

Information relating to Agenda Item 8 of the General Meeting of Shareholders of E.ON SE on June 8, 2016

Description of the changes to the remuneration system for the Board of Management of E.ON SE

Changes in the remuneration system for the Board of Management as of fiscal year 2017

At its meeting on 15 April 2016, the Supervisory Board resolved to make adjustments to the remuneration system for the members of the Board of Management. The current remuneration system was reviewed and developed at the end of 2015 with the support of an external remuneration consultant in light of the E.ON Group's realignment. Based on the feedback from analysts and investors on the current remuneration system and with a view to their expectations with regard to an adjustment of the system for new E.ON, the purpose of the review was to reduce the system's complexity, increase transparency and reduce the Supervisory Board's margin of discretion. In addition, the systems reflect the new corporate strategy and, overall, is more focused on the requirements of the capital market. In its review, the Supervisory Board abided by the principle that the total remuneration must be appropriate and consist of various components. An independent remuneration consultant also confirmed that, bearing in mind E.ON's realignment, the amount of the remuneration was within the normal range in the market.

The revised remuneration system for the members of the Board of Management, which is described in detail below, meets the requirements of Germany's Stock Corporation Act and follows the recommendations and suggestions of the German Corporate Governance Code. The changes will apply equally to all members of the Board of Management as of 1 January 2017. The adjusted remuneration system will be submitted to the 2016 Annual General Meeting for approval.

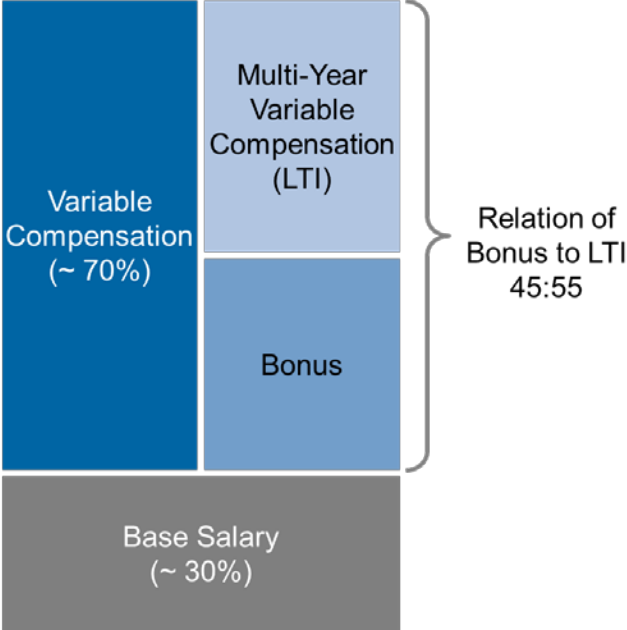
Key components of the new remuneration system

The purpose of the remuneration system is to create an incentive for successful and sustainable business management and to link the remuneration of the members of the Board of Management to the short-term and long-term performance of the company, while also taking into account the individual's personal performance. For this reason, the new remuneration system will continue to be guided by transparent and performance-related parameters and be dependent on the company's success. In addition, the variable remuneration will continue to be based on the performance over several years. At the same time, the interests and objectives of the Company's management and its shareholders will be reconciled by using not only E.ON's absolute share price performance but also a comparison with the Company's competitors as a basis for the long-term variable remuneration. The introduction of share holding obligations underlines the capital market focus and will strengthen the shareholding culture of E.ON SE after its realignment.

The remuneration for the members of the Board of Management will continue to be composed of a fixed basic remuneration which will not depend on performance, an annual bonus and a long-term variable remuneration. In future, however, the bonus will be fully paid out in cash after the end of the fiscal year. Part of the bonus will no longer be converted into phantom stocks and be coupled to the long-term remuneration. This will reduce the

complexity of the remuneration system and achieve a clear separation between the annual bonus and the long-term variable remuneration. E.ON's variable remuneration component had to be restructured to continue to meet the requirements of Germany's Stock Corporation Act and the German Corporate Governance Code, according to which most of the variable remuneration components should be based on the performance over several years. An assessment basis over several years will continue to be prevalent in the new ratio of bonus to long-term remuneration (45:55).

