

RWE
Aktiengesellschaft
Essen

Counter motions by the German Association of Critical Shareholders in relation to the Annual General Meeting of RWE Aktiengesellschaft on 28 April 2022:

Counter motion regarding item 2 on the Agenda: appropriation of distributable profit

The distributable profit of RWE AG for fiscal 2021 shall not be appropriated to make the dividend payment of 608,598,043.20 euros (90 cents per dividend-bearing share) as proposed by management.

Rationale:

The provisions for mining and nuclear waste disposal (nuclear segment) formed by RWE AG to date will not suffice. Therefore, the provisions should be increased by the 608,598,043.20 euros envisaged for the dividend.

Counter motion regarding item 3 on the Agenda: Approval of the acts of the members of the Executive Board for fiscal 2021

The German Association of Critical Shareholders requests that approval of the acts of the members of the Executive Board be denied.

Rationale:

RWE AG disregards climate targets, harms human health, destroys villages and valuable farmland, and plays a major role in the destruction of the planet.

Group's Growing Green strategy nothing more than green washing

RWE's Executive Board is not assuming its responsibility to meet the specific requirements of the Paris Climate Agreement and to implement the coal phaseout in an environmentally and socially acceptable manner. RWE AG promises to "meet rising demand for electricity as best as possible while protecting the climate." At present, it is not even possible to see how RWE's electricity generation can become carbon neutral by 2040. RWE would have to set itself more ambitious climate goals to be in line with the Paris Climate Agreement.

The Growing Green group strategy proclaimed by RWE has been nothing more than green washing so far. The coal phaseout has progressed too slowly to date, and investment in renewable energy is too small. In fact, RWE increased electricity production from lignite by a quarter in fiscal 2021 compared to 2020. This drove up carbon dioxide emissions commensurately, by 24% compared to 2020.

Excavators must stop immediately before Lützerath

If the coal beneath the Garzweiler villages in the Rhineland is extracted and burned, it will be nearly impossible to achieve the Paris climate goals for Germany. The 1.5 degree limit runs symbolically in front of the village of Lützerath, as shown by a study by the German Institute for Economic Research. RWE is in the process of exceeding this 1.5 degree limit. Although the village of Lützerath is inhabited, RWE's lignite excavators have dug as far as less than 100 metres from the village's border.

As RWE extracts lignite through opencast mining, the company is responsible for extremely intensive land usage and land usage changes and has contributed to Germany's land usage, land usage change and forestry sector becoming a source of carbon dioxide. The sector can no longer fulfil its carbon dioxide capture and storage function, which exacerbates the situation during the climate catastrophe as it is currently impossible to employ real-world technical methods of capturing and storing carbon dioxide.

Farmer Heukamp fought against RWE's profit interests for ten years

The Lützerath farmer Eckardt Heukamp sold his business and farm to RWE in early April 2022. "My home is not a pawn for courts and politicians seeking to absolve themselves of their responsibility to protect the climate. I need a breather after ten years of conflict with RWE's interest in earning profits," said Heukamp. Charges have been filed against RWE and the Chairman of the Executive Board of RWE AG, Markus Krebber. Mr. Krebber is being accused of having caused harm to the residents of Lützerath, the taxpayers, and the general public. An excerpt from the complaint reads, "The Garzweiler 2 opencast lignite mine operated by RWE AG is not in line with the landmark decision of the government of the state of North Rhine-Westphalia of 23 March 2021 as it has pushed the mining border to less than 200 metres from the boundary of Erkelenz-Lützerath without permission and in violation of the law. RWE must be ordered to restore the mining border to 400 metres and renaturate the excavated land."

Continued energy imports from Russia and extended lifetimes for coal power plants

Like many other German industrial enterprises, RWE AG has let itself become too dependent on imports of fossil fuel from Russia. RWE is one of the major customers of the Russian gas company Gazprom with which it has a long-term supply agreement. As a result of Russia's war of aggression against Ukraine, RWE must justify its actions. On the one hand, RWE CEO Markus Krebber expresses his grief over "the scale of the human suffering caused by the war Our thoughts and solidarity are with the people in Ukraine, who must endure the horrors of war. " But on the other hand, RWE's CEO does not want to jeopardise the "reliability of energy supply" and speaks out against stopping Russian energy supplies to Germany (see, inter alia, RWE Annual Report 2021, Focus on growth, Letter from the CEO, page 6). In the short term, Mr. Krebber wants to safeguard against potential shortages by extending the lifetimes of coal power stations.

No spin-off of the lignite business

We do not believe it would be expedient to spin off the RWE operations relating to opencast lignite mining and lignite-fired power plants to another legal entity. This would not guarantee that the liabilities of the new company are covered by assets of sufficient value. This relates in particular to the provisions for renaturating the opencast lignite mines and dismantling the coal and nuclear power stations. This would run the risk of the state and taxpayers shouldering higher costs in the end.

