales and retail business, regulated industries, new technology as well as relevant customer sectors.
- At least two independent representatives of the shareholders shall have expertise in the fields of accounting, risk management and auditing of financial statements.
- At least two members shall be familiar with legal and compliance, HR, IT and sustainability."

Current Composition

a) The Supervisory Board believes that all of its members are independent. No former Management Board member sits on the Supervisory Board. Furthermore, no member has a seat on the boards of, or acts as a consultant for, any of the Company's major competitors or has been on the Supervisory Board for more than three full terms of office (15 years). The Supervisory Board believes that in the case of no Supervisory Board member is there specific indications of relevant situations or relationships that could give rise to a conflict of interests. No management board member of a listed company sits on the Supervisory Board.

b) In its current composition the Supervisory Board meets the objectives of its diversity concept. The Supervisory Board's composition of women and men complies with the legal requirements for minimum percentages, although separate compliance with the statutory gender quota is not expected to occur until the Annual Shareholders Meeting in 2018. The age range of the Supervisory Board is currently between 42 and 71 years, with an average age of 59. At least four members have international experience.

c) The members bring a wide range of specific knowledge to committee work and have special expertise in one or more businesses and markets relevant to the Company.

Current CVs of Supervisory Board members are published on the Company's Internet page.

At the close of the 2018 Annual Shareholders Meeting, the Supervisory Board will be reduced to twelve members in accordance with Sections 8 and 8a of E.ON SE's Articles of Association. The Management Board and the Supervisory Board intend to propose to the Annual Shareholders Meeting that the number of Supervisory Board members be increased by two persons so that in the future the Supervisory Board can continue to fully meet the objectives for its composition, including the diversity concept and the competency profile, despite the end of service of long-standing members. In view of continually changing business requirements, the Supervisory Board will continue to identify necessary competencies early to ensure that it has them.

The Supervisory Board has established the following committees and defined policies and procedures for them:

The Executive Committee consists of four members: the Supervisory Board Chairperson, his or her two Deputies, and a further employee representative. It prepares the meetings of the Supervisory Board and advises the Management Board on matters of general policy relating to the Company's strategic development. In urgent cases (in other words, if waiting for the Supervisory Board's prior approval would materially prejudice the Company), the Executive Committee acts on the full Supervisory Board's behalf. In addition, a key task of the Executive Committee is to prepare the Supervisory Board's personnel decisions and resolutions for setting the respective total compensation of individual Management Board members within the meaning of Section 87, AktG. Furthermore, it is responsible for the conclusion, alteration, and termination of the service agreements of Management Board members and for presenting the Supervisory Board with a proposal for a resolution on the Management Board's compensation plan and its periodic review. In addition, it prepares the Supervisory Board's decision on the Group's investment, financial, and personnel plan for the next financial year. It also deals with corporate-governance matters and reports to the Supervisory Board, generally once a year, on the status and effectiveness of, and possible ways of improving, the Company's corporate governance and on new requirements and developments in this area.

The Audit and Risk Committee consists of four members. The Supervisory Board believes that, in their entirety, the members of the Audit and Risk Committee are familiar with the sector in which the Company operates. According to the AktG, the Audit and Risk Committee must include one Supervisory Board member who has expertise in accounting and/or auditing. The Supervisory Board believes that Dr. Theo Siegert and Andreas Schmitz fulfill these requirements. Pursuant to the recommendations of the German Corporate Governance Code, the Chairperson of the Audit and Risk Committee should have special knowledge and experience in the application of accounting principles and internal control processes. In addition, this person should be independent and should not be a former Management Board member whose service on the Management Board ended less than two years ago. The Supervisory Board believes that the Chairman of the Audit and Risk Committee, Dr. Theo Siegert, fulfills these requirements. In particular, the Audit and Risk Committee deals with accounting issues (including the accounting process), risk management, compliance, the necessary independence of the independent auditor, the issuance of the audit mandate to the independent auditor, the definition of the audit priorities, the agreement regarding the independent auditor's fees, and any additional services performed by the independent auditor. The committee's monitoring of risk management encompasses reviewing the effectiveness of the internal control system, internal risk management, and the internal audit system. The committee also prepares the Supervisory Board's decision on the approval of the Financial Statements of E.ON SE and the Consolidated Financial Statements. It is responsible for the preliminary review of the Financial Statements of E.ON SE, the Management Report, the Consolidated Financial Statements, the Combined Group Management Report and the proposal for profit appropriation of profits as

well as—if these are not already part of the (Combined Group) Management Report—the separate Non-Financial Report and the separate Combined Non-Financial Report. It discusses the half-yearly reports and quarterly notifications or financial reports with the Management Board prior to their publication. The effectiveness of the internal control mechanisms for the accounting process used at E.ON SE and its units is tested on a regular basis by our Internal Audit division; the Audit and Risk Committee regularly monitors the work done by the Internal Audit division and the definition of audit priorities. The Audit and Risk Committee may commission an external review of the contents of the Non-Financial Statement or the separate Non-Financial Report or the Combined Non-Financial Statement or the separate Combined Non-Financial Report. In addition, the Audit and Risk Committee prepares the proposal on the selection of the Company's independent auditor for the Annual Shareholders Meeting. In order to ensure the auditor's independence, the Audit and Risk Committee secures a statement from the proposed auditor detailing any facts that could lead to the audit firm being excluded for independence reasons or otherwise conflicted.

In being assigned the audit task, the independent auditor agrees to:

- promptly inform the Chairperson of the Audit and Risk Committee should any such facts arise during the course of the audit unless such facts are resolved in a satisfactory manner
- promptly inform the Supervisory Board of anything it becomes aware of during the course of the audit that is of relevance to the Supervisory Board's duties
- inform the Chairperson of the Audit and Risk Committee, or to note in the audit report, if the audit has led to findings that contradict the Declaration of Compliance with the German Corporate Governance Code by the Management Board or Supervisory Board.

The Investment and Innovation Committee (until March 31, 2017: the Finance and Investment Committee) generally consists of four members; from April 1, 2017, to the end of the 2018 Annual Shareholders Meeting it consists of six members. It advises the Management Board on all issues of Group financing and investment planning as well as issues relating to market developments and innovation. It decides on behalf of the Supervisory Board on the approval of the acquisition and disposition of companies, equity interests, and parts of companies whose value exceeds €300 million but does not exceed €600 million. In addition, it decides on behalf of the Supervisory Board on the approval of financing measures whose value exceeds €1 billion but not €2.5 billion if such measures are not covered by the Supervisory Board's resolutions regarding finance plans. If the value of any such transactions or measures exceeds the above-mentioned thresholds, the committee prepares the Supervisory Board's decision.

The Nomination Committee consists of three shareholder-representative members. Its Chairperson is the Chairperson of the Supervisory Board. Its task is to recommend to the Supervisory Board, taking into consideration the Supervisory Board's targets for its composition, suitable candidates for election to the Supervisory Board by the Annual Shareholders Meeting.

All committees meet at regular intervals and when specific circumstances require it under their policies and procedures. The Report of the Supervisory Board (on pages 8 to 9) contains information about the activities of the Supervisory Board and its committees in 2017. Pages 222 and 223 show the composition of the Supervisory Board and its committees.

Shareholders and Annual Shareholders Meeting

E.ON SE shareholders exercise their rights and vote their shares at the Annual Shareholders Meeting. The convening of the Annual Shareholders Meeting and the reports and documents required by law for the Annual Shareholders Meeting, including the Annual Report, are published on the Company's Internet page together with the agenda and the explanation of the conditions of participation, shareholders' rights, and any counter-motions and election proposals submitted by shareholders. The Company's financial calendar, which is published in the Annual Report, in the quarterly notifications or financial reports, and on the Internet at www.eon.com, regularly informs shareholders about important Company dates.