In future, the relative shares of the components of the target remuneration¹ will be as follows:



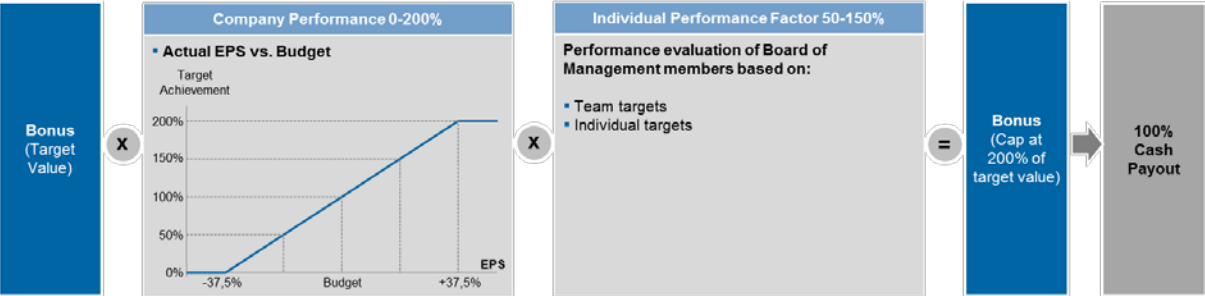
Non-performance-related remuneration

No adjustment was made to the non-performance-related remuneration.

Annual bonus

In future, the annual bonus (45 percent of the performance-related remuneration) of the members of the Board of Management will be fully paid out in cash after the end of the fiscal year.

In addition, the Supervisory Board has introduced a new basis of assessment and dispensed with the additional margin of discretion in the assessment of the Company's performance:



¹ Excluding benefits in kind, other benefits and pension benefits



As of the year 2017, the Company's performance will be assessed on the basis of Earnings per Share (EPS), one of the key performance indicators of E.ON SE in the future. The EPS used for this purpose will be the EPS derived from Underlying Net Income as disclosed in the Annual Report. Underlying Net Income, which is the basis for determining the dividend, is therefore also a key metric from the shareholders' perspective. The EPS target will be defined by the Supervisory Board for a given year, taking into account the approved budget. The target will be fully achieved if the EPS reached (actual EPS) is equal to this target. If the EPS reached falls below the target by 37.5 percentage points or more, the target achievement will be 0 percent. If the EBS reached surpasses the target by 37.5 percentage points or more, the target achievement will be 200 percent. Target achievement rates between the two values cited will be calculated by linear interpolation.

As of 1 January 2016, the individual performance factor will range between 50 percent and 150 percent, so that greater consideration can be given to individual/collective contributions of the members of the Board of Management. To determine the individual performance factor, the Supervisory Board will continue to assess the personal contributions made by Board of Management members to the achievement of collective targets as well as the achievement of their individual targets. This will give the Supervisory Board the opportunity to include other targets, in particular quantitative and qualitative customer-related targets (Net Promoter Score), performance indicators for the core businesses or issues such as Health, Safety & Environment and HR management. The target achievement with regard to the individual portion of the bonus will be determined by the Supervisory Board at its discretion. To this end, the Supervisory Board will pay particular attention to the criteria set out in Section 87 of Germany's Stock Corporation Act and the recommendations of the German Corporate Governance Code.

Long-term variable remuneration: E.ON's Performance Plan

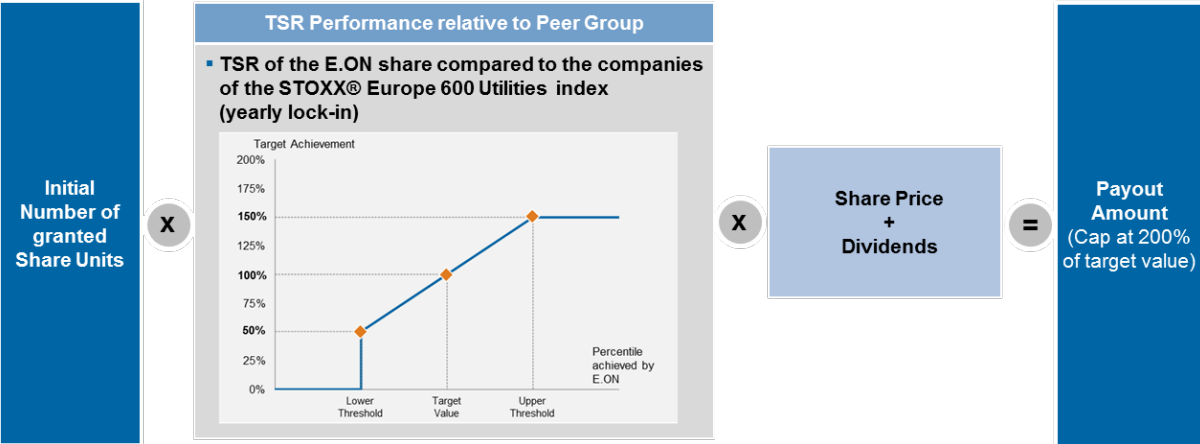
Effective as of fiscal year 2017, E.ON's current Share Matching Plan will be replaced by a new long-term remuneration system.

