

**RWE**  
Aktiengesellschaft  
**Essen**

Counter motions by the German Umbrella Association of Critical Shareholders, Cologne, 28 March 2013

**“Counter motions filed with respect to RWE’s 2013 Annual General Meeting**

The German Umbrella Association of Critical Shareholders hereby files the following counter motions with respect to RWE AG's Annual General Meeting on 18 April 2013:

**Counter motion regarding Item 2 on the Agenda: Appropriation of distributable profit**

The appropriation of distributable profit for fiscal 2012 proposed by the Executive Board and the Supervisory Board of RWE AG shall be changed.

**Rationale**

In view of the cancelled capital expenditure on renewable energy, the payment of a dividend of EUR 2.00 per dividend-bearing share, which corresponds to 1,229,490,998.00 euros, seems to be too big. The dividend should be reduced to 1.50 euros per share and the amount saved should be used on the aforementioned capital expenditure.

Whereas capital expenditure on renewables in 2013 is to amount to one billion euros, this sum is to be halved in the two following years.

Since RWE's CEO Peter Terium concedes that the Essen-based electricity group's entire power plant portfolio is suffering as a result of the expansion of renewable energy, the alternative ought to be to expand this field of business, which has been neglected by the company so far.

**Counter motion regarding Item 3 on the Agenda: Approval of the Acts of the Executive Board for fiscal 2012**

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

**Rationale:**

The RWE Group is the pacemaker of climate change, is blocking the transformation of the energy industry, is contributing to destroying the environment, and is disregarding

democratic civil rights.

## **1. Blocking the transformation of the energy industry**

New RWE coal-fired power plants and coal imports from abroad are blocking the transformation of the energy industry. Coal mining is causing substantial damage to the environment and leading to diseases among people in the mining areas in emerging and developing countries. If things continue like this, the greenhouse earth will heat up even faster and the two degree goal will not be achieved. This will have severe consequences for the population in the south, on the coasts, and, at some point, for us all.

In terms of climate protection, RWE produces an irresponsibly high share of its electricity in Germany from coal: in 2012, 72% of the power generated was attributable to lignite and hard coal as primary energy sources, and lignite (49% of electricity generation) is the fossil fuel with the highest carbon dioxide emissions.

## **2. Coal imports from Colombia, Russia and the USA**

In 2012, 23% of the electricity in Germany was generated from hard coal. Most of this hard coal is imported, primarily from Colombia, Russia and the USA.

In Colombia, coal mines are destroying agricultural land and depriving the local population of its livelihood. For example, the El Hatillo community is surrounded by four hard coal opencast mines, which have high particulate emissions and lead to related health problems. There is hardly any agricultural land left. Only a few members of the community found a mining job. A long dry spell at the beginning of the year brought the situation to a head and led to a food crisis, which still remains to be resolved. Moreover, the mining company Drummond, a supplier of coal to RWE, is often associated with trade unionist murders. In January 2013, a Drummond subcontractor was sentenced to 38 years in prison and incriminated Drummond so seriously during the lawsuit that the court ordered the district attorney's office to initiate investigations into several Drummond executives although Drummond is rejecting the accusations.

In Russia, coal mining is causing severe health problems for the population of Kemerovo, the main mining region in Kuzbass, including indigenous Shors and Teleuts.

Some of the coal mined in the USA is extracted by blasting off entire mountaintops (mountaintop removal) in order to expose the layers of coal located beneath them. Afterwards, the remaining soil and the stones which have become full of toxins due to the mining process, are dumped in the valleys. Heavy metals such as cadmium, selenium and

arsenic are poisoning local water supplies. The right to clean potable water is being infringed. In addition, the air is being polluted with hazardous particles, which is leading to increasing cancer rates in the Appalachian Mountains.

Confronted with these problems, RWE cites competition-related reasons to justify why it cannot make any comments and refers to the commercial enterprises in question. However, they do not apply and human rights or environmental standards. Furthermore, RWE refers to its 'Better Coal' initiative – an initiative which according to RWE “may be capable of triggering improvements.” However, this tool seems to be too ineffective to tackle the severe problems.

### **3. Opencast lignite mining in the Rhenish region**

The residents of the Rhenish lignite mining region are exposed to substantial health hazards. Opencast lignite mining and the lignite-fired power stations are increasing fine particulate and radioactive emissions in the surroundings.

Damage to buildings is another problem. The decline in groundwater levels in the lignite mining area is causing the ground to drop, and cracks are visible in many houses. Entire communities have already had to give way to lignite excavators, and residents have often been relocated against their will. The expansion of the Hambach opencast mine will cause further communities to disappear.

The inconsiderate treatment of many of the region's residents, who are protesting against the opencast lignite mine in their home country, have passed scathing judgment on RWE AG with respect to the observation of democratic rights. Protestors exercising their right to non-violent resistance are being criminalised. In November 2012 and March 2013, the police removed the forest occupiers' camps from the Hambach Forrest at the instigation of RWE AG.

What used to be a unique 4,500 hectare forest region has been nearly completely destroyed by opencast mining. The recultivation that has been done so far has failed to compensate for the loss (also see BUND, [http://www.bund-nrw.de/themen\\_und\\_projekte/braunkohle/braunkohle\\_und\\_umwelt/](http://www.bund-nrw.de/themen_und_projekte/braunkohle/braunkohle_und_umwelt/)).

It was only in August 2012 that RWE commissioned two new blocks of the Neurath lignite-fired power plant. They will emit 17 million metric tons of carbon dioxide per year. Neurath is thus one of Europe's biggest CO<sub>2</sub> emitters. In sum, RWE uses an annual 90 million metric tons of lignite to generate electricity.

### **Countermotion regarding Item 4 on the Agenda: Approval of the Acts of the Supervisory Board for fiscal 2012**

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

#### **Rationale:**

The Supervisory Board of RWE AG is not fulfilling its task of monitoring the work of the Executive Board.

The CEO of RWE, Peter Terium, says in the 2012 Annual Report: "We're supporting the transformation of the market and are working on ensuring that it succeeds." There is a contradiction between this statement of intent and the Group's planned capital expenditure on technologies that make a contribution to the transformation of the energy industry (see countermotion concerning Item 2 on the Agenda).

The Supervisory Board of RWE should have noticed this contradiction. RWE AG is making a huge strategic mistake by halving capital expenditure on renewable energy in 2014 and 2015. The Group is straying farther and farther away from the goals of the transformation of the energy sector which must be achieved.

### **Countermotion regarding Item 8 on the Agenda: By-elections to the Supervisory Board**

The German Umbrella Association of Critical Shareholders hereby files a motion against electing Prof. Dr.-Ing. E. h. Hans-Peter Keitel a member of the Supervisory Board.

#### **Rationale:**

Prof. Keitel is already a member of seven supervisory boards of commercial enterprises:

- Commerzbank Aktiengesellschaft
- Deutsche Messe Aktiengesellschaft
- EADS Deutschland GmbH
- Heitkamp & Thumann Group
- National-Bank Aktiengesellschaft
- ThyssenKrupp AG

- Voith GmbH

Overseeing a large DAX company such as RWE demands a supervisory board member's full commitment. It seems doubtful that Prof. Keitel can make the necessary commitment, given