At the Annual Shareholders Meeting, shareholders may vote their shares themselves, through a proxy of their choice, or through a Company proxy who is required to follow the shareholder's voting instructions.

As stipulated by German law, the Annual Shareholders Meeting votes to select the Company's independent auditor.

At the Annual Shareholders Meeting on May 10, 2017, PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, was selected to be E.ON SE's independent auditor for the 2017 financial year and to audit the Condensed Consolidated Interim Financial Statements and Interim Group Management Report for the 2017 financial year and the first quarter of 2018. The independent auditors with signing authority for the Annual Financial Statements of E.ON SE and the Consolidated Financial Statements are Markus Dittmann (since the 2014 financial year) and Aissata Touré (since the 2015 financial year).

Women and Men in Leadership Positions Pursuant to Section 76, Paragraph 4, and Section 111, Paragraph 5, of the German Stock Corporation Act

In the reporting period, the Management Board consisted initially of five and subsequently of four men. In December 2016 the Supervisory Board set a new target of 20 percent for the proportion of women on the Management Board and a deadline of December 31, 2021, for implementation.

In 2015, for E.ON SE the Management Board set a target of 23 percent for the proportion of women in the first level of management below the Management Board and a target of 17 percent for the second level of management below the Management Board. The deadline for achieving both targets was June 30, 2017. At the time of the deadline, the proportion of women in first and second levels of management below the Management Board was 19 percent and 27 percent, respectively. During the implementation period, E.ON took specific steps to increase the proportion of women in management positions. However, turnover in management was lower than in previous years. Despite the positive trend, not yet all targets were achieved.

In May 2017 the Management Board set new targets of 30 percent for the proportion of women in the first level of management below the Management Board and a target of 35 percent for the second level of management below the Management Board. The deadline for achieving both targets is June 30, 2022.

For all other E.ON Group companies concerned, targets and deadlines pursuant to the Law for the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector were set for the proportion of women on these companies' supervisory board and management board or team of managing directors as well as in the next two levels of management. The deadline for achieving these targets is June 30, 2022.

Diversity Concept for the Management Board

At its meeting in December 2017 the E.ON SE Supervisory Board passed a resolution on the following succession planning/diversity concept for the Management Board:

In cooperation with the Executive Committee and the Management Board, the Supervisory Board is in charge of long-term succession planning for the Management Board. With regard to the Management Board's composition, the Supervisory Board of E.ON SE has developed a diversity concept that is in line with the relevant recommendations of the German Corporate Governance Code.

Appointment Objectives

- When appointing members of the Management Board, the candidates' outstanding professional qualifications, long-term leadership experience and past performance, as well as value-driven management shall be of paramount importance. Members shall be capable of taking forward-looking strategic decisions. In particular, they shall be capable of managing businesses sustainably and of ensuring that they are consistently focused on customer needs.

- The Management Board as a whole must have expertise and experience in the energy sector as well as in the fields of finance and digitization.
- The members of the Management Board shall be leaders and as such shall act as role models for the employees through their own performance and conduct.
- Attention shall be paid to diversity when appointing members of the Management Board. For the Supervisory Board, diversity means, in particular, different complementary academic profiles, professional and personal experience, personalities, as well as internationality and a reasonable age and gender structure. The Supervisory Board has therefore adopted a target quota of 20 percent for the share of women on the Management Board; this target shall be achieved by December 31, 2021.
- The appointment period of a member of the Management Board shall generally end at the end of the month on which the Management Board member reaches the general retirement age but at the close of the subsequent Annual Shareholders Meeting at the latest.

Achievement of Objectives

With the exception of the target quota regarding the share of women, which is to be achieved by December 31, 2021, the current composition of the Management Board already meets the appointment objectives described above.

Compensation Report Pursuant to Section 289a, Paragraph 2, and Section 315a, Paragraph 2 of the German Commercial Code

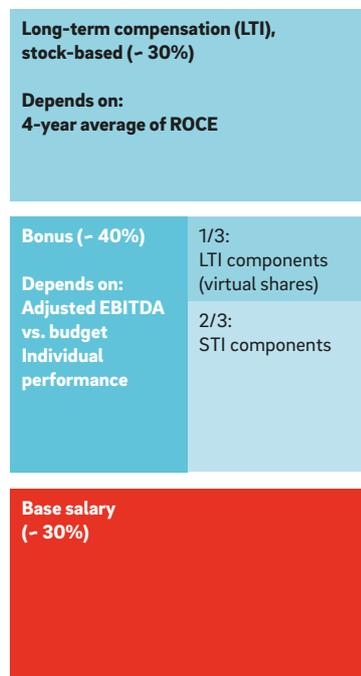
This compensation report describes the basic features of the compensation plans for members of the E.ON SE Management Board and Supervisory Board and provides information about the compensation granted and paid in 2017. It applies the provisions of accounting standards for capital-market-oriented companies (the German Commercial Code, German Accounting Standards, and International Financial Reporting Standards) and the recommendations of the German Corporate Governance Code dated February 7, 2017.

Basic Features of the Management Board Compensation Plan

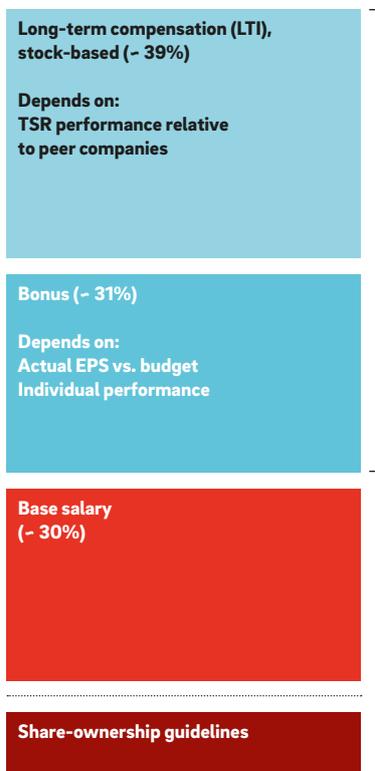
The Management Board’s compensation plan was revised in 2016 in light of the E.ON Group’s new direction. The purpose of the revision was to make the plan simpler and to reflect the Company’s new strategy. The Management Board compensation

plan that took effect on January 1, 2017, is supposed to create an incentive for successful and sustainable corporate governance and to link the compensation of Management Board members with the Company’s short-term and long-term performance while also factoring in their individual performance. The new plan’s parameters are therefore transparent, performance-based, and aligned with the Company’s business success; variable compensation is based predominantly on multi-year metrics. In order to align management’s and shareholders’ interests and objectives, long-term variable compensation is based not only on the development of E.ON’s stock price in absolute terms but also on a comparison with competitors. The introduction of share-ownership guidelines further strengthens E.ON’s capital-market orientation and shareholder culture.