In future, the members of the Board of Management will receive a share-based, long-term variable remuneration within the framework of E.ON's Performance Plan (EPP). The maturity period of a tranche will be four years in order to create a long-term incentive so as to promote sustainable development of the Company. Maturity periods will start on 1 January of a given calendar year.

When a new tranche is issued, the Supervisory Board will grant phantom stocks to each member of the Board of Management in the amount of the contractually agreed EPP target. The conversion into phantom stocks will be based on the fair market value on the date when the stocks are granted. The fair market value will be determined by applying methods accepted in financial mathematics, taking into account the expected future payout, and hence, the volatility and risk associated with the EPP.

The number of allocated phantom stocks may change in the course of the four-year maturity period. The new assessment basis will be the total shareholder return (TSR) of the E.ON share, compared with the TSR of the companies in a peer group (relative TSR). The TSR is the yield of the E.ON share which takes into account the share price performance plus reinvested dividends, adjusted for changes in capital. The peer group used for the relative TSR will be the other companies in the peer index STOXX® Europe 600 Utilities (currently 25 European utility companies).

During the term of a tranche, E.ON's TSR performance will be measured once a year in comparison with the companies in the peer group and established for the year concerned. E.ON's TSR performance in a given year will determine the final number of one-quarter of the phantom stocks allocated at the beginning of the term. For this purpose, the TSRs of all companies will be ranked, and E.ON's relative positioning will be determined based on the percentile reached. If the target achievement is below a threshold defined by the Supervisory Board, no virtual shares will be granted. If E.ON's performance is at the upper capping level or above, the grant will be capped at 150 percent. Target achievement rates between these two values cited will be calculated by linear interpolation.



The resulting number of phantom stocks at the end of the maturity period will be multiplied by the average price of the E.ON share in the last 60 days before the end of the maturity period. This amount will be increased by the dividends distributed for E.ON shares during the maturity period, and paid out. The sum of the payouts will be limited to 200 percent of the EOP target agreed at the beginning of the plan.

This means that 55 percent of variable remuneration will depend on long-term targets, while the sustainability of variable remuneration as set out in Section 87 of Germany's Stock Corporation Act (AktG) continues to be guaranteed.

Introduction of share holding obligations

To continue to strengthen E.ON's capital market focus and shareholding culture, E.ON will introduce what is referred to as "Share Ownership Guidelines" as of fiscal year 2017. Under these guidelines, the members of the Board of Management will be obliged to build up a portfolio of E.ON shares, amounting to 200 percent of the basic remuneration for the CEO and to 150 percent of the basic remuneration for the other members of the Board of Management. This portfolio must be proven by the members of the Board of Management and held until the end of their appointment.

Until the required portfolio of E.ON shares is fully reached, the members of the Board of Management will be obliged to invest net payouts from their long-term remuneration in real shares until their targets are reached.



Summary

New Future E.ON Compensation System – Key Adjustments

Bonus will be based on Earnings per Share (EPS), in line with annual dividend decision

Additional discretionary component in bonus will be abolished

Total Shareholder Return (TSR) comparison with European utility companies will be introduced in long-term remuneration (LTIs)

Strong E.ON share exposure of Board of Management members due to implementation of share ownership guidelines

This is a non binding convenience translation. Only the German version of the Description of the changes to the remuneration system for the Board of Management of E.ON SE is binding.