

Corporate Governance at EnBW

Declaration of compliance

The Board of Management and Supervisory Board of EnBW herewith declare in accordance with Sec. 161 AktG that the recommendations of the government commission for the German Corporate Governance Code from November 7, 2002 have been complied with and that the recommendations of the government commission as amended May 21, 2003 will be complied with, with the exceptions itemised below:

Code Fig. 4.2.2.: consultation about the structure of the remuneration system for the Board of Management and regular review by the full Supervisory Board

In the fiscal year 2003, the Board of Management and Supervisory Board decided to report regularly to the full Supervisory Board in future on the structure of the remuneration system of the Board of Management. The recommendation will be complied with from the fiscal year 2004 onwards. The remuneration of the members of the Board of Management of EnBW will be fixed by the Supervisory Board committee for board matters. Based on the categories set forth in the Code, the current remuneration system has the following main components:

- a fixed annual basic salary payable in equal monthly instalments
- an annual variable bonus.

Code Fig. 4.2.4.: disclosure of the fixed, performance-related and long-term incentive components of the remuneration of the members of the Board of Management

EnBW does not currently disclose the fixed and variable remuneration components of the individual members of the Board of Management. From the 2003 consolidated financial statements onwards, we will present a breakdown in the notes of the total remuneration of the Board of Management by fixed and variable components. From our point of view, the important information has thus been disclosed. We do not consider a public discussion about the salaries of the individual members of the Board of Management to be expedient. We will, however, follow to what extent other companies publish the salaries of their board members and review our position accordingly.

Code Fig. 5.4.1: age limit for Supervisory Board members

In the fiscal year 2003 the Supervisory Board fixed an age limit of 70 for Supervisory Board members which will in future be considered when making suggestions for the election of Supervisory Board members.

Code Fig. 5.4.5: remuneration of Supervisory Board members

At present, the chairman and the members of the committees are only rewarded in the form of separate attendance fees for the participation in committee meetings. In addition, the members of the EnBW Supervisory Board currently receive no performance-related remuneration. Taking account of the Code recommendation on this matter, the Board of Management and the Supervisory Board will suggest a change in the remuneration system of the Supervisory Board comprising both fixed and performance-related components. These components will be graduated to reflect chairmanship and membership in the Supervisory Board and in the committees. The remuneration of the Supervisory Board members is disclosed in the notes to the consolidated financial statements as a sum and is not broken down by individual member because to date the remuneration does not contain any variable components and, with the exception of the chairman and deputy chairman, is the same for all Supervisory Board members. We will re-examine this decision in the course of the planned change in the remuneration system of the Supervisory Board.

Code Fig. 7.1.1: provision of information by consolidated financial statements and interim reports

Starting in the first quarter of the fiscal year 2004, EnBW will publish quarterly reports in accordance with the accounting principles of the International Financial Reporting Standards/International Accounting Standards

(IFRS/IAS).

Code Fig. 7.1.4: publication of a list of shareholdings

In the annual report for the fiscal year 2003, EnBW will for the first time publish a list of shareholdings stating the name and registered office of the company, the share of capital held and the equity. From the fiscal year 2004 onwards we will also publish the result of the last fiscal year.

Karlsruhe, February 10, 2004
EnBW Energie Baden-Württemberg AG

The Board of Management
The Supervisory Board