

RWE
Aktiengesellschaft
Essen

Counter-motion by Ulrich Dillmann in respect of the Annual General Meeting of RWE AG on 26 April 2018

A. Counter-motion in respect of item 3 on the Agenda

I hereby file a motion to vote on the approval of the acts of each Executive Board member individually and against approving the acts of Dr. Rolf Martin Schmitz due to:

- a) failure to provide information and prevent the illegal pillaging of assets by way of property transactions at enviaM in violation of his duties and in bad faith;
- b) failure to prevent transactions executed by his mentor, Dr. Großmann, loaded with conflicts of interest in violation of binding rules of the RWE Code and failure to provide information on potential damage to assets;
- c) failure to prevent the acceptance of gifts which his former mentor, Dr. Großmann, made sure were given to the Supervisory Board at the time. In violation of binding rules of the RWE Code (see combatting corruption, bribes, corruptibility) against the backdrop of the aforementioned transactions!

In this context, I submit:

1. The aforementioned damage to assets has been going on for several years now. The damage (including accrued interest) is likely to total several million euros (EDISON hotel in Kühlungsborn).

Dr. Schmitz was the Chairman of the Supervisory Board of enviaM AG. In view of the obvious disparity between value and price, before the contract was approved, he should have immediately seen to it that an external review was conducted in order to prevent damage from being inflicted on enviaM AG and RWE AG. He failed to do so, although the need to do so must have been obvious to him. He should not have approved the sale as it went through. The Executive Board of EnviaM AG at the time had already kept its own audit department, which was responsible in this respect, from reviewing the matter earlier on.

To date, Dr. Schmitz has failed to subject the transactions to a thorough review. Claims for damages and personal consequences are thus being avoided and illegal damage to assets thus continues to be done. Executive Board members and executives of enviaM AG and RWE AG are probably involved in this in various ways. This suggests a cover-up.

2. In response to my first question he explained at the 2017 AGM that he reviewed the matter (as Chairman of the Supervisory Board) at the time and did not find anything that was objectionable. He refused to respond to my second question, namely what his explanation was for the fact that the space occupied by the hotel property (plot no. 73/5, 1,619 sqm) was sold for an arithmetic €1.99/sqm based on an official ground value of €130/sqm.

Due to the obvious disparity between value and price, he should have ordered a thorough internal and external review before approving the sale.

In addition, the value calculated by an appraiser was 50% a b o v e the sales price, which was much too low. Bidders with much higher offers left empty-handed.

Therefore, the absolute need to conduct a thorough review must have been obvious to Dr. Schmitz.

He should have responded to my questions in this regard at the 2017 AGM truthfully, completely and honestly – with the respect due the rights of the shareholders.

3. Dr. Schmitz also failed to take action against the transactions of his mentor at the time, Dr. Großmann, between his company and the RWE Group. The RWE Code expressly forbids all transactions in which there may be the slightest appearance of a conflict of interest.

4. Moreover, Dr. Großmann distributed gifts among the members of the Supervisory Board at the time, as conceded for the first time by the former Chairman of the Supervisory Board, Dr. Manfred Schneider, in response to a surprise question at the 2015 AGM. According to Dr. Schneider, however, these were merely socially adequate gifts and he himself did not go sailing, for example.

In connection with the transactions concluded between the companies of the former CEO Dr. Großmann – at that time the mentor of the current CEO – there is a strong suggestion of corruption, bribery and the acceptance of unjust advantages in the relationship between the corporate bodies, namely the Executive Board and the Supervisory Board of RWE AG. This may have caused the Supervisory Board of RWE AG to fail to fulfil its monitoring function in this regard.

Therefore, the Chairman of the Supervisory Board at the time, Dr. Schneider, always dismissed the motions I filed at the AGMs for a review of the transactions at enviaM AG.

Even if this would have put him at risk of butting heads with his mentor and, in turn, jeopardising his career, Dr. Schmitz should have defended the interests of RWE AG and the rule of the RWE Code.

Given the aforementioned, the refusal to approve the acts of Dr. Schmitz is warranted.

B. Countermotion in respect of item 4 on the Agenda

Regarding this agenda item, I hereby file a motion to vote on the approval of the acts of each Supervisory Board member individually and against approving the acts of Dr. Werner Brandt.

Rationale:

Violation of:

1. his duty to manage assets in abuse of his role as Chairman of the AGM;
2. his duty to combat corruption and comply with the rules of the RWE Code; and
3. his duty to monitor and oversee the Executive Board in the aforementioned matters.

Dr. Brandt should have granted my motion to have the aforementioned asset-related matters of enviaM AG and the resulting illegal damage to the assets of RWE AG reviewed on behalf of the Supervisory Board by the audit firm named by me including its address.

He failed to do so. Therefore, his acts should not be approved.

Ulrich Dillmann