

RWE
Aktiengesellschaft
Essen

Counter motions by the German Association of Critical Shareholders in relation to the Annual General Meeting of RWE AG on 28 April 2021

Regarding Item 2 on the Agenda: Appropriation of distributable profit

RWE AG's distributable profit for fiscal 2020 of 574,812,261.27 euros shall not be appropriated to pay a dividend (85 cents per dividend-bearing share).

Rationale:

RWE is sending out a fatal signal of disintegration while the coronavirus pandemic is imposing numerous restrictions on large parts of society and small businesses and self employed individuals are struggling to survive. Our shareholders shall get more money! Instead, RWE should limit the dividend to 10 cents per share and use the money freed up by this to establish a fund to cushion the effects of the coronavirus pandemic.

Additional funds should be set up since RWE AG is earning profits through its business operations to the detriment of the climate, environment and human health (see the counter motions regarding Items 3 and 4 on the Agenda):

- a climate change fund
- a social fund for the residents of the communities surrounding the Garzweiler, Hambach and Inden opencast lignite mines;
- a health fund to cover medical conditions related to the opencast lignite mine and the power plants.
- Furthermore, the provisions for legal fees and risks must be increased.

As RWE is a major job destroyer, the group must initiate a job programme. Less than one-third of the 70,000 jobs existing in 2010 remain. Two-thirds of the less than 15,000 jobs thereof remaining in Germany are in the dying lignite and nuclear energy sectors. Two-thirds of the German personnel work in the Lignite and Nuclear segment. Management must scale back these areas even further and has announced 6,000 job cuts by 2030. The remaining 5,000 jobs will probably follow by 2040. Without strong growth in the other business areas, the 'bedrock of NRW' will become a second-tier employer in the region. By then, RWE would have lost 90% of the 41,000 people it had on its payroll in Germany in 2010.

RWE AG's demise as employer will go hand in hand with a significant decline in its tax burden.

Regarding Item 3 on the Agenda: Approval of the acts of the members of the Executive Board for fiscal 2020

The German Association of Critical Shareholders hereby files a motion against approving the acts of the members of the Executive Board.

Rationale:

The RWE Executive Board is not fulfilling its responsibility to comply with the requirements of the Paris Climate Agreement and to conduct its coal phaseout in an environmentally and socially compatible manner.

RWE boss Schmitz and his fatal 'poor judgment'

The most recent 'realisations' of exiting CEO Rolf Martin Schmitz cast a glaring light on how ill-founded RWE Group's strategy is. "The effects on the climate are materialising much faster than I had expected," the group's chief executive says. Now he also concedes that his conviction that Hambach Forest had to be cleared to make way for opencast lignite mining was 'poor judgment.' Fatal errors, for which others - not Mr. Schmitz - have to pay!

Destruction of more villages although lignite is no longer needed

Although the Garzweiler opencast lignite mine no longer needs lignite for its energy operations, RWE wants to obtain a permit from the administration of the state of North Rhine-Westphalia to raise the villages of Immerath and Lützerath to the ground immediately and to do likewise to the villages of Keyenberg, Beverath, Kuckum, Oberwestrich and Unterwestrich by 2028. RWE is threatening to expropriate the few villagers who refuse to leave. In many instances, the company cannot offer the people adequate compensation for the loss of their home, familiar village community or arable land.

Lawsuit against the Netherlands: RWE wants to increase the cost of climate protection

RWE operates two coal-fired power stations in the Netherlands. Unlike RWE, the country takes its obligations arising from the Paris Climate Agreement seriously and intends to phase out electricity generation from coal by 2030. Now RWE has filed a lawsuit against the Netherlands before an international arbitration court, seeking billions in compensation. Such lawsuits send a fatal signal to all European governments which are working on shorter coal phaseout timelines. After all, the slower and longer the coal phaseout, the less compensation can be claimed in court. RWE is thus delaying and driving up the cost of climate protection unnecessarily and wants to further socialise the costs on top of that.

RWE remains a climate killer

In 2020, RWE continued to be a fossil and nuclear fuel-based energy group, which produces 79% of its electricity from coal, gas and uranium. There is little substance to the green rhetoric of still-chief Schmitz and his successor Markus Krebber (CFO). With

over 70 million metric tons of direct greenhouse gas emissions (Scope 1) in 2020, RWE is still one of the European companies that are most harmful to the environment. RWE touts its goal of becoming carbon neutral by 2040. The company claims that the Science-Based Targets Initiative has confirmed that its interim goals for 2030 are in line with the Paris Climate Agreement. However, the only fact that was confirmed was that the goals in relation to greenhouse gas emissions are in line with the goal to limit global warming to significantly below 2°C, but not the desirable limit of no more than 1.5°C. Only the latter limit would significantly reduce the risks and effects of climate change. RWE is thus hazarding these risks, the consequences of which will be borne by future generations and – above all – the people and ecosystems in the southern hemisphere.

Investors demand serious coal phaseout plan from RWE

Hardly anyone believes that RWE has really made the strategic switch from climate killer to green company. French asset manager Amundi is RWE's seventh-largest investor and criticises RWE's coal phaseout strategy as it feels that it cannot be reconciled with the 1.5°C target of the Paris Climate Agreement. Amundi takes issue with the fact that RWE intends to continue generating electricity from lignite in Germany until 2038 and expects RWE to present a coal phaseout plan that fully follows the recommendations of climate experts. However, not all RWE business partners are as patient as Amundi. French insurance group AXA has drawn the necessary conclusions and rejected an offer by RWE in the middle of March 2021 to remain a customer. AXA announced that it will stop providing its services to RWE by the end of 2022. AXA has also recognised that 2038 is too late as final exit date for coal in Germany if the country and Europe want to meet their obligations from the Paris Climate Agreement.

Risk of rising carbon dioxide prices

Continuing to produce electricity from lignite also harbours huge economic risks. Based on a study commissioned from energy analyst Steffen Bukold by Greenpeace, the certain increase in carbon dioxide prices exposes RWE to exorbitant cost growth. The expansion of renewable energy that has not been pursued seriously for years, including RWE investing very little especially in Germany, has demoted RWE to the status of medium-sized player on the global market. Isolated extreme weather conditions such as the cold snap in Texas at the beginning of 2021 are enough to trigger profit warnings. It is becoming obvious that RWE's capital base is dangerously low.

Regarding Item 4 on the Agenda: Approval of the acts of the members of the Supervisory Board for fiscal 2020

The German Association of Critical Shareholders hereby files a motion against approving the acts of the members of the Supervisory Board.

Rationale:

The RWE Supervisory Board failed to monitor management in accordance with Section 111 of the German Stock Corporation Act and ensure that it assumes its responsibility for the nuclear phaseout. If RWE AG took the nuclear phaseout seriously, it would not

continue to pursue a business model that keeps nuclear energy in Germany and world-wide alive, actually envisages expanding nuclear energy in the medium term, and crosses the line to military applications.

Urenco and RWE undermine government's decision to phase out nuclear energy

Urenco, the world's second-largest uranium enrichment specialist, serves nuclear power stations all over the world. RWE and E.ON, the two German shareholders, each hold a stake of one-sixth. Frank Wiegand, CEO of RWE Power, represents RWE on Urenco's Board of Directors. In the autumn of 2020, Urenco announced its intention to join a consortium for the construction of the new, large-scale Sizewell C nuclear power station on the east coast of the UK and to explore the construction of a nuclear power plant in the Netherlands. Urenco and RWE are thus undermining the resolutions in favour of a mandatory nuclear phaseout passed by the German government as well as the country's Upper and Lower Houses of Parliament and in addition, RWE obviously has plans to make a major re-entry into the nuclear power plant business via Urenco. This is in line with Urenco's plans to build what are referred to as mini reactors in the United Kingdom and Canada, according to information from the German government. In 2020, E.ON boss Teysen also spoke of plans for the USA.

Nuclear armoury

Urenco is increasingly turning into a 'nuclear armoury.' The proliferation called for and required by the German legislator is being undermined by a 500 million US dollar agreement to supply enriched uranium to US nuclear power plant operator TVA. The fuel rods containing enriched uranium from Urenco are used in the Watts Bar and Sequoyah nuclear power plants. However, these stations are also tritium breeders. The material, which is extremely important in ensuring the functionality and potency of nuclear weapons, decomposes in 12 years, after which it has to be replaced. The deliveries are thus used in applications beyond the civil realm, to which Urenco has committed. This is compounded by a dangerous development that was not denied by RWE at the 2020 Annual General Meeting: At the beginning of 2020, US media reported that Urenco was in talks with the US Pentagon (Ministry of Defence) to enrich uranium for new, small reactors which the Pentagon intends to use for worldwide military operations. Urenco intends to soon enrich 235 uranium to 19.75% in the USA. E.ON boss Teysen confirmed at the Annual General Meeting that plans existed to build mini reactors in the USA.

Uranium waste exports from Gronau to Russia.

In 2019, with RWE's approval, Urenco resumed the uranium waste exports from Gronau to Russia that had been suspended in 2009. This resulted in 18,000 metric tons of depleted uranium finding their way into Russia in 2019/20. This is nuclear waste, which cannot be recycled. Russia already has a 'mountain' of about 1 million metric tons of depleted uranium hexafluoride, and since the fall of 2019, protests against nuclear waste exports from Gronau have been held there regularly. In January of 2020, Russian environmental activist groups filed 70,000 signatures opposing nuclear transports with the Environmental Ministry. Bernhard Wegener, a professor of law in Erlangen, stated that these exports violate existing EU sanctions in relation to the

annexation of Crimea by Russia because depleted uranium hexafluoride can be used for military applications such as uranium ammunition. RWE did not react to this.

Safety defects of RWE's Lingen and Gundremmingen nuclear power stations

The Lingen nuclear power plant was found to have cracks in the steam generator pipes of the primary cooling circuit in 2019. Such cracks can cause catastrophic failure, but the reactor was put back online after maintenance although not all the pipes were inspected. Cracks were detected again during maintenance in 2020 and, once again, not all steam generator pipes were inspected. The precise scope of the audit was kept confidential. Due to the coronavirus pandemic, only half of the normal number of personnel was on site. Therefore, there is reason to fear that RWE only did a 'corona light' inspection of the 32-year-old nuclear power plant and maintenance work in the spring of 2021 will again be performed on just a part of the plant, which will not be disclosed to the public. Despite the increase in serious safety defects, RWE has refused so far to take the Lingen nuclear power station offline immediately and shut it down despite its legally remaining service life of just 1.5 years. Reactor block C, which will officially remain in operation until the end of 2021, located in the Gundremmingen nuclear power station, poses an increasingly serious safety risk. In 2019 and 2020, faulty fuel elements were detected, and the reactor had to be ramped down off schedule in spring 2020. Nevertheless, RWE insists on continuing to operate the nuclear power plant until the end of 2021 and refuses to shut it down, although this is necessary.

Regarding Item 6 on the Agenda: New Supervisory Board elections

The German Association of Critical Shareholders hereby files a motion not to elect the following individuals to the Supervisory Board of RWE AG:

6.1 Dr. Werner Brandt, Bad Homburg,

Member of the Supervisory Board of RWE AG since 2013 and Chairman of the Supervisory Board since 2016; Chairman of the Supervisory Board of ProSiebenSat.1 Media SE,

6.4 Prof. Dr. Ing. Dr. Ing. E.h. Hans-Peter Keitel, Essen, Member of the RWE Supervisory Board since 2013; Self-employed Management Consultant,

6.6 Günther Schartz, Wincheringen, Member of the RWE Supervisory Board since 2016; Administrator of the Trier-Saarburg District,

6.7 Dr. Erhard Schipporeit, Hanover, Member of the Supervisory Board since 2016; Self-employed Management Consultant,

6.8 Ullrich Sierau, Dortmund, Member of the RWE Supervisory Board since 2011, Self-employed Consultant for startups, Mayor of the City of Dortmund from 2009 to 2020

Rationale:

The aforementioned individuals have been members of the Supervisory Board of RWE AG for many years. They should not be re-elected to the Supervisory Board because they failed to ensure that the Group was realigned strategically to produce electricity by

climate-friendly techniques and accelerate the coal and nuclear phaseouts. They should have exerted their influence on the Executive Board to ensure that it took measures to this end.

Cologne, 13 April 2021 www.kritischeaktionaere.de