Old Plan



New Plan



Reasons for Adjustment

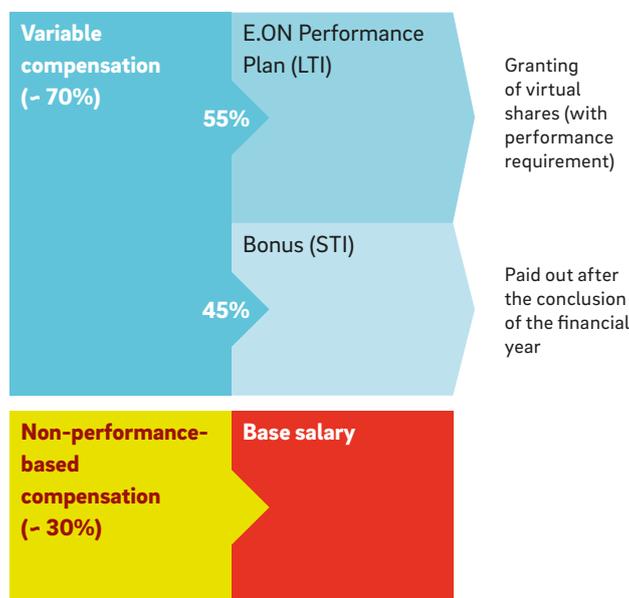
- General:
 - Reduce complexity
 - Reflect new business model
- Enhance capital-market perspective
- Introduce relative total shareholder return (TSR), an accepted, proven performance indicator from investors’ viewpoint
- Factor in performance relative to competitors
- Introduce earnings per share (EPS) as key performance indicator for management purposes
- Reflect corporate strategy
- Serve as an indicator of profitability
- No adjustment
- Strengthening of shareholder culture and capital-market orientation

The Supervisory Board approves the Executive Committee's proposal for the Management Board's compensation plan. It reviews the plan and the appropriateness of the Management Board's total compensation as well as the individual components on a regular basis and, if necessary, makes adjustments. It considers the provisions of the German Stock Corporation Act and follows the German Corporate Governance Code's recommendations and suggestions. In its review of the compensation plan's market conformity and the appropriateness of compensation levels, the Supervisory Board was supported by an external compensation expert.

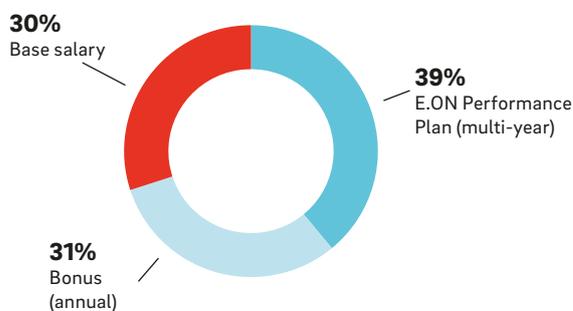
The compensation plan that took effect on January 1, 2017, was presented to the 2016 Annual Shareholders Meeting and approved by a majority of 91.14 percent.

The compensation of Management Board members consists of a fixed base salary, an annual bonus, and long-term variable remuneration. The revision of the compensation plan left the sum of these components unchanged from the previous plan. The components account for the following percentages of total compensation:

The following graphic provides an overview of the compensation plan for Management Board members:



Compensation Structure¹



¹Not including fringe, other, and pension benefits.

In addition, a graphic on page 97 provides a summary overview of the individual components of the Management Board's compensation described below as well as their respective metrics and parameters.

Non-Performance-Based Compensation

No revisions were made to non-performance-based compensation.

Management Board members receive their fixed compensation in twelve monthly payments.

Management Board members receive a number of contractual fringe benefits, including the use of a chauffeur-driven company car. The Company also provides them with the necessary telecommunications equipment, covers costs that include those for a periodic medical examination, and pays the premium for an accident insurance policy.

Performance-Based Compensation

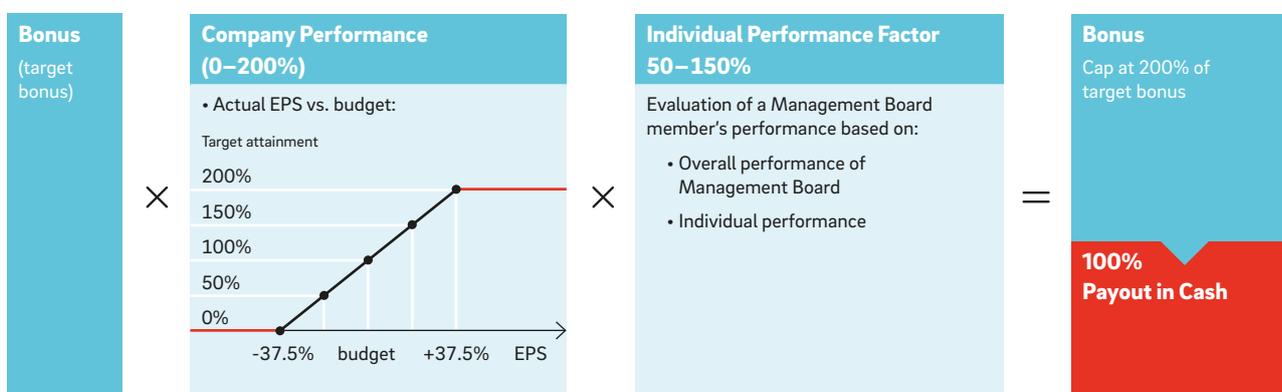
55 percent of performance-based compensation depends on the achievement of long-term targets, ensuring that the variable compensation is sustainable under the criteria of Section 87 of the German Stock Corporation Act.

Annual Bonus

Under the revised compensation plan, Management Board members' annual bonus (45 percent of the performance-based compensation) consists only of a cash payment made after the end of the financial year.

The amount of the annual bonus is determined by the degree to which certain performance targets are attained. The target-setting mechanism consists of company performance targets and individual performance targets.

Unlike the compensation plan that was in effect until December 31, 2016, the revised plan dispenses with the Supervisory Board's additional discretionary power in the assessment of the Company's performance.



Effective 2017, the Company's performance is assessed on the basis of earnings per share ("EPS"), E.ON's key performance indicator. EPS used for this purpose will be derived from adjusted net income as disclosed in this report. The EPS target for each year is set by the Supervisory Board, taking into account the approved budget. The target is fully achieved if actual EPS is equal to the target. If actual EPS is 37.5 percentage points or more below the target, this constitutes zero percent attainment. If actual EPS is 37.5 percentage points or more above the target, this constitutes 200 percent attainment. Linear interpolation is used to translate intermediate EPS figures into percentages.

The Supervisory Board determines the degree to which Management Board members have attained the targets of their individual performance factors, giving adequate consideration to their individual and collective contributions. The factors range between 50 and 150 percent. In addition, the Supervisory Board may, as part of the annual bonus, grant Management Board members special compensation for outstanding achievements. In assigning Management Board members their individual performance factors and in granting special compensation,

the Supervisory Board pays attention to the criteria of Section 87 of the German Stock Corporation Act and of the German Corporate Governance Code.

As before, the maximum bonus that can be attained (including any special compensation) is 200 percent of the target bonus (cap).

Long-Term Variable Compensation

The long-term variable compensation currently consists of tranches from several financial years granted under two different plans. First, the first tranche of the new E.ON Performance Plan—Performance Plan, first tranche (2017–2020)—was granted. It will be paid out in April 2021 on the basis of target attainment and E.ON's stock price. Second, there are still tranches of the E.ON Share Matching Plans outstanding. The last tranche of the E.ON Share Matching Plan—Share Matching Plan, fourth tranche (2016–2020) and the LTI components of the bonus from 2016 (Share Matching Plan, fifth tranche (2017–2021)—was granted in 2016.

