

2021

**Corporate Governance Declaration
pursuant to Sections 289f and 315d
of the German Commercial Code with
integrated Corporate Governance
Report**

RWE

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1 Basics of corporate governance

1.1 General remarks

RWE Aktiengesellschaft ('RWE' or 'RWE AG') is a German energy utility headquartered in Essen and registered with the Commercial Register of the Essen District Court under HRB 14525.

In accordance with RWE's Articles of Incorporation, the object of company is to manage a group of enterprises operating in particular in the following fields of business:

- a) generation and procurement of energy, including renewable energy;
- b) extraction, procurement and processing of mineral resources and other raw materials;
- c) supply and trading of energy;
- d) construction, operation and use of energy transmission systems;
- e) supply of water and treatment of wastewater;
- f) provision of services in the aforementioned fields, including energy efficiency services.

As a German stock corporation, RWE has a two-tier governance system. This system features an executive board as managing body and a supervisory board as monitoring body and prohibits individuals from holding offices on both boards. At RWE, these two boards cooperate constructively and trustingly in the interests of the company and the Group. In compliance with the German Co-determination Act, the Supervisory Board of RWE is composed of 10 shareholder and 10 employee representatives.

The governance of RWE and its subsidiary Group companies ('RWE Group') is primarily determined by applicable statutory regulations, the Articles of Incorporation of RWE and the provisions of the German Corporate Governance Code ('GCGC'). You can find the Articles of Incorporation of RWE at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association.

1.2 Company/Group structure

RWE is a pure holding company. It performs central tasks for its subsidiaries, which are responsible for operating activities, e.g. in relation to taxes and finance.

RWE's activities currently focus on electricity generation, energy trading and gas. Since 2020, the Group's financial reporting has been structured based on the following five segments: (1) Offshore Wind, (2) Onshore Wind/Solar, (3) Hydro/Biomass/Gas, (4) Supply & Trading and (5) Coal/Nuclear. Segments (1), (2), (3) and (5) encompass the electricity generation activities, broken down by energy source. The trading and gas business has been pooled in segment (4). Segments (1) to (4) represent our core business. Operating responsibility has been distributed as follows: RWE Renewables GmbH is in charge of segments (1) and (2), and RWE Generation SE oversees segment (3). In segment (4) the main responsibility lies with RWE Supply & Trading GmbH and – in terms of gas storage – with RWE Gas Storage West GmbH and RWE Gas Storage CZ, s.r.o. Business activities in segment (5) are managed by RWE Power AG (lignite, nuclear), RWE Nuclear GmbH (nuclear) and RWE Generation SE (German hard coal power plants).

The aforementioned subsidiaries are associated with the holding company via control and profit- and loss-transfer agreements and are subject to the instructions of the Executive Board of RWE AG. This does not apply to the gas storage companies which comply with the unbundling requirements imposed on them and cannot be issued instructions.

1.3 Statement regarding the GCGC

RWE management believes that responsible and transparent corporate governance is the basis for long-term economic success. Our guiding principles are set out in the most up-to-date version of the German Corporate Governance Code (GCGC).

The GCGC requires companies to report on corporate governance in their corporate governance declaration. The Executive Board and the Supervisory Board make this declaration jointly, bearing responsibility only for the parts of the report relating to them.

On 10 December 2021, following a mandatory review, the Executive Board and the Supervisory Board of RWE made the following comprehensive statement of compliance published on our website at www.rwe.com/en/investor-relations/corporate-governance/statement-of-compliance-and-reports pursuant to Section 161 of the German Stock Corporation Act:

Since the last statement of compliance dated 11 December 2020, RWE Aktiengesellschaft has complied with the recommendations of the Government Commission of the German Corporate Governance Code published by the German Federal Ministry of Justice in the

official section of the German Federal Gazette on 20 March 2020 (Code as amended on 16 December 2019) ('GCGC') with the following temporary deviation:

According to recommendation C.4 of the GCGC, a Supervisory Board member who is not a member of the Management Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chair of the Supervisory Board being counted twice.

The Executive Board and the Supervisory Board still intend to comply with this recommendation. Following the court appointment of Thomas Kufen as a member of the Supervisory Board of RWE Aktiengesellschaft, since 18 October 2021 there will only be a temporary deviation from this until the end of 31 December 2021, as Mr. Kufen, including the mandate at RWE Aktiengesellschaft, still holds six countable mandates on a transitional basis which, in the opinion of the Executive Board and the Supervisory Board, are to be taken into account in the context of recommendation C.4. From 1 January 2022, the maximum number of mandates will again be complied with, as Mr. Kufen has resigned one mandate with effect as of 31 December 2021. It was not possible to adjust the mandate situation in advance due to the short-term nature of the appointment. However, the Supervisory Board has ensured that Mr. Kufen has sufficient time to perform his Supervisory Board mandate at RWE Aktiengesellschaft.

