

**RWE**

**Rules of Procedure  
for the  
Executive Board**

**Version dated October 15, 2016**



# Article 1 General Information

- (1) The Executive Board shall manage the Company's business in accordance with the provisions of the law, the Articles of Association, and these Rules of Procedure. The Executive Board shall cooperate with the Company's other bodies and with the workforce on the basis of trust and for the benefit of the Company.
- (2) The individual Executive Board members' responsibilities shall be based on the schedule of responsibilities adopted by the Executive Board by unanimous resolution and submitted to the Supervisory Board for acknowledgement. This shall also apply to amendments made to the schedule of responsibilities. The schedule of responsibilities, which is a component of these Rules of Procedure, has been attached as an Annex.
- (3) The Executive Board shall agree on a substitution provision that shall apply when a member of the Executive Board is on vacation, ill, or otherwise unable to perform his or her duties. In urgent cases, every Executive Board member shall be entitled and obligated to have a replacement.

# Article 2 Joint Conduct of Business

- (1) The members of the Executive Board shall share responsibility for the conduct of the business as a whole. They shall work collegially and inform each other of major measures and transactions within the scope of their respective Executive Board mandates.
- (2) The Executive Board shall collectively decide on all issues of fundamental or significant importance as well as on all issues requiring the passage of a resolution by the entire Executive Board in accordance with the law, the Articles of Association, or these Rules of Procedure with due regard to:
  - a) business planning, primarily consisting of an earnings plan, an investment budget, a financial budget and a personnel plan for the Group and the divisions for the following financial year and a forecast for the two subsequent financial years;
  - b) the preparation of the financial statements and review of operations for the Company and the Group;
  - c) the convocation of the Annual General Meeting and draft resolutions of the Annual General Meeting;
  - d) reporting to the Supervisory Board;
  - e) transactions requiring Supervisory Board approval;
  - f) the staffing of positions on Management Level II at RWE AG, the award of powers of attorney at RWE AG and proposals for the appointment of members to the executive boards of the Group's operating management companies;
  - g) the determination of the Group's structure and policies, fundamental issues of the Group's business policy and other issues of special importance to the Group or a division;
  - h) fundamental issues of strategic planning for the individual divisions;

# Article 3 Management of Executive Board Mandates

- i) issues that are not assigned to a specific Executive Board mandate via the schedule of responsibilities;
  - j) all issues tabled to it by a member of the Executive Board with a request that a decision be reached on them;
  - k) amendments to the Rules of Procedure and the schedule of responsibilities.
- (3) Positions at Management Level II at the operating management companies shall be staffed in accordance with the groupwide executive resource development rules established by the Executive Board. The Executive Board shall be informed of these decisions. The staffing of key functions at Management Level II at the operating management companies and the staffing of seats on boards of directors of major investments shall require Executive Board approval. These positions shall be determined by the Executive Board.
- (4) Decisions that are to be made in accordance with Paragraph 2, Items f), g) and h) and Paragraph 3 on a case-by-case basis shall take the specifics of the factual relationship to the Group in cases where there is no shareholders' agreement with the affected Group company. A decision by the Executive Board shall not be required with regard to management measures concerning innogy SE and its subsidiaries.

- (1) The individual Executive Board members shall be individually responsible for managing their mandates. In cases where the activities and transactions pertaining to one Executive Board mandate affect one or several other Executive Board mandates, the aim shall be to coordinate them with the one or several other Executive Board members.
- (2) Any member of the Executive Board who has serious concerns relating to another mandate may request a resolution to be passed by the Executive Board if the concerns cannot be eradicated by consulting with the other members of the Executive Board.
- (3) Activities and transactions within the scope of an Executive Board mandate that are of extraordinary significance to the Company, the Group, or a division, or that are associated with an extraordinary economic risk, shall require the Executive Board's prior approval. The same shall apply to activities and transactions for which the Chairman of the Executive Board requires the prior passage of a resolution by the Executive Board.
- (4) Notwithstanding Paragraph 3, an Executive Board member may take action or carry out transactions within the scope of his or her mandate without the Executive Board's prior approval if, after a due assessment of the circumstances, this is necessary in order to avoid imminent significant disadvantages for the Company, the Group, or a division. A decision that is admissible on this basis may not extend beyond the scope necessary to avoid disadvantages for the Company, the Group, or a division. The Executive Board shall be informed of such transactions immediately.

## Article 4 Chairman of the Executive Board

- (1) The Chairman of the Executive Board shall be responsible for coordinating the Executive Board. He or she shall see to it that the management of Executive Board mandates is in line with the goals established through resolutions passed by the Executive Board. The Chairman may request that Executive Board members provide him or her with information on certain issues pertaining to their mandates and determine that he or she be informed of certain types of transactions in advance.
- (2) The Chairman of the Executive Board shall represent the Executive Board and the Company vis-à-vis the public. He or she may transfer this task to another Executive Board member for certain mandates or on a case-by-case basis.
- (3) Furthermore, the Chairman of the Executive Board shall be responsible for overseeing the cooperation with the Supervisory Board and its members.

## Article 5 Meetings and Resolutions

- (1) The Executive Board shall hold regular meetings that shall be convened by the Chairman of the Executive Board.
- (2) Every Executive Board member may request that a meeting be convened as long as the subject-matter to be debated is communicated.
- (3) The convocation shall be communicated together with the agenda; as a rule, a presentation of facts and a draft resolution shall be included for the agenda items requiring the passage of a resolution.
- (4) The Chairman of the Executive Board shall chair the meetings. The Chairman shall determine the order in which the agenda items are discussed as well as the method and order of the voting. Individuals who are not members of the Executive Board may be involved so that they can provide advice on specific issues. The Chairman may adjourn the discussion and resolution of individual agenda items.
- (5) The Executive Board shall have a quorum if all of its members have been invited, at least half of the members are present at the meeting and more than half of the members participate in the decision-making. Executive Board members who participate via a telephone or video conference shall be deemed present. Absent members may cast their votes in writing, via facsimile, or via electronic media and have them submitted at the meeting by another Executive Board member. With the exception of urgent matters, issues pertaining to the Executive Board mandate of an absent member shall only be debated and resolved with his or her approval.
- (6) As a rule, Executive Board resolutions shall be passed at meetings. In exceptional cases, resolutions may be passed outside meetings by casting votes orally, via the telephone, in writing, via facsimile, or via electronic media, as long as none of the Executive Board members objects to this procedure immediately, providing grounds therefore. Such resolutions shall be included in the minutes of the next meeting.

- (7) Unless otherwise mandated by the law, the Executive Board shall make decisions with a simple majority of its members' votes. In the event of a tie vote, the vote cast by the Chairman of the Executive Board shall decide the issue.
- (8) Items and resolutions addressed at Executive Board meetings shall be documented in writing and sent to all of the Executive Board's members for their information.