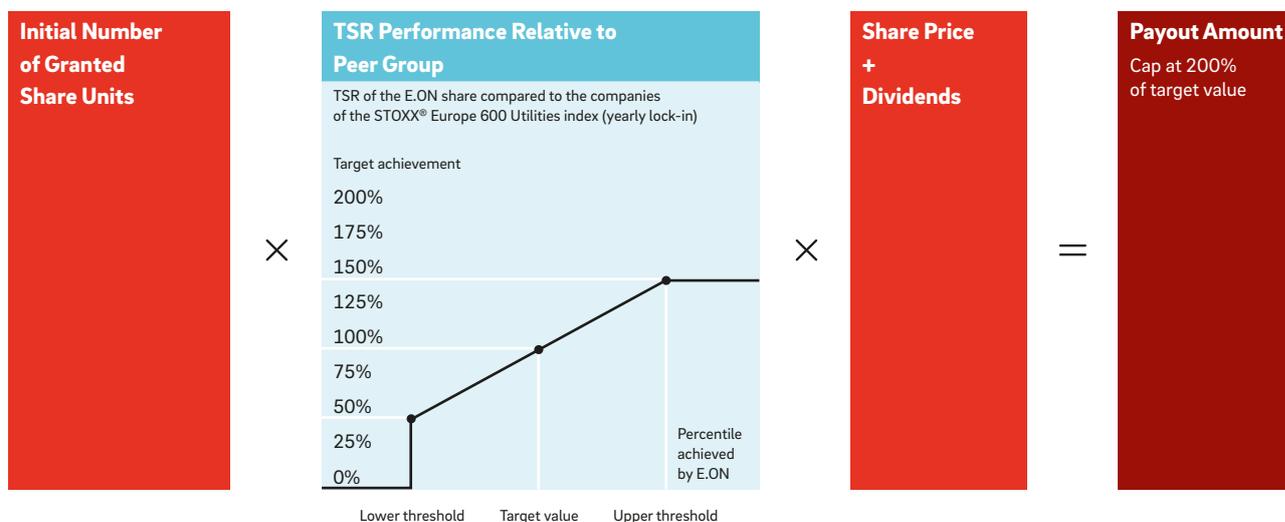
E.ON's Performance Plan (Granted from 2017)

Management Board members receive stock-based, long-term variable compensation under the E.ON Performance Plan, which replaced the E.ON Share Matching Plan as the Company's new long-term compensation plan effective January 1, 2017. Each tranche of the E.ON Performance Plan has a vesting period of four years to serve as a long-term incentive for sustainable business performance. Vesting periods start on January 1.

The Supervisory Board grants virtual shares to each member of the Management Board in the amount of the contractually agreed-on target. The conversion into virtual shares is based on the fair market value on the date when the shares are granted. The fair market value is determined by applying methods accepted in financial mathematics, taking into account the expected future payout, and hence, the volatility and risk associated with the E.ON Performance Plan. The number of granted virtual shares may change in the course of the four-year vesting period depending on the total shareholder return ("TSR") of E.ON stock compared with the TSR of the companies in a peer group ("relative TSR").

TSR is the yield of E.ON stock. It takes into account the stock price, including the assumption that dividends are reinvested, and is adjusted to exclude changes in capital. The peer group used for relative TSR will be the other companies in E.ON's peer index, the STOXX® Europe 600 Utilities.

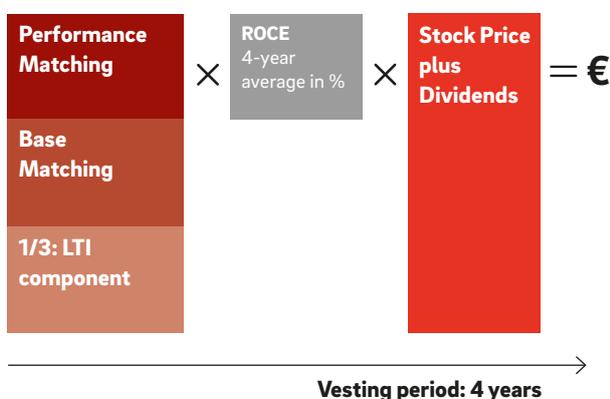
During a tranche's vesting period, E.ON's TSR performance is measured once a year in comparison with the companies in the peer group and set for that year. E.ON SE's TSR performance in a given year determines the final number of one fourth of the virtual shares granted at the beginning of the vesting period. For this purpose, the TSRs of all companies are ranked, and E.ON SE's relative position is determined based on the percentile reached. If target attainment in a year is below the threshold defined by the Supervisory Board at the time of granting, the number of virtual shares granted is reduced by one quarter. If E.ON's performance is at the upper cap or above, the quarter of virtual shares granted for that particular year increases to a maximum of 150 percent. Linear interpolation is used to translate intermediate figures into percentage.



The resulting number of virtual shares at the end of the vesting period is multiplied by the average price of E.ON stock in the final 60 days of the vesting period. This amount is increased by the dividends distributed on E.ON stock during the vesting period and then paid out. The sum of the payouts is capped at 200 percent of the contractually agreed-on target.

E.ON Share Matching Plan (Granted until 2016)

Until the introduction of the new compensation plan on January 1, 2017, Management Board members received stock-based compensation under the E.ON Share Matching Plan. At the beginning of each financial year, the Supervisory Board decided, based on the Executive Committee’s recommendation, on the allocation of a new tranche, including the respective targets and the number of virtual shares granted to individual members of the Management Board. To serve as a long-term incentive for sustainable business performance, each tranche had a vesting period of four years. The tranche started on April 1 of each year.



Following the Supervisory Board’s decision to allocate a new tranche, Management Board members initially received vested virtual shares equivalent to the amount of the LTI component of their bonus. The determination of the LTI component took into consideration the overall target attainment of the old compensation plan’s bonus for the preceding financial year. The number of virtual shares was calculated on the basis of the amount of their LTI component and E.ON’s average stock price during the first 60 days prior to the four-year vesting period. Furthermore, Management Board members could receive, on the basis of annual Supervisory Board decisions, a base matching of additional non-vested virtual shares in addition to the virtual shares that resulted from their LTI component. In addition, Management Board members could, depending on the company’s performance during the vesting period, receive performance matching of up to two additional non-vested virtual shares per

share that resulted from base matching. The arithmetical total target value allocated at the start of the vesting period, which began on April 1 of the year in which a tranche was allocated, was therefore the sum of the value of the LTI component, base matching, and performance matching (depending on the degree of attainment of a predefined company performance target).

For the purpose of performance matching, the company performance metric for tranches granted from 2013 to 2015 was initially E.ON’s average ROACE during the four-year vesting period compared with a target ROACE set in advance by the Supervisory Board for the entire four-year period at the time it allocated a new tranche. Pursuant to a Supervisory Board resolution, from the 2016 financial year onward these performance targets were based on ROCE. In view of the Uniper spinoff, this adjustment was necessary because the ROACE targets were based on old planning figures that did not foresee the Uniper spinoff. Furthermore, from the start of 2016, the Company no longer used ROACE as a key performance indicator and it was therefore no longer available. In addition, the anticipated reduction in E.ON’s stock price resulting from the Uniper spinoff had to be factored in by means of a conversion method.

Extraordinary events are not factored into the determination of target attainment for company performance. Depending on the degree of target attainment for the company performance metric, each virtual share resulting from base matching may be matched by up to two additional virtual shares at the end of the vesting period. If the predetermined company performance target is fully attained, Management Board members receive one additional virtual share for each virtual share resulting from base matching. Linear interpolation is used to translate intermediate figures.

At the end of the vesting period, the virtual shares held by Management Board members are assigned a cash value based on E.ON’s average stock price during the final 60 days of the vesting period. To each virtual share is then added the aggregate per-share dividend paid out during the vesting period. This total—cash value plus dividends—is then paid out. Payouts are capped at 200 percent of the arithmetical total target value.

The last complete tranche of the E.ON Share Matching Plan (LTI components of prior-year bonus as well as base and performance matching) was granted in the 2016 financial year and runs through 2020 (Share Matching Plan, fourth tranche (2016–2020)). Because the old compensation plan was in effect until year-end 2016, in 2017 Management Board members were granted virtual shares based on the LTI components of their bonuses for the 2016 financial year under the terms of the E.ON Share Matching Plan. This tranche runs through 2021 (Share Matching Plan, fifth tranche (2017–2021)).