In the future, all recommendations will be complied with.

Earlier statements of compliance by RWE can be found on our website at www.rwe.com/en/investor-relations/corporate-governance/statement-of-compliance-and-reports.

2 Executive Board

2.1 Executive Board and Executive Board members

Since 1 May 2021, the Executive Board of RWE has consisted of three members:

- Markus Krebber (48) was appointed to the body with effect from 1 October 2016. He was first in charge of finance, after which he took over from Rolf Martin Schmitz as Chairman of the Executive Board as of 1 May 2021. His tenure ends on 30 June 2026. Rolf Martin Schmitz retired from the Executive Board as of 30 April 2021.

- Michael Müller (50) has been on the Executive Board since 1 November 2020 and has been responsible for finance since 1 May 2021. As is customary for newly appointed Executive Board members, his tenure is limited to three years for the time being.
- Zvezdana Seeger (57) was also appointed to the body with effect from 1 November 2020 for an initial term of three years. She is the company's Labour Director and in charge of human resources and IT.

Additional information on the members of the Executive Board (e.g. CVs) are published on our website at www.rwe.com/en/investor-relations/corporate-governance/management-board-and-supervisory-board and in the current annual report. It also includes disclosure on offices held by the Executive Board members in other corporate bodies. They may only accept such offices upon approval of the Supervisory Board of RWE.

The GCGC stipulates that the tenure of individuals appointed to a managing board for the first time be limited to three years and that they may be reappointed earlier than one year before the expiry of their tenure while terminating their current appointment only under exceptional circumstances. RWE has acted accordingly thus far.

As RWE is a holding company, it is involved in operating activities only to a limited extent and therefore only needs a three-member executive board. This corporate body unites a wide range of expertise and possesses the qualifications needed to fulfil its tasks: Markus Krebber is a trained banker and holds a doctorate in economics, Michael Müller holds a doctorate in mechanical engineering, and Zvezdana Seeger has a degree in economics. As a result of the current staffing of the Executive Board, the female quota of this corporate body is 33.3 %. It exceeds the target quota through to mid-2022 established by the Supervisory Board at its meeting on 23 June 2017. At the time, the quota had to be set at zero as no other quota would have been expedient in light of the Executive Board being composed of just two members and the duration of their appointments. The current staffing actually complies with the statutory quota for managing boards of listed companies with equal numbers of shareholder and employee representatives on the supervisory board that applies to managing boards consisting of more than three individuals that was introduced by Germany's Second Managerial Position Act (FüPoG II) with effect from 12 August 2021. As scheduled, in mid-2022, the Supervisory Board will establish a new target quota for staffing the Executive Board while taking account of the provisions of Germany's Second Managerial Position Act (FüPoG II).

In addition, the number of women in executive positions at RWE AG has increased significantly in recent years. We want this trend to continue. The Executive Board of RWE has set the minimum target female quota for the first management level at the Group's holding company by 30 June 2022 at 30 %. A target of 20 % was established for the second

management level. The first management level includes employees who bear responsibility for other employees and have a direct reporting line to the Executive Board. The second management level comprises employees who bear responsibility for other employees and have a direct reporting line to the first management level. As of 31 December 2021, the female quota was 25 % at the first management level and 28.6 % at the second management level of RWE AG. The Executive Board will establish new goals for the first and second management levels by 30 June 2022 taking account of the requirements imposed by Germany's Second Managerial Position Act (FüPoG II), which will enter into force on 1 July 2022.

The subordinate Group companies have established their own goals, on which they report separately in their respective corporate governance declarations which can be found in their reviews of operations.

The Supervisory Board adopted a skills matrix for Executive Board members which takes account of the diversity requirements for this corporate body. The main criteria when selecting candidates for long-term succession planning are thus the professional qualifications for the office in question, leadership skills, track record and knowledge of the sector. In this context, diversity is primarily to be achieved by selecting individuals with varying, mutually complementary profiles, in particular with respect to their professional and life experience. Appropriate gender representation also plays a major role.

