



Dr Werner Brandt
Chairman of the Supervisory Board of RWE AG
Annual General Meeting

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[...]

Ladies and Gentlemen,

From RWE's perspective, 2024 was a successful year.

The company closed the fiscal year with results that were better than anticipated at the beginning of 2024. Wind and solar generation capacity rose by 10%, with net investments reaching about 10 billion euros – the highest level in 15 years. RWE thus set a strong pace in implementing its growth strategy.

However, in 2024 we faced new challenges: the investment environment in the renewable energy business became more uncertain. This holds true especially in the USA. The change of course in energy policy regarding the expansion of renewable energy gives reason for us to be cautious. In 2024, it became apparent that the hydrogen economy in Europe is not ramping up as quickly as expected.

My fellow Supervisory Board members and I debated this issue in depth with the Executive Board.

We share management's opinion that RWE's Growing Green strategy is still the right one, but that the volatile environment calls for a more moderate speed of growth. Therefore, we endorsed the Executive Board's decision in November to delay planned investments and use the funds this frees up to implement



a 1.5 billion euro share buyback programme. Consistently, we also supported the decision during the current fiscal year to increase return requirements for new projects due to greater uncertainties and to reduce the investment programme to 2030 by 10 billion euros net.

Ladies and Gentlemen,

In addition to these major strategic decisions, the Supervisory Board discussed further important topics in the past fiscal year.

A great deal of time and consideration went into the Supervisory Board elections that will be held today under Item 6 on the Agenda, a task mainly performed by the Nomination Committee. I am pleased that we can propose six exceptionally suitable candidates to today's Annual General Meeting, a topic I just expounded upon.

We also extensively discussed the remuneration of the Executive Board and the Supervisory Board. German stock corporation law requires listed companies to present on a regular basis their executive board remuneration system to the annual general meeting for approval and to have the annual general meeting pass a resolution on the remuneration of their supervisory board. This is why both these matters have been placed on the Agenda of our Annual General Meeting today.

Let me begin with the remuneration of the Executive Board under Item 8 on the Agenda. The current Executive Board remuneration system has been in effect since 2021. The 2021 Annual General Meeting approved it with a majority of 93.19%. It is strongly aligned with RWE's strategic objectives and thus makes a major contribution to ensuring sustainable corporate governance that is successful over the long term and to increasing the company's value. We find that it is still based on the right fundamental concept. We have refined it in three areas to take account of market developments and feedback received from the capital market:



First in respect of the remuneration structure:

The relative proportions of fixed and variable remuneration components are now defined as ranges instead of fixed amounts. This enables the Supervisory Board to determine the remuneration of each Executive Board member more flexibly and to consider the tasks of each Executive Board member in a more appropriate manner. The relative share of long-term performance-based remuneration is now *at least* 40%, ensuring that it can even be increased at the expense of other compensation components compared to the previous system. This sharpens the focus of Executive Board remuneration on the pay-for-performance principle and incentivises the successful development of the company over the long term.

Second, we have adjusted the performance targets for long-term variable remuneration. Adjusted net income has been replaced as a performance target by adjusted earnings per share. This key performance indicator places stronger emphasis on the shareholder perspective.

Third and last, the maximum remuneration of the Chairman of the Executive Board and of the ordinary Executive Board members has been increased to do justice to the general developments in the market and remuneration as well as hypothetical developments in Executive Board member remuneration in the next four years. These amounts merely represent the maximum allowable framework for the next four years.

The new remuneration system was essentially prepared by the Personnel Affairs Committee. Subject to its approval by today's Annual General Meeting, it shall apply retroactively from 1 January 2025 for all Executive Board members.

The full new remuneration system for the Executive Board including all the details can be found on our website at www.rwe.com/agm.



The remuneration of the Supervisory Board forms Item 9 on today's Agenda. The current structure of remuneration follows the recommendations of the German Corporate Governance Code and has proved itself: it consists of annual fixed remuneration and additional remuneration for committee work.

However, we find it both necessary and expedient to adjust the level of remuneration: it has not been changed since 2021, whereas the demands, time commitment and complexity of the requirements imposed on Supervisory Board work have continued to increase. The level of remuneration of supervisory board members of other major listed companies has also risen since then.

Therefore, it is envisaged that the annual remuneration of the ordinary Supervisory Board members rise from 100,000 euros to 120,000 euros, with the remuneration of the Chairman and their Deputy increasing accordingly.

Moreover, it is envisaged that the level of remuneration for work done on the Audit Committee be raised as it is becoming increasingly extensive and varied. It is envisaged that the remuneration of its ordinary members rise from 60,000 euros to 75,000 euros, with the remuneration of the Committee Chairman increasing accordingly.

As a result of the adjustments, average total remuneration will increase in line with the development of the remuneration of the RWE Group's workforce and cumulative inflation since the last time remuneration was determined, which was in 2021.

Such remuneration, which is in line with the market, will ensure that the company remains capable of attracting candidates with outstanding qualifications to fill vacant seats on the Supervisory Board.

The Strategy and Sustainability Committee focussed on the key strategic decisions resulting from the political developments I spoke about earlier. In addition, the Committee concerned itself with the implementation of the company's sustainability strategy,



which focussed on climate protection and – more recently – on biodiversity.

My fellow Supervisory Board members and I were hugely dedicated to providing support and advice in addressing the issues that placed their mark on fiscal 2024 at RWE. Supervisory Board member attendance at meetings in the past fiscal year was 99%.

Thank you!



Forward-looking statements

This speech contains forward-looking statements. These statements reflect the current views, expectations and assumptions of management, and are based on information currently available to management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this speech.