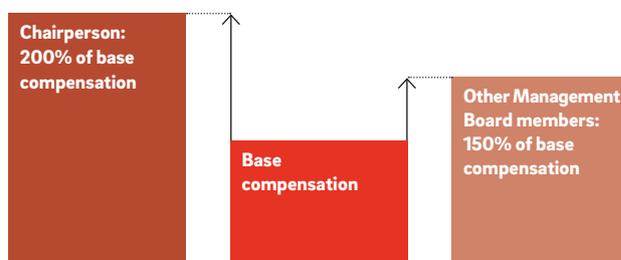
Overall Cap

In line with the German Corporate Governance Code's recommendation, Management Board members' annual compensation has an overall cap. This means that the sum of the individual compensation components in one year may not exceed 200 percent of the total agreed target compensation, which consists of base salary, target bonus, and the target allocation value of long-term variable compensation. The cap increases in accordance with the amounts of fringe benefits and pension benefits from the respective financial year.

Share-Ownership Guidelines

To further strengthen E.ON's capital-market focus and shareholder-oriented culture, E.ON introduced share-ownership guidelines effective 2017. The guidelines obligate Management Board members to invest in E.ON stock equaling 200 percent of base compensation (for the Management Board Chairperson) and 150 percent of base compensation (for the other Management Board members), to demonstrate that they have done so, and to hold the stock until the end of their service on the Management Board.

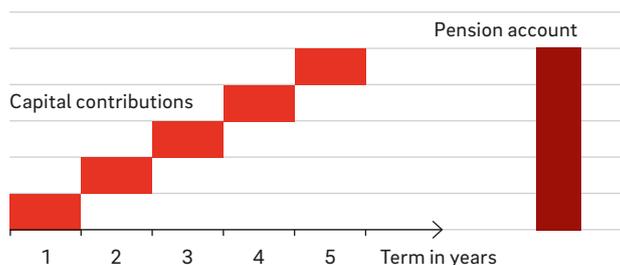
Until the required investment is reached, Management Board members are obligated to invest amounts equivalent to the net payouts from their long-term compensation in actual E.ON stock.



Pension Entitlements

Members appointed to the Management Board since 2010 are enrolled in the "Contribution Plan E.ON Management Board," which is a contribution-based pension plan.

Contribution-Based Plan



The Company makes virtual contributions to Management Board members' pension accounts in an amount equal to a percentage of their pensionable income (base salary and annual bonus). In April 2016 the Supervisory Board passed a resolution to increase the percentages of the virtual contributions under the contribution-based plan starting in 2017 in order to offset the reduction in the sum of base compensation and annual bonus under the new compensation plan that took effect in 2017 and to leave the amount of contributions essentially unchanged in absolute terms. Effective the 2017 financial year, the contribution percentage is at most 21 percent (formerly 18 percent). The annual contribution consists of a fixed base percentage (16 percent; formerly 14 percent) and a matching contribution (5 percent; formerly 4 percent).

The requirement for the matching contribution to be granted is that the Management Board member contributes, at a minimum, the same amount by having it withheld from his compensation. The company-funded matching contribution is suspended if and as long as the E.ON Group's ROACE is less than its cost of capital for three years in a row. The contributions are capitalized using actuarial principles (based on a standard retirement age of 62) and placed in Management Board members' pension accounts. The interest rate used for each year is based on the return of long-term German treasury notes. At the age of 62 at the earliest, a Management Board member (or his survivors) may choose to have the pension account balance paid out as a lifelong pension, in installments, or in a lump sum.

Individual Management Board members' actual resulting pension entitlement cannot be calculated precisely in advance. It depends on a number of uncertain parameters, in particular the changes in their individual salary, their total years of service, the attainment of company targets, and interest rates. For a Management Board member enrolled in the plan at the age of 50, the company-financed, contribution-based pension payment is currently estimated to be between 30 and 35 percent of his or her base salary (without factoring in pension benefits accrued prior to being appointed to the Management Board).

The Company has agreed to a pension plan based on final salary for the Management Board member, Dr. Johannes Teyssen, who was appointed to the Management Board before 2010. Following the end of his service for the Company, Dr. Johannes Teyssen is entitled to receive lifelong monthly pension payments in three cases: reaching the age of 60, permanent incapacitation, and a so-called third pension situation. The criteria for this situation are met if the termination or non-extension of Dr. Johannes Teyssen's service agreement is not due to his misconduct or rejection of an offer of extension that is at least on a par with his existing service agreement. In the third pension situation, Dr. Johannes Teyssen would receive an early pension as a transitional arrangement until he reaches the age of 60.

Dr. Johannes Teyssen's pension entitlements provide for annual pension payments equal to 75 percent of his annual base salary. The full amount of any pension entitlements from earlier employment is offset against these payments. In addition, the pension plan includes benefits for widows and widowers and for surviving children that are equal to 60 percent and 15 percent, respectively, of the deceased Management Board member's pension entitlement. Together, pension payments to a widow or widower and children may not exceed 100 percent of the deceased Management Board member's pension.

Pursuant to the provisions of the German Occupational Pensions Improvement Act, Management Board members' pension entitlements are not vested until they have been in effect for five years. This applies to both contribution-based and final-salary-based pension plans.

In line with the German Corporate Governance Code's recommendation, the Supervisory Board reviews, on a regular basis, the benefits level of Management Board members and the resulting annual and long-term expense and, if necessary, adjusts the payments.

Settlement Payments for Termination of Management Board Duties

In line with the German Corporate Governance Code's recommendation, the service agreements of Management Board members include a settlement cap. Under the cap, settlement payments in conjunction with a termination of Management Board duties may not exceed the value of two years' total compensation or the total compensation for the remainder of the member's service agreement.

In the event of a premature loss of a Management Board position due to a change of control, Management Board members are entitled to settlement payments. The change-of-control agreements stipulate that a change in control exists in three cases: a third party acquires at least 30 percent of the Company's voting rights, thus triggering the automatic requirement to make an offer for the Company pursuant to Germany's Stock Corporation Takeover Law; the Company, as a dependent entity, concludes a corporate agreement; the Company is merged with a non-affiliated company. Management Board members are entitled to a settlement payment if, within 12 months of the change of control, their service agreement is terminated by mutual consent, expires, or is terminated by them (in the latter case, however, only if their position on the Management Board is materially affected by the change in control). Management Board members' settlement payment consists of their base salary and target bonus plus fringe benefits for two years. To reflect discounting and setting off of payment for services rendered to other companies or organizations, payments will be reduced by 20 percent. In accordance with the German Corporate Governance Code, the settlement payments for Management Board members would be equal to 100 percent of the above-described settlement cap.

The service agreements of Management Board members include a non-compete clause. For a period of six months after the termination of their service agreement, Management Board members are contractually prohibited from working directly or indirectly for a company that competes directly or indirectly with the Company or its affiliates. Management Board members receive a compensation payment for the period of the non-compete restriction. The prorated payment is based on 100 percent of their contractually stipulated annual target compensation (without long-term variable compensation) but is, at a minimum, 60 percent of their most recently received compensation.

Management Board Compensation in 2017

The Supervisory Board reviewed the Management Board's compensation plan and the components of individual members' compensation. It determined that the Management Board's compensation is appropriate from both a horizontal and vertical perspective and passed a resolution on the performance-based compensation described below. It made its determination of customariness from a horizontal perspective by comparing the compensation with that of companies of a similar size. Its review of appropriateness included a vertical comparison of the Management Board's compensation with that of the Company's top management and the rest of its workforce. In the Supervisory Board's view, in the 2017 financial year there was no reason to adjust the Management Board's compensation.

The Supervisory Board issued the first tranche of the E.ON Performance Plan (2017–2020) for the 2017 financial year and granted Management Board members virtual shares of E.ON stock. The present value assigned to the virtual shares of E.ON stock at the time of granting—€5.84 per share—is shown in the following tables entitled “Stock-based Compensation” and “Total Compensation.” The value performance of this tranche will be determined by the performance of E.ON stock, per-share dividends, and E.ON stock's TSR relative to the TSR of the companies in its peer index, the STOXX® 600, for the years 2017 through 2020. The actual payments made to Management Board members in 2021 may deviate, under certain circumstances considerably, from the calculated figures disclosed here.