When appointing individuals to the Executive Board, the Supervisory Board also takes the following goals into account:

- *The Supervisory Board aims to achieve an appropriate female quota in the Executive Board in the medium term by restaffing vacancies resulting from natural attrition.*
- *The Executive Board should have profound knowledge of the public sector – in particular of politics (to the extent relevant to the energy sector) in Germany at the municipal, state and federal levels. An equal level of expertise should also be present at the EU level and in relation to other countries which are of special significance to the development of RWE's business.*
- *In view of RWE's international operations, the Executive Board of RWE should also have an appropriate number of members with international experience in particular in the energy sector.*
- *On the whole, the Executive Board should have years-long leadership experience in industry, in particular in running companies.*

- *Accordingly, the Executive Board should be capable of further developing the company's strategic orientation and ensuring that it is implemented as well as setting up a suitable risk management and risk controlling system within the company and maintaining it.*
- *In addition, taking account of the situation specific to the company, the members of the Executive Board should possess the most company-specific knowledge and leadership experience possible of significance to the operating activities. When candidates are selected, it should be seen to it that the Executive Board's composition is balanced in order to ensure that the desired expertise is spread throughout the Executive Board as widely as possible.*
- *The desired expertise that is missing or should be expanded on the Executive Board should be identified before restaffing a position. Candidates possessing this expertise should be identified. Succession planning should be conducted taking account of the age limit established for Executive Board members. Executive Board members reach the age limit when they turn 63. They can be reappointed for a year at a time thereafter, with the maximum duration of such reappointments being reached when they turn 65.*

Safeguarding the interests of the company and considering the specifics of the case in question, the Supervisory Board chooses from among the suitable candidates the individual who fills the vacant seat on the Executive Board. Then the Supervisory Board regularly determines the degree to which the Executive Board members fulfil the aforementioned requirements, the appropriateness of the composition of the Executive Board, and whether the performance targets of the skills matrix are expedient.

An outside recruiting firm was commissioned to create skills matrixes in advance of the appointments of Executive Board members with effect from 1 November 2020 and 1 May 2021. The positions in question were those of Chairman of the Executive Board (CEO), Chief Financial Officer (CFO) and Chief Human Resources Officer (CHO). Markus Krebber, Michael Müller and Zvezdana Seeger fully comply with these skills matrixes.

The Supervisory Board aims to begin succession planning early on whenever it becomes apparent that an Executive Board member will vacate their seat. The Supervisory Board acted accordingly in making its most recent staffing decisions.

2.2 Executive Board activity

The Rules of Procedure for the Executive Board establish the special tasks performed by the Chairman of the Executive Board, the matters entrusted to the Executive Board as a whole, the procedure for passing resolutions, and the majorities required to pass resolutions on a case-by-case basis. Responsibilities for the Executive Board offices are set out in the schedule of responsibilities and can be found at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association.

The Executive Board normally convenes for a meeting requiring physical attendance once every two weeks. It is informed of the impending issues by the relevant departments. The Executive Board's lean structure with just three members makes it easier to coordinate its activity in between meetings requiring physical attendance and by circular.

In fiscal 2021, one member of the Executive Board reported a potential conflict of interest and, as a precautionary measure, abstained from participating in the passage of the resolution on commissioning a consultancy because a member of the family of the Executive Board member works for the consultancy, although they were not involved in the project in question either directly or indirectly. None of the other Executive Board members reported a conflict of interest in fiscal 2021.

2.3 Corporate governance practices and tools

Information on the activity and decisions of the Executive Board is published in the annual reports, half-year reports and quarterly statements, all of which are issued at regular intervals. The dates on which these documents are published can be found in the financial calendar at www.rwe.com/en/investor-relations/dates-and-events. In addition, RWE publishes information on events within the Group that are of relevance to the capital market when they occur. These publications can be found at www.rwe.com/en/investor-relations/news-and-ad-hoc-announcements.

As a major player on the worldwide energy market, RWE shoulders responsibility for a sustainable future. We fulfil the resulting duties conscientiously. In this context, centre stage is taken by environmental, social and governance matters (ESG). What we do to discharge our responsibility to society and the varied expectations of our stakeholders is documented in our Non-financial Report in accordance with Section 315 b, Paragraph 3 of the German Commercial Code and in our Sustainability Report. Both of these documents are published annually and are available on the Internet at www.rwe.com/en/responsibility-and-sustainability. Under our new strategy, which we have titled 'Growing Green', we will make a gross investment of 50 billion euros in RWE's core business through to 2030, meaning that an average of a gross 5 billion euros will be spent on offshore and onshore wind, solar, storage,

flexible backup capacities and hydrogen every year. In so doing, we will expand our efficient, green generation capacity to 50 gigawatts in order to drive the carbon-neutral conversion of the economy and society.

Compliance is another topic that is taken very seriously at RWE. It is important to us that the work done in our company is in order. Of course, first and foremost this means that all entrepreneurial activity must be in accordance with statutory regulations. However, to us compliance also involves observing ethical standards and principles to which the company has subjected itself voluntarily. The decisive factor in this respect is our groupwide Code of Conduct, which can be found at www.rwe.com/en/the-group/compliance/code-of-conduct. The principles of this Code lean heavily on those of the United Nations Global Compact and thus also help ensure responsible and legally compliant action within the RWE Group.

