

## **Declaration of compliance on the German Corporate Governance Code for the business year 2002 according to Article 161 of the Stock Corporation Act (AktG)**

The Board of Management and the Supervisory Board of EnBW Energie Baden-Württemberg AG declare in accordance with sec.161 AktG that in the reporting year the company adopted its own Corporate Governance principles to which EnBW will adhere in future. The Corporate Governance principles of EnBW currently only diverge from the recommendations of the "Government Commission German Corporate Governance Code" announced by the Federal Ministry of Justice in the official part of the electronic Federal Gazette in the version dated November 7, 2002, in the following respects:

Fig. 2.3.4 of the German Corporate Governance Code: Allow the annual general meeting to be followed via modern communication media (e.g. the internet)

Prior to the annual general meeting, EnBW AG provides its shareholders with the agenda, any reports of the Board of Management on individual points of the agenda, any company agreements tabled for voting, countermotions that have been submitted, the annual report as well as the articles of incorporation via the internet. After the annual general meeting, the voting results, information on dividend payments as well as the speech of the chairman of the Board of Management are published in the internet. In this way we keep our shareholders fully informed about the annual general meeting. With diversified holdings of less than 2%, the interest in a live transmission of our annual general meeting in the internet is currently not great enough to justify the costs it would involve.

Fig. 4.2.4 of the German Corporate Governance Code: publication of the fixed and variable components of the remuneration of the individual members of the Board of Management

For the moment, EnBW has decided not to publish a breakdown of the fixed and variable salary components of the individual members of the Board of Management. The remuneration of the Board of Management is stated in total in the financial statements, thus disclosing the key facts. We do not consider a public discussion about the salary levels of the individual members of the Board of Management to be expedient. We will observe how the structure and publication of board member salaries is dealt with on a national level in future and whether the new version of the German Corporate Governance Code contains convincing arguments. We will examine any such suggestions and, if applicable, put them into practice.

Fig. 5.4.1 and 5.4.5 of the German Corporate Governance Code: age limit and remuneration of the members of the Supervisory Board

EnBW has not set any age limit for its Supervisory Board members as their election to the Supervisory Board depends primarily on their qualifications, abilities and professional competence.

The status as chairman and membership on the committees is only considered in the remuneration of the Supervisory Board members in the form of an additional attendance fee for committee meetings.

At present, the remuneration of the members of the Supervisory Board is not based on performance. We have not introduced share price or dividend-oriented remuneration to preserve the necessary distance of the Supervisory Board members to the managerial actions of the Board of Management. Only the total remuneration of all the Supervisory Board members is disclosed in the annual report. Similar to the remuneration of the Board of Management we will observe how the German listed stock corporations handle the publication of the remuneration of their Supervisory Boards in future and also whether the revised German Corporate Governance Code contains any other aspects. We will examine any such recommendations and, if applicable, adjust the EnBW principles accordingly.

Fig. 7.1.1 of the German Corporate Governance Code: publication of annual reports and interim reports and the preparation of consolidated financial statements and interim report in accordance with internationally accepted accounting principles

As prescribed by law, EnBW publishes financial statement (January 1 to December 31) and a half-yearly report (January 1 to June 30). At present, three-month and nine-month reports are not published. It is planned to introduce quarterly reporting upon conversion to International Financial Reporting Standards (IFRS).

EnBW has prepared the financial statements for the fiscal year 2002 according to the German Commercial Code (HGB). A conversion to IFRS accounting will be implemented in 2003.

Fig. 7.1.4 of the German Corporate Governance Code: publication of a list of shareholdings

EnBW uses the legal possibilities relating to companies in which it has an investment and publishes a list of the names of the major investments. For competitive reasons, EnBW has not so far published the amount of the investment, the amount of equity and the results of the last fiscal year. However, in the coming year the current list is to be extended to include additional investment holdings and the amount of the investment.