Performance-Based Compensation in 2017

The annual bonuses of Management Board members for 2017 totaled €5.8 million (2016: €4.3 million). In determining the performance factor, the Supervisory Board discussed and assessed the Management Board's overall performance.

The long-term variable compensation of Management Board members resulted in the following expenses in 2017:

Stock-based Compensation

€	Value of virtual shares at time of granting		Number of virtual shares granted		Cumulative expense (+)/income (-) ²	
	2017	2016 ¹	2017	2016	2017	2016
Dr. Johannes Teyssen	1,732,500	1,827,516	296,661	138,762	3,423,608	1,008,670
Dr.-Ing. Leonhard Birnbaum	1,008,333	1,063,643	172,660	80,762	1,860,899	580,199
Michael Sen (until March 31, 2017)	–	300,000 ³	–	–	323,469	181,636
Dr. Marc Spieker (since January 1, 2017)	825,000	–	141,268	–	276,179	–
Dr. Karsten Wildberger	825,000	675,000	141,268	52,144	641,804	265,966
Total	4,390,833	3,866,159	751,857	271,668	6,525,959	2,036,471

¹Consists of the LTI component (based on the target bonus) for the respective financial year for which at the time of granting no amount of shares can be determined.

²Expense/income pursuant to IFRS 2 for performance rights and virtual shares existing in the 2017 financial year.

³Target value for the virtual stock that was part of the LTI component of Mr. Sen's 2016 bonus. No other stock was granted under base or performance matching due to his resignation in 2017.

Long-term variable compensation granted for the 2017 financial year totaled €4.4 million. Note 11 to the Consolidated Financial Statements contains additional details about stock-based compensation.

Management Board Pensions in 2017

The following table provides an overview of the current pension obligations to Management Board members, the additions to provisions for pensions, and the cash value of pension obligations for the 2017 financial year. The cash value of pension obligations

is calculated pursuant to IFRS and the German Commercial Code. An actuarial interest rate of 2.1 percent (prior year: 2.1 percent) was used for discounting; the actuarial interest rate pursuant to the German Commercial Code was 3.68 percent (prior year: 4.01 percent).

Pensions of Management Board Members Pursuant to IFRS

	Current pension entitlement at December 31				Additions to provisions for pensions				Cash value at December 31	
	As a percentage of annual base compensation		(€)		(€)		Thereof interest cost (€)		(€)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Dr. Johannes Teyssen	75	75	930,000	930,000	1,369,019	1,338,260	504,248	558,800	24,767,846	24,011,814
Dr.-Ing. Leonhard Birnbaum ¹	-	-	-	-	398,343	407,044	26,775	26,455	1,329,403	1,275,012
Michael Sen (until March 31, 2017) ^{1, 3}	-	-	-	-	-	275,898	-	4,909	-	523,074
Dr. Marc Spieker (since January 1, 2017) ^{1, 2}	-	-	-	-	50,303	-	16,367	-	830,032	-
Dr. Karsten Wildberger ¹	-	-	-	-	356,636	292,555	6,144	-	518,162	292,555

¹Contribution Plan E.ON Management Board.

²Dr. Spieker joined the E.ON SE Management Board effective January 1, 2017, but had been employed by the Company prior to that. Due to his previous years of service, the cash value of his pension entitlement was €779,388 at December 31, 2016.

³Under the termination agreement concluded with Mr. Sen, the benefit amount shown here expires at the conclusion of March 31, 2017.

Pensions of Management Board Members Pursuant to the German Commercial Code

	Current pension entitlement at December 31				Additions to provisions for pensions				Cash value at December 31	
	As a percentage of annual base compensation		(€)		(€)		Thereof interest cost (€)		(€)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Dr. Johannes Teyssen	75	75	930,000	930,000	1,823,372	478,740	686,225	647,067	18,936,224	17,112,854
Dr.-Ing. Leonhard Birnbaum ¹	-	-	-	-	95,578	161,367	39,868	32,398	1,089,787	994,209
Michael Sen (until March 31, 2017) ^{1, 3}	-	-	-	-	-	249,034	-	6,039	-	404,266
Dr. Marc Spieker (since January 1, 2017) ^{1, 2}	-	-	-	-	148,005	-	19,481	-	633,809	-
Dr. Karsten Wildberger ¹	-	-	-	-	188,871	226,291	9,074	-	415,162	226,291

¹Contribution Plan E.ON Management Board.

²Dr. Spieker joined the E.ON SE Management Board effective January 1, 2017, but had been employed by the Company prior to that. Due to his previous years of service, the cash value of his pension entitlement was €485,804 at December 31, 2016.

³Under the termination agreement concluded with Mr. Sen, the benefit amount shown here expires at the conclusion of March 31, 2017.

Pursuant to IFRS and the German Commercial Code, the cash values of Management Board pensions for which provisions are required increased slightly relative to year-end 2016. This resulted in part from increases in the number of years of service.

In the case of the figures pursuant to the German Commercial Code, another reason is that the actuarial interest rate E.ON uses for discounting was significantly below the prior-year figure.

Total Compensation in 2017

The total compensation of the members of the Management Board in the 2017 financial year amounted to €14.0 million, about 1.5 percent above the prior-year figure of €13.8 million based on the Management Board's total compensation disclosed in the 2016 Annual Report.

Under a termination agreement concluded in December 2016, Mr. Sen's service agreement ended by mutual consent effective March 31, 2017, without payment of contractual claims for the remaining period of his agreement, because Mr. Sen ended his service on the E.ON SE Management Board on this date at his own request. Because Mr. Sen did not reach the five-year vesting

period, he forfeited the company-funded entitlement to a company pension. He also forfeited the virtual stock granted to him in 2015 and 2016 as part of the E.ON Share Matching Plans with the exception of the virtual stock included in the LTI component of his 2015 and 2016 bonuses. The latter will continue until the normal end of the vesting period of their respective tranches. No bonus and no tranche under the E.ON Performance Plan were granted. The non-compete clause was waived without compensation.

The individual members of the Management Board had the following total compensation:

Total Compensation of the Management Board

€	Fixed annual compensation		Bonus		Other compensation		Value of stock-based compensation granted ¹		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Dr. Johannes Teyssen	1,240,000	1,240,000	2,296,350	1,638,000	40,845	42,409	1,732,500	1,827,516	5,309,695	4,747,925
Dr.-Ing. Leonhard Birnbaum	800,000	800,000	1,336,500	953,333	27,117	25,138	1,008,333	1,063,643	3,171,950	2,842,114
Michael Sen (until March 31, 2017)	175,000	700,000	–	780,000	17,100	181,065	–	300,000	192,100	1,961,065
Dr. Marc Spieker (since January 1, 2017)	700,000	–	1,093,500	–	35,695	–	825,000	–	2,654,195	–
Dr. Karsten Wildberger	700,000	525,000	1,093,500	585,000	67,346	1,442,153	825,000	675,000	2,685,846	3,227,153
Total	3,615,000	3,265,000	5,819,850	3,956,333	188,103	1,690,765	4,390,833	3,866,159	14,013,786	12,778,257

¹The present value assigned to the virtual shares of E.ON stock at the time of granting for the fourth tranche of the E.ON Share Matching Plan was €5.84 per share.