RWE has established a comprehensive compliance management system, the fundamentals of which we disclose at www.rwe.com/en/compliance and in our Sustainability Report that is published at www.rwe.com/en/responsibility-and-sustainability. Suspected and actual legal violations can be reported to superiors or compliance officers via various channels. An independent external contact can also be involved. This contact is not only at the disposal of employees, but also accepts leads from individuals outside the company.

The fundamental prerequisite for good corporate governance is the systematic identification, assessment and management of risks. In line with statutory regulations, the Executive Board has established a professional risk management system at RWE. We report on the design of this system as well as on our current material risks and opportunities in our annual reports.

2.4 Cooperation with the Supervisory Board

The Executive Board and the Supervisory Board of RWE work closely together for the benefit of the company and communicate with each other regularly. The Executive Board informs the Supervisory Board in a regular, timely and comprehensive manner of all the material aspects of the company's strategy, business trend, compliance and risk management. Furthermore, it keeps the Supervisory Board updated on the company's earnings, risk exposure and material transactions. Deviations from the forecast business trend are discussed and reasoned in the process.

The Executive Board also maintains constant dialogue with the Chairman of the Supervisory Board between meetings and immediately informs him of material transactions.

2.5 Executive Board member remuneration and emoluments

The Act on the Implementation of Germany's Second Shareholder Rights Directive (ARUG II) and the 16 December 2019 version of the GCGC introduced new standards applicable to executive board compensation. Against this backdrop, on 25 June 2020, the Supervisory Board passed a resolution to introduce a completely revised remuneration system which is even more in line with the company's goals and our stakeholders' demands. The new system entered into force on 1 January 2021 and was approved by the Annual General Meeting by a majority vote of 93.19 % on 28 April 2021.

RWE will publish the details of the remuneration in the Remuneration Report, which for fiscal 2021 will be prepared in compliance with Germany's Second Shareholder Rights Directive (ARUG II) for the first time. RWE will commission PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to subject its contents to an extensive review going above and beyond legal requirements. We will submit the report to the 2022 Annual General Meeting for approval.

Article 19 of the EU Market Abuse Regulation requires Executive Board members to publish their purchases and sales of RWE shares. The following purchases were made in the past fiscal year:

- Markus Krebber: 15,406 RWE shares for a total price of € 500,072.07
- Michael Müller: 6,200 RWE shares for a total price of € 201,870.67
- Rolf Martin Schmitz: 9,336 RWE shares for a total price of € 303,041.64

Zvezdana Seeger did not purchase any RWE shares in the financial year 2021. All purchases were published in accordance with Article 19 of the EU Market Abuse Regulation.

3 Supervisory Board

3.1 Members and chairmanship

The Supervisory Board of RWE AG consists of 20 members and is equally staffed by shareholder and employee representatives, in line with the German Co-determination Act. We have provided information on the members of the Supervisory Board and their CVs in the 2021 Annual Report and on our website at www.rwe.com/en/investor-relations/corporate-governance/management-board-and-supervisory-board where we also disclose when the members were appointed, the additional offices they exercise on other supervisory boards

and similar corporate bodies, and the skills they possess, which are of special importance to the Supervisory Board's work.

The tenures of all shareholder representatives on the Supervisory Board ended on conclusion of the Annual General Meeting on 28 April 2021, making new elections to the Supervisory Board necessary. Dr. Werner Brandt, Ute Gerbaulet, Prof. Dr.-Ing Dr.-Ing E.h. Hans-Peter Keitel, Mag. Dr. h.c. Monika Kircher, Günther Schartz, Dr. Erhard Schipporeit and Ullrich Sierau were elected to the Supervisory Board as shareholder representatives for a further term by the Annual General Meeting. Dagmar Mühlenfeld, Peter Ottmann and Dr. Wolfgang Schüssel did not run for re-election to the Supervisory Board. Dr. Hans Bunting, Hauke Stars and Helle Valentin were elected to the corporate body for the first time.

The way for shortened and staggered tenures was paved as part of the new election process. In the past, the shareholder representatives on RWE's Supervisory Board were all elected for a concurrent term of five years, as is customary in Germany. The advantage of shortening the tenures is that this allows for the composition of the Supervisory Board to be adapted to new requirements more quickly. A staggered board prevents too many people from leaving the corporate body at the same time, causing valuable experience to be lost.

At the 2021 Annual General Meeting, five candidates were elected for a term of four years and another five candidates were elected for a term of three years. In so doing, we exercised the option provided by the Articles of Incorporation of RWE to appoint Supervisory Board members for a tenure shorter than the standard term of five years. Future by-elections or new elections to the Supervisory Board are to result in terms of three years.

One further personnel change to the shareholder representatives on the Supervisory Board occurred after the new elections on 28 April 2021. Günther Schartz resigned from his office with effect from 30 September 2021. Thereupon, Thomas Kufen was appointed to the corporate body by the Essen District Court with effect from 18 October 2021. We will submit the filling of this vacancy to the Annual General Meeting on 28 April 2022 for the passage of a resolution.

The new employee representative elections by the Assembly of Delegates took place on 15 September 2021. The coronavirus pandemic made an earlier date impossible. As the tenures of the employee representatives also ended as scheduled at the 2021 Annual General Meeting, these vacancies were initially staffed by court appointment. The tenures of the court-appointed employee representatives ended with the new elections by the Assembly of Delegates. In accordance with the Articles of Incorporation, the tenures of the employee representatives elected by the Assembly of Delegates will end on conclusion of the 2026 Annual General Meeting.

Dr Werner Brandt is the Chairman of the Supervisory Board, and Ralf Sikorski is the Deputy Chairman.

3.2 Composition and diversity

RWE's Supervisory Board has given itself a skills matrix to ensure that new members are selected based on objective suitability criteria. This corporate body must be staffed so that it can perform the monitoring and advisory functions entrusted to it by the German Stock Corporation Act and the GCGC in a qualified and orderly manner at all times. The Supervisory Board should have at least one competent member for each aspect of its activity so that all the necessary expertise and experience is provided by the Supervisory Board members collectively. However, each Supervisory Board member is required to possess indispensable general knowledge and experience on top of that. The Supervisory Board gave itself a skills matrix for the first time at its meeting on 12 December 2011 and has constantly refined it since then. The most recent revision took place in 2021 in view of the new staffing requirements imposed on supervisory boards and audit committees introduced by the German Law on Strengthening Financial Market Integrity (FISG).

The skills matrix includes a binding concept of diversity on the Supervisory Board. The Supervisory Board aimed for a female quota on the corporate body of 30 % before the German Equal Participation Act, which envisages a share of at least 30 %, came into force. This quota was achieved for the first time in the 2016 Supervisory Board elections. Since the 2021 Supervisory Board elections, the female quota on the Supervisory Board has stood at 35 %, exceeding the minimum requirement mandated by law.

Moreover, the current **skills matrix** includes the following provisions:

- A sufficient number of candidates may not have a tenure on the Supervisory Board in excess of 12 years without having a legal impact on the possibility of employee representatives to be elected.
- At least 12 of the 20 Supervisory Board members should be independent, with at least 6 of them being independent shareholder representatives.
- In addition to the general requirements in terms of education, reliability, professional experience and expertise, Supervisory Board members should satisfy the following prerequisites or – if they exceed the minimum standard mandated by the German Stock Corporation Act – acquire them:
 - General understanding of the RWE Group's business fields, market environment, customer needs and strategic orientation

- Ability to understand and evaluate reports submitted to the Supervisory Board and to draw their own conclusions from them
- Ability to assess the correctness, economic viability, usefulness and legality of business decisions up for assessment
- Ability to assess documents supporting the financial statements, if necessary with the assistance of the auditors of the financial statements
- The following points are extremely relevant when it comes to the specific knowledge of the individual Supervisory Board members, which also has to be possessed by the corporate body as a whole:
 - Expertise in the entire energy sector (electricity generation from renewables, energy trading and conventional electricity generation)
 - Expertise in the development and implementation of corporate strategy as well as in new technologies (e.g. Power-to-X, hydrogen and other alternative energy sources) and digitisation
 - Leadership experience
 - Profound knowledge of the public sector
 - International experience in the energy sector, economy and politics
 - Expertise in accounting possessed by at least one member and expertise in financial statement audits possessed by at least one additional member of the Supervisory Board and of the Audit Committee. Special knowledge and experience in applying accounting principles and internal monitoring methods as well as in auditing financial statements possessed by the Chairman of the Audit Committee. Moreover, this Chairman must be independent and may not also be the Chairman of the Supervisory Board.
 - Appropriate expertise in co-determination matters
- Succession planning should take into account an age limit of 72 years.

Besides the skills matrix, the Rules of Procedure for the Supervisory Board also contain provisions governing the composition of the corporate body. You can find it at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association.

The aforementioned requirements formed the basis for selecting candidates for the new Supervisory Board elections at the 2021 Annual General Meeting. The Nomination Committee started the selection process early on, in order to find the best possible candidates to fill the vacant seats. The candidates proposed by the Supervisory Board to the Annual General Meeting were fully in line with its goals in respect of the corporate body's composition and competencies. Therefore, the Supervisory Board of RWE meets all of the aforementioned requirements with its current staffing. Collectively, its members possess all of the material knowledge, skills and experience required to fulfil their tasks in an orderly fashion. Based on the criteria of the GCGC, Dr. Werner Brandt, Dr. Hans Bunting, Ute Gerbaulet, Prof Dr.-Ing Dr.-Ing E.h. Hans-Peter Keitel, Mag. Dr. h.c. Monika Kircher, Dr. Erhard Schipporeit, Hauke Stars and Helle Valentin are considered independent shareholder representatives on the Supervisory Board. There is no indication of any of the aforementioned individuals not being independent according to the principles of the DCGK. Above all, none of them have been a member of the corporate body for more than 12 years.

In addition, the Chairman of the Audit Committee Erhard Schipporeit and Monika Kircher, who also sits on the Audit Committee, meet the requirement of possessing expert knowledge of accounting and financial statement audits in accordance with the German Law on Strengthening Financial Market Integrity (FISG), which entered into force on 1 July 2021.

As part of the onboarding process, new Supervisory Board members will familiarise themselves with the company's business model, the structures of the RWE Group and specific topics of relevance to the Supervisory Board's work. The Board Office, which is assigned to the Legal Department, coordinates the directed onboarding of new Supervisory Board members. Furthermore, the Board Office provides the members with comprehensive information regarding their rights and duties, supports the members in particular during the early stages in personal talks, and provides the necessary documents as well as authorizations relating to digital information interchange.

3.3 Supervisory Board procedures

The Supervisory Board is tasked with monitoring the Executive Board and advising it in running the company. It is directly involved in the corporate and sustainability strategy and in decisions of fundamental importance to the company

The Supervisory Board appoints the Executive Board members and has the power to dismiss them. Assisted by the Personnel Affairs Committee, it decides on the system for remunerating Executive Board members. Based on this system, it establishes the remuneration components as well as the target and maximum remuneration for each Executive Board member. Moreover, it sets the performance targets forming the basis for assessing

performance and, in turn, the variable remuneration of the Executive Board members. The appropriateness of Executive Board remuneration is regularly reviewed by the Supervisory Board. As of 1 January 2021, the Supervisory Board adopted a revised remuneration system, which was approved by the Annual General Meeting on 28 April 2021 by a 93.19 % majority vote. Together with the Executive Board, the Supervisory Board is responsible for preparing the Remuneration Report.

Material decisions reached by the Executive Board are subject to Supervisory Board approval. The Articles of Incorporation of RWE (Article 7) and the Rules of Procedure for the Supervisory Board (Article 8) define a list of transactions which the Executive Board may only conduct with the approval of the Supervisory Board. You can find both here on our website at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association. This condition also applies pursuant to the Rules of Procedure for the Supervisory Board (Article 8, Paragraph 3) if the Executive Board of RWE is involved in such a transaction of an affiliated company.

The principles of the cooperation of the Supervisory Board of RWE are set forth in its Rules of Procedure and are published at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association. The members of this corporate body are obliged to take the basic and advanced training measures required to perform their tasks. This obligation has always been fulfilled. They receive RWE's assistance in doing so. For instance, RWE regularly holds information forums at which Supervisory Board members can be trained on topics of importance to them.

Moreover, the Supervisory Board regularly reviews the efficiency of its work. The last such review was conducted in the autumn of 2019. After two reviews without external assistance, the business consultancy Russel Reynolds LLP was involved. The focal points of the efficiency review were the Supervisory Board's work, broken down into strategy, structure and processes, as well as the corporate body's skills matrix. Thereafter, the results of the analysis were taken into account in refining the skills matrix for the members of the Supervisory Board. The next Supervisory Board efficiency review is scheduled for 2022.

Detailed information on the work of the Supervisory Board and its committees can be found in the latest Supervisory Board Report as well as on our website at www.rwe.com/en/investor-relations/corporate-governance/management-board-and-supervisory-board.

3.4 Supervisory Board activity in the reporting year

In fiscal 2021, the Supervisory Board again performed all of the tasks imposed on it by law and the Articles of Incorporation. It advised the Executive Board on running the company and monitored its activities attentively. In addition, it was consulted on all fundamental decisions. The Executive Board informed it of material aspects of the business trend, earnings and risks and the management of the same regularly, extensively and in a timely fashion.

The Supervisory Board took its decisions based on detailed reports and draft resolutions submitted by the Executive Board. It had ample opportunity to discuss the Executive Board's reports and draft resolutions in its plenary sessions and in its committees. It was also informed extensively by the Executive Board of projects and transactions of special importance or urgency at extraordinary meetings and in between meetings. The Supervisory Board went in session without the Executive Board to address specific items on the agenda whenever this was deemed appropriate. The Supervisory Board passed the resolutions required of it by law or the Articles of Incorporation. Where necessary, it also did so by circular.

The Chairman of the corporate body was constantly in touch with the Executive Board in order to discuss as soon as possible events of material importance to the RWE Group's situation and development.

Last year, the Supervisory Board convened six ordinary meetings and one extraordinary meeting. The shareholder and employee representatives on the Supervisory Board discussed the items on the agenda of the plenary sessions in separate preliminary talks. Further information on the meetings, e.g. Supervisory Board member attendance, and on the topics addressed can be found in the Supervisory Board Report 2021 on our website at www.rwe.com/en/investor-relations/corporate-governance/management-board-and-supervisory-board.

None of the members of the corporate body reported a conflict of interest in the financial year 2021.

3.5 Committees and their procedures

At present, there are six standing Supervisory Board committees: the Executive Committee, the Mediation Committee in accordance with Section 27, Paragraph 3 of the German Co-determination Act, the Personnel Affairs Committee, the Audit Committee, the Strategy and Sustainability Committee and the Nomination Committee. The Nomination Committee

is solely composed of shareholder representatives. The Supervisory Board is regularly informed of the work of the committees by their chairmen.

More detailed information on the tasks and composition of the committees can be found in Articles 10 et seqq. of the Rules of Procedure for the Supervisory Board which can be found at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association. Information on the members and chairmen of the committees can be found in the Annual Report and on the following website at www.rwe.com/en/investor-relations/corporate-governance/management-board-and-supervisory-board. More detailed information on the topics addressed in the committee sessions as well as attendance broken down by member can be found in the Supervisory Board Report for the fiscal year in question.

3.6 Supervisory Board member remuneration

The remuneration of the Supervisory Board is governed by the Articles of Incorporation of RWE, which were recently brought in line with the Act on the Implementation of Germany's Second Shareholder Rights Directive (ARUG II) per a resolution passed by the Annual General Meeting on 28 April 2021. More details can be found at www.rwe.com/en/investor-relations/corporate-governance/articles-of-association. They stipulate that the Chairman of the Supervisory Board receives €300,000 in fixed remuneration per fiscal year. His or her deputy receives €200,000. The other Supervisory Board members receive €100,000. Supervisory Board members received additional annual remuneration for offices held on committees of the Supervisory Board as follows: The members of the Audit Committee receive an additional remuneration of €40,000. This additional payment is increased to €80,000 for the Chair of this committee. With the exception of the Nomination Committee and the Mediation Committee pursuant to Section 27, Paragraph 3 of the German Co-Determination Act, which do not receive any remuneration, the members and the Chairs of all the other Supervisory Board committees receive an additional €40,000 and €60,000 in compensation, respectively. No variable compensation is paid in addition to the aforementioned components.

The members of the Supervisory Board have imposed on themselves the obligation, subject to any obligations to relinquish any portion of their pay, to spend 25 % of the total compensation paid (before taxes) to buy RWE shares and to hold them for the duration of their membership of the Supervisory Board of RWE AG.

Article 19 of the EU Market Abuse Regulation requires Supervisory Board members to publish their purchases and sales of RWE shares. In 2021, Supervisory Board members only reported share purchases. They served the purpose of fulfilling the aforementioned self-imposed obligation. All of the share transactions concluded by Supervisory Board members

that were reported to us were published Europe-wide in notifications in accordance with statutory regulations.

Details on the remuneration of the Supervisory Board and on the level of Supervisory Board member emoluments can be found in the Remuneration Report. The contents of the Report for fiscal 2021, which was prepared in compliance with the German Act on the Implementation of Germany's Second Shareholder Rights Directive (ARUG II) for the first time, will be subjected to a comprehensive audit going beyond the legal requirements by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. We will submit the report to the 2022 Annual General Meeting for approval.

4 Accounting and financial statement audits

4.1 Disclosure on financial statements and reviews of operations as well as further reports

In addition to the annual financial statements, RWE prepares half-year financial statements in compliance with Section 115 of the German Securities Trading Act as well as quarterly statements pursuant to Section 53 of the Frankfurt Stock Exchange Regulations. RWE's separate financial statements, the yardstick for determining the dividend payment, are prepared in accordance with the German Commercial Code. The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). Besides its annual and half-year financial statements, RWE publishes reviews of operations in accordance with Section 289 of the German Commercial Code, which report on the development of the company's business and its situation.

Moreover, RWE provides information on major environmental and social issues in the Non-financial Report in accordance with Section 315b, Paragraph 3 of the German Commercial Code and in the Sustainability Report, both of which are issued once a year and are available on the Internet at www.rwe.com/en/responsibility-and-sustainability.

The dates on which the aforementioned documents are published are listed in our Financial Calendar, which is available at www.rwe.com/en/investor-relations/dates-and-events.

4.2 Audit of the consolidated financial statements

The Audit Committee manages the company's relations with the auditor. It monitors the audit of the financial statements and its quality, concerns itself with the independence of the auditors of the financial statements and monitors the scope and limits of the additional

services rendered by the auditors of the financial statements in this connection. Furthermore, the Audit Committee prepares the proposal regarding the election of the auditors of the financial statements that is made to the Annual General Meeting and submits a corresponding recommendation. It is also in charge of granting the audit award, determining supplementary focal points of the audit, and reaching a fee agreement with the auditor of the financial statements. During the audit, the Chairman of the Audit Committee maintains constant contact with the auditors of the financial statements and discusses the contents of the audit of the financial statements with them.

It has been agreed with the auditors of the financial statements that they must inform the Audit Committee and the Supervisory Board of all issues material to its tasks of which they gain knowledge during the audit of the financial statements. Furthermore, they must inform the Audit Committee and the Supervisory Board of – and state in the audit report – any facts they identify that contradict the company's statement of compliance.

Last year, the Annual General Meeting of RWE appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) auditors for the financial statements for fiscal 2021, acting on the proposal by the Supervisory Board. PwC has internal rotation mechanisms in place to ensure that audit actions are performed with due distance to the company. Irrespective of the internal rotation, the legal provisions governing the external rotation of auditors of financial statements mandate that we enlist the services of PwC for the audit for the last time for fiscal 2023. The Audit Committee has initiated the tender procedure for the rotation of the auditors of the financial statements, which must be implemented for fiscal 2024.

Our Annual Report contains information on the PwC fees recorded in the past fiscal year. In 2021, less than 30 % of the total recorded fees of PwC were for non-audit related advice and services.

5 Shareholders/Annual General Meeting

5.1 Disclosure on treasury stock and changes thereof

RWE's capital stock amounts to €1,731,123,322.88. It is divided into 676,220,048 bearer share certificates. No capital measures were taken in fiscal 2021.

5.2 Shareholder rights at the Annual General Meeting

RWE shareholders primarily exercise their rights by participating in the passage of resolutions and asking questions at the Annual General Meeting. Each share entitles its holder to one vote. Our shareholders have the right to file motions against Executive or Supervisory Board proposals at the Annual General Meeting. Shareholders who collectively account for one-twentieth of the capital stock or hold a prorated share of €500,000 can request additional items to be placed on the agenda and published as such.

Due to the coronavirus pandemic, RWE held a fully virtual Annual General Meeting without the physical attendance of the shareholders or their proxies in fiscal 2021. This was made possible by the German law on measures in company, cooperative, association, foundation and residential property ownership law to counteract the effects of the COVID-19 pandemic (COVID-19 Act). RWE's entire Annual General Meeting was simulcast on RWE's website for our shareholders and interested members of the public. Our shareholders and their proxies were able to exercise their voting rights via mail-in voting or by authorising a proxy nominated by RWE. They were allowed to submit questions via the web-based Investor Portal until the day before the Annual General Meeting. RWE posts the Invitation to the Annual General Meeting along with the required documents and reports on the Internet at www.rwe.com/agm. The Chairman of the Annual General Meeting shall endeavour to limit the event to four to six hours.

The Annual General Meeting passes a resolution on the Executive Board's remuneration system at regular intervals ('say on pay'). The Act on the Implementation of Germany's Second Shareholder Rights Directive enabled our shareholders to vote on the remuneration system for the first time at the 2021 Annual General Meeting. The Remuneration Report for fiscal 2021, which was prepared in compliance with Section 162 of the German Stock Corporation Act and audited by the auditors of the financial statements, will be submitted for approval to the 2022 Annual General Meeting.

We fulfil the legal requirements concerning the convocation of a general meeting in the event of structural measures. Decisions on the convocation of a general meeting in the event of a takeover of the company are made on a case-by-case basis.

5.3 Handling of share price-sensitive information

RWE publishes all material information relating to the company's situation on the company's website at www.rwe.com/en. This includes the annual and interim financial statements, annual reports, half-year reports and quarterly statements, press and ad-hoc releases as well as voting right notifications. We hold conference calls with financial analysts and investors that are simulcast on the Internet whenever earnings are published.

RWE maintains an extensive dialogue with financial analysts, investors and other capital market participants between these publication dates as well. An essential tool of our investor relations work are talks with institutional investors, which are frequently conducted during roadshows and conferences. The Chairman of the Supervisory Board also regularly conducts such talks. In fiscal 2021, virtual roadshows were held for the London and Frankfurt (Main) financial hubs, at which Dr. Werner Brandt spoke with institutional investors about issues relating to the Supervisory Board.

5.4 Related party disclosures

No Supervisory Board members concluded a contract with RWE AG in 2021. Memberships of Executive and Supervisory Board members of corporate bodies of other companies and transactions with related parties are disclosed in the Annual Report.

Essen, 15 February 2022

RWE Aktiengesellschaft

On behalf of the Supervisory Board



Dr Werner Brandt

On behalf of the Executive Board



Dr Markus Krebber



Dr Michael Müller



Zvezdana Seeger