

### Report of the Supervisory Board

In the 2009 financial year, the Supervisory Board carefully performed all its duties and obligations under law, the Articles of Association, and its own policies and procedures. It thoroughly examined and discussed the Company's situation.

We advised the Board of Management regularly about the Company's management and continually monitored the Board of Management's activities. We were closely involved in all business transactions of key importance to the Company and discussed these transactions thoroughly based on the Board of Management's reports. At the Supervisory Board's four regular meetings and three extraordinary meetings in 2009, we addressed in depth all issues relevant to the Company. In addition, a strategy meeting was held at which we and the Board of Management thoroughly discussed possible market developments, fundamental issues, and the E.ON Group's future strategic position. The Board of Management regularly provided us with timely and comprehensive information in both written and oral form. We discussed the written and oral reports thoroughly at our meetings. The Supervisory Board agreed to the resolutions proposed by the Board of Management after examining and discussing them.

Furthermore, the Chairman of the Supervisory Board was in regular contact with the Board of Management throughout the financial year and was informed about the current operating performance of the major Group companies, significant business transactions, and the development of key financial figures.

### Strategic Direction, Planned Acquisitions, and Portfolio Optimization

The Board of Management reported continually on the further implementation of the package of strategic initiatives for the further development of the E.ON Group. In this context, the Board of Management provided us with comprehensive information about PerformtoWin, an efficiency-enhancement

program launched prior to the outbreak of the global financial and economic crisis. Its objective is to achieve lasting improvements totaling €1.5 billion by 2011. To implement the program in a socially responsible manner, management and employee representatives agreed on a comprehensive plan to address job-related issues. This program's initial focus was on E.ON's power and gas business in Germany, the United Kingdom, and Scandinavia. Since October 2009, it also includes the Climate & Renewables, Energy Trading, Russia, Italy, and Spain market units. The improvement initiatives include drawing on the expertise of Energy Trading and Pan-European Gas to enhance fuel-procurement efficiency for E.ON power stations, improving maintenance procedures for our wind farms, and reorganizing retail operations in Italy.

In addition, the Board of Management reported in detail about various measures to optimize E.ON's portfolio. In particular, these measures included the asset-swap agreement with Russia's Gazprom successfully concluded in October 2009 under which E.ON acquired a stake in Yuzhno Russkoye, a natural gas field in Siberia. The Board of Management also informed us in detail about the sale, also concluded in October 2009, of the Thüga Group, until then part of the Pan-European Gas market unit, to Integra/Kom9, a consortium of municipal utilities. In addition, the Board of Management kept us informed about the unwind, completed in July 2009, of long-term power supply contracts, originally concluded in 1998 between E.ON U.S. subsidiary Western Kentucky Energy and Big Rivers, a municipal utility.