The following table shows the compensation granted and allocated in 2017 in the format recommended by the German Corporate Governance Code:

Table of Compensation Granted and Allocated

€	Dr. Johannes Teyssen (Chairman of the Management Board)					
	Compensation granted				Compensation allocated	
	2016	2017	2017 (min.)	2017 (max.) ^{1,2}	2016	2017
Fixed compensation	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000
Fringe benefits	42,409	40,845	40,845	40,845	42,409	40,845
Total	1,282,409	1,280,845	1,280,845	1,280,845	1,282,409	1,280,845
One-year variable compensation	1,260,000	1,417,500	–	2,835,000	1,638,000	2,296,350
Multi-year variable compensation	1,827,516	1,732,500	–	3,465,000	758,278	1,635,221
– Share Performance Plan, seventh tranche (2012–2015)	–	–	–	–	758,278	–
– Share Matching Plan, first tranche (2013–2017)	–	–	–	–	–	1,635,221
– Share Matching Plan, fourth tranche (2016–2020)	1,197,516	–	–	–	–	–
– Share Matching Plan, fifth tranche (2017–2021)	630,000	–	–	–	–	–
– Performance Plan, first tranche (2017–2020)	–	1,732,500	–	3,465,000	–	–
Total	4,369,925	4,430,845	1,280,845	7,580,845	3,678,687	5,212,416
Service cost	779,460	864,771	864,771	864,771	779,460	864,771
Total	5,149,385	5,295,616	2,145,616	8,445,616	4,458,147	6,077,187

¹The maximum amount disclosed under benefits granted represents the sum of the contractual (individual) caps for the various elements of the compensation of Management Board members.

²The overall cap on Management Board compensation, which was introduced in the 2013 financial year and is described on page 89, applies as well.

Table of Compensation Granted and Allocated

€	Dr.-Ing. Leonhard Birnbaum (member of the Management Board)					
	Compensation granted				Compensation allocated	
	2016	2017	2017 (min.)	2017 (max.) ^{1,2}	2016	2017
Fixed compensation	800,000	800,000	800,000	800,000	800,000	800,000
Fringe benefits	25,138	27,117	27,117	27,117	25,138	27,117
Total	825,138	827,117	827,117	827,117	825,138	827,117
One-year variable compensation	733,333	825,000	-	1,650,000	953,333	1,336,500
Multi-year variable compensation	1,063,643	1,008,333	-	2,016,666	-	332,994
- Share Performance Plan, seventh tranche (2012–2015)	-	-	-	-	-	-
- Share Matching Plan, first tranche (2013–2017)	-	-	-	-	-	332,994
- Share Matching Plan, fourth tranche (2016–2020)	696,976	-	-	-	-	-
- Share Matching Plan, fifth tranche (2017–2021)	366,667	-	-	-	-	-
- Performance Plan, first tranche (2017–2020)	-	1,008,333	-	2,016,666	-	-
Total	2,622,114	2,660,450	827,117	4,493,783	1,778,471	2,496,611
Service cost	380,589	371,568	371,568	371,568	380,589	371,568
Total	3,002,703	3,032,018	1,198,685	4,865,351	2,159,060	2,868,179

^{1,2}See footnotes on page 94.

Table of Compensation Granted and Allocated

in €	Michael Sen (member of the Management Board until March 31, 2017)					
	Compensation granted				Compensation allocated	
	2016	2017	2017 (min.)	2017 (max.) ^{1,2}	2016	2017
Fixed compensation	700,000	175,000	175,000	175,000	700,000	175,000
Fringe benefits	181,065	17,100	17,100	17,100	181,065	17,100
Total	881,065	192,100	192,100	192,100	881,065	192,100
One-year variable compensation	600,000	-	-	-	780,000	-
Multi-year variable compensation	300,000	-	-	-	-	-
- Share Performance Plan, seventh tranche (2012–2015)	-	-	-	-	-	-
- Share Matching Plan, first tranche (2013–2017)	-	-	-	-	-	-
- Share Matching Plan, fourth tranche (2016–2020)	-	-	-	-	-	-
- Share Matching Plan, fifth tranche (2017–2021)	300,000	-	-	-	-	-
- Performance Plan, first tranche (2017–2020)	-	-	-	-	-	-
Total	1,781,065	192,100	192,100	192,100	1,661,065	192,100
Service cost	270,989	-	-	-	270,989	-
Total	2,052,054	192,100	192,100	192,100	1,932,054	192,100

^{1,2}See footnotes on page 94.

Table of Compensation Granted and Allocated

€	Dr. Marc Spieker (member of the Management Board since January 1, 2017)					
			Compensation granted		Compensation allocated	
	2016	2017	2017 (min.)	2017 (max.) ^{1,2}	2016	2017
Fixed compensation	-	700,000	700,000	700,000	-	700,000
Fringe benefits	-	35,695	35,695	35,695	-	35,695
Total	-	735,695	735,695	735,695	-	735,695
One-year variable compensation	-	675,000	-	1,350,000	-	1,093,500
Multi-year variable compensation	-	825,000	-	1,650,000	-	-
- Share Performance Plan, seventh tranche (2012–2015)	-	-	-	-	-	-
- Share Matching Plan, first tranche (2013–2017)	-	-	-	-	-	-
- Share Matching Plan, fourth tranche (2016–2020)	-	-	-	-	-	-
- Share Matching Plan, fifth tranche (2017–2021)	-	-	-	-	-	-
- Performance Plan, first tranche (2017–2020)	-	825,000	-	1,650,000	-	-
Total	-	2,235,695	735,695	3,735,695	-	1,829,195
Service cost	-	33,936	33,936	33,936	-	33,936
Total	-	2,269,631	769,631	3,769,631	-	1,863,131

^{1,2}See footnotes on page 94.

Table of Compensation Granted and Allocated

€	Dr. Karsten Wildberger (member of the Management Board)					
			Compensation granted		Compensation allocated	
	2016	2017	2017 (min.)	2017 (max.) ^{1,2}	2016	2017
Fixed compensation	525,000	700,000	700,000	700,000	525,000	700,000
Fringe benefits	1,442,153	67,346	67,346	67,346	1,442,153	67,346
Total	1,967,153	767,346	767,346	767,346	1,967,153	767,346
One-year variable compensation	450,000	675,000	-	1,350,000	585,000	1,093,500
Multi-year variable compensation	675,000	825,000	-	1,650,000	-	-
- Share Performance Plan, seventh tranche (2012–2015)	-	-	-	-	-	-
- Share Matching Plan, first tranche (2013–2017)	-	-	-	-	-	-
- Share Matching Plan, fourth tranche (2016–2020)	450,000	-	-	-	-	-
- Share Matching Plan, fifth tranche (2017–2021)	225,000	-	-	-	-	-
- Performance Plan, first tranche (2017–2020)	-	825,000	-	1,650,000	-	-
Total	3,092,153	2,267,346	767,346	3,767,346	2,552,153	1,860,846
Service cost	292,555	350,492	350,492	350,492	292,555	350,492
Total	3,384,708	2,617,838	1,117,838	4,117,838	2,844,708	2,211,338

^{1,2}See footnotes on page 94.

As in the prior year, E.ON SE and its subsidiaries granted no loans to, made no advance payments to, nor entered into any contingencies of behalf of the members of the Management Board in the 2017 financial year. Page 224 contains additional information about the members of the Management Board.

The following table provides a summary overview of the above-described components of the Management Board's compensation as well as their metrics and parameters:

Summary Overview of Compensation Components

Compensation component	Metric/Parameter
Fixed compensation	
Base salary	<ul style="list-style-type: none"> Management Board Chairman: €1,240,000 Management Board members: €700,000–€800,000
Fringe benefits	Chauffeur-driven company car, telecommunications equipment, insurance premiums, medical examination
Performance-based compensation	
Annual bonus	<ul style="list-style-type: none"> Target bonus at 100 percent target attainment: <ul style="list-style-type: none"> – Target bonus for Management Board Chairman: €1,417,500 – Target bonus for Management Board members: €675,000–€825,000 Cap: 200 percent of target bonus Amount of bonus depends on <ul style="list-style-type: none"> – Company performance: actual EPS vs. budget – Individual performance factor: collective performance and individual performance Annual bonus corresponds to 45 percent of performance-based compensation
Possibility of special compensation	May be awarded, at the Supervisory Board's discretion, for outstanding achievements as part of the annual bonus as long as the total bonus remains under the cap.
Long-term variable compensation: Share Matching Plan (granted until 2016)	<ul style="list-style-type: none"> Granting of virtual shares of E.ON stock with a four-year vesting period: <ul style="list-style-type: none"> – Target value for Management Board Chairman: €1,260,000 (excluding LTI components from annual bonuses) – Target value for Management Board members: €600,000–€733,333 (excluding LTI components from annual bonuses) Cap: 200 percent of the target value Number of virtual shares: 1/3 from the annual bonus (LTI component) + base matching (1:1) + performance matching (1:0 to 1:2) depending on ROACE during vesting period Value development depends on the 60-day average price of E.ON stock price at the end of the vesting period and on the dividend payments during the four-year vesting period
Long-term variable compensation: E.ON Performance Plan (granted from 2017)	<ul style="list-style-type: none"> Granting of virtual shares of E.ON stock with a four-year vesting period: <ul style="list-style-type: none"> – Target value for Management Board Chairman: €1,732,500 – Target value for Management Board members: €825,000–€1,008,333 Final number of virtual shares depends on E.ON stock's TSR relative to the TSR of companies in the STOXX® Europe 600 Utilities index; ¼ of TSR performance is locked in annually Allocation limit; that is, the maximum number of virtual shares: 150 percent Value development depends on the 60-day average price of E.ON stock price at the end of the vesting period and on the dividend payments during the four-year vesting period Cap: 200 percent of the target value Annual target allocation corresponds to 55 percent of performance-based compensation
Pension benefits	
Final-salary-based benefits ¹	<ul style="list-style-type: none"> Lifelong pension payment equaling a maximum of 75 percent of fixed compensation from age of 60 Pension payments for widows and children equaling 60 percent and 15 percent, respectively, of pension entitlement
Contribution-based benefits	<ul style="list-style-type: none"> Virtual contributions equaling a maximum of 21 percent of fixed compensation and target bonus Virtual contributions capitalized using interest rate based on long-term German treasury notes Payment of pension account balance from age 62 as a lifelong pension, in installments, or in a lump sum
Other compensation provisions	
Share-ownership guidelines	<ul style="list-style-type: none"> Obligation to buy and hold E.ON stock until the end of service on the Management Board Investment in E.ON stock equaling a percentage of base compensation: <ul style="list-style-type: none"> – 200 percent (Management Board Chairperson) – 150 percent (other Management Board members) Until the required investment is reached, obligation to invest net payouts from long-term compensation in E.ON stock
Settlement cap	Maximum of two years' total compensation or the total compensation for the remainder of the service agreement
Settlement for change-of-control	Settlement equal to two target salaries (base salary, target bonus, and fringe benefits), reduced by up to 20 percent.
Non-compete clause	For six months after termination of service agreement, prorated compensation equal to fixed compensation and target bonus, at a minimum 60 percent of most recently received compensation

¹Only applies to Dr. Johannes Teyssen.

Payments Made to Former Members of the Management Board

Total payments made to former Management Board members and to their beneficiaries amounted to €12.4 million in 2017 (prior year: €11.6 million). Provisions of €159.0 million (prior year: €172.8 million)—pursuant to IFRS—have been provided for pension obligations to former Management Board members and their beneficiaries.

Compensation Plan for the Supervisory Board

The compensation of Supervisory Board members is determined by the Annual Shareholders Meeting and governed by Section 15 of the Company's Articles of Association. The purpose of the compensation plan is to enhance the Supervisory Board's independence for its oversight role. Furthermore, there are a number of duties that Supervisory Board members must perform irrespective of the Company's financial performance. Supervisory Board members—in addition to being reimbursed for their expenses—therefore receive fixed compensation and compensation for committee duties.

The Chairman of the Supervisory Board receives fixed compensation of €440,000; the Deputy Chairmen, €320,000. The other members of the Supervisory Board receive compensation of €140,000. The Chairman of the Audit and Risk Committee receives an additional €180,000; the members of the Audit and Risk Committee, an additional €110,000. Other committee chairmen receive an additional €140,000; committee members, an additional €70,000. Members serving on more than one committee receive the highest applicable committee compensation only. In contradistinction to the compensation just described, the Chairman and the Deputy Chairmen of the Supervisory Board receive no additional compensation for their committee duties. In addition, Supervisory Board members are paid an attendance fee of €1,000 per day for meetings of the Supervisory Board or its committees. Individuals who were members of the Supervisory Board or any of its committees for less than an entire financial year receive pro rata compensation.

Supervisory Board Compensation in 2017

The total compensation of the members of the Supervisory Board amounted to €4.5 million (prior year: €3.6 million pursuant to the total compensation of the Supervisory Board reported in the 2016 Annual Report). As in the prior year, no loans were outstanding or granted to Supervisory Board members in the 2017 financial year.

Supervisory Board Compensation

€	Supervisory Board compensation		Compensation for committee duties		Attendance fees		Supervisory Board compensation from affiliated companies		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Dr. Karl-Ludwig Kley	440,000	256,667	–	–	13,000	7,000	–	–	453,000	263,667
Prof. Dr. Ulrich Lehner	320,000	320,000	–	–	12,000	10,000	–	–	332,000	330,000
Andreas Scheidt	320,000	320,000	–	–	13,000	10,000	170,853	–	503,853	330,000
Clive Broutta	140,000	140,000	70,000	70,000	8,000	8,000	–	–	218,000	218,000
Erich Clementi	140,000	70,000	–	–	7,000	2,000	–	–	147,000	72,000
Tibor Gila	140,000	70,000	–	–	6,000	2,000	–	2,705	146,000	74,705
Thies Hansen	140,000	140,000	110,000	110,000	10,000	10,000	17,700	17,700	277,700	277,700
Carolina Dybeck Happe	140,000	81,667	52,500	–	10,000	2,000	–	–	202,500	83,667
Baroness Denise Kingsmill CBE	140,000	140,000	–	–	3,000	6,000	–	–	143,000	146,000
Eugen-Gheorghe Luha	140,000	140,000	70,000	70,000	10,000	8,000	13,114	13,483	233,114	231,483
Andreas Schmitz	140,000	70,000	82,500	–	9,000	3,000	–	–	231,500	73,000
Fred Schulz	140,000	140,000	110,000	110,000	15,000	13,000	22,243	13,500	287,243	276,500
Silvia Šmátralová	140,000	70,000	–	–	6,000	2,000	24,367	32,452	170,367	104,452
Dr. Karen de Segundo	140,000	140,000	122,500	70,000	11,000	8,000	–	–	273,500	218,000
Dr. Theo Siegert	140,000	140,000	180,000	180,000	11,000	10,000	–	–	331,000	330,000
Elisabeth Wallbaum	140,000	140,000	–	–	6,000	6,000	–	–	146,000	146,000
Ewald Woste	140,000	70,000	52,500	–	10,000	2,000	8,000	–	210,500	72,000
Albert Zettl	140,000	70,000	52,500	–	11,000	2,000	20,000	20,000	223,500	92,000
Total	3,180,000	2,518,333	902,500	610,000	171,000	111,000	276,277	99,841	4,529,777	3,339,174

Other

The Company has taken out D&O insurance for Management Board and Supervisory Board members. In accordance with the German Stock Corporation Act and the German Corporate Governance Code's recommendation, this insurance includes a deductible of 10 percent of the respective damage claim for Management Board and Supervisory Board members. The deductible has a maximum cumulative annual cap of 150 percent of a member's annual fixed compensation.