Countermotion regarding item 4 on the Agenda, Approval of the acts of the members of the Supervisory Board for fiscal 2021

The German Association of Critical Shareholders requests that approval of the acts of the members of the Supervisory Board be denied.

Rationale:

RWE's Supervisory Board failed to monitor the Executive Board and its management in compliance with Section 111 of the German Stock Corporation Act and to ensure that it assumes its responsibility for the nuclear phaseout. Furthermore, the Supervisory Board did nothing to keep the interests of political officials in North Rhine-Westphalia separate from those of RWE AG.

RWE shareholdings in nuclear assets

In addition to the opencast lignite mines as well as lignite and hard coal-fired power stations, RWE currently operates the Emsland nuclear power plant in Lingen. As a co-owner of Urenco Deutschland, RWE holds a 12.5 percent stake. Urenco produces enriched uranium, which is not just used as a basic material for fuel rods for nuclear reactors around the globe, in the world's second-largest uranium enrichment facility, located at the Gronau site. The highly enriched nuclear fuel can also be weaponised. RWE is currently represented on the Board of Directors of Urenco by Frank Weigand, the CEO of RWE Power AG.

Irresponsible plans for new nuclear reactors

Despite the nuclear phaseout agreed in Germany, RWE still has interests in additional nuclear assets in Germany. Via the tri-national uranium enrichment company Urenco, RWE holds a critical stake with far-reaching decision-making powers in the uranium enrichment facility in Gronau, three other uranium factories in the Netherlands, Great Britain and the USA as well as in the uranium centrifuge firm ETC in Jülich.

In this way, RWE is involved in the irresponsible plans for new nuclear reactors in several countries, and even a potential military partnership between Urenco and the Pentagon has been discussed. Urenco supplies at least six reactors in the middle of the war zone in Ukraine, some of which are currently occupied by Russia. But RWE AG is entirely silent on the matter.

The very worrying supply of enriched uranium to the United Arab Emirates is not discussed, either. The Persian Gulf is always in danger of experiencing a war or acts of terrorism. Every nuclear power station increases the security risks substantially. And on the UN Security Council, the UAE refused to condemn the Russians for invading Ukraine.

It is also undisputed that uranium enrichment using centrifuge technology is considered a key to the atom bomb. RWE should not do any business with such a military technology.

Uranium waste disposal is another issue that remains unresolved. At least Urenco stopped uranium waste deliveries to Russia after the start of the war of aggression. However, although Gronau has been in operation for 37 years, Germany still lacks a disposal concept. This is unacceptable. RWE is happy to pocket dividends from Urenco, but has refused to accept any responsibility so far.

RWE AG intertwined with NRW state policy and municipal shareholders

The conglomerate consisting of politics and the energy group (referred to as the NRWE complex) shoulders part of the responsibility for the climate catastrophe and the hindrance to the energy transition, for the severe health impairments and premature deaths among the population, and the destruction of our environmental livelihood (see announcement: *The RWE Tribunal enters the third round, conference on 23/24 April in Düsseldorf-Reisholz, Bürgerhaus Reisholz, Kappeler Straße 231 in 40599 Düsseldorf, <https://www.rwe-tribunal.org/>*)

Approximately 130 municipalities, municipal companies and special-purpose associations hold a combined share of 24 percent of RWE AG. A large number of these municipalities is united in the Association of Municipal RWE Shareholders (Verband der kommunalen RWE-Aktionäre GmbH – Vka). The biggest shareholders in this group are the cities of Dortmund (24.5 million = 3.6%), Essen (18.76 million = 2.77%) and Mülheim/Ruhr (8.56 million = 1.3%).

Countermotion regarding item 7 on the Agenda: By-election to the Supervisory Board

The German Association of Critical Shareholders rejects the election of Thomas Kufen, Mayor of the City of Essen, to the Supervisory Board of RWE AG.

Rationale:

Thomas Kufen is a prime example of the conglomerate of politics and energy group, referred to as the NRWE complex (see countermotion in relation to item 4 on the Agenda). He is a symbol of the intertwining of RWE AG with NRW state politics and the municipal shareholders.

Since 2015, Mr. Kufen has been the Mayor of the City of Essen, which owns 18.75 million RWE shares. He was a member of the Supervisory Board of RWE Power AG, the subsidiary of RWE AG that manages the opencast lignite mines and lignite power plants in the Rhineland. Mr. Kufen was the energy spokesperson of the CDU fraction in the Parliament of the State of North Rhine-Westphalia until 2015.

Mr. Kufen currently holds offices on 17 supervisory or advisory boards of private-sector companies and savings and loan associations as well as 12 offices on boards of trustees and other committees. Like Enkraft Impact GmbH, we are of the opinion that Thomas

Kufen does not have enough time to serve as a member of the Supervisory Board of RWE AG in a conscientious and diligent manner.

Cologne, 13 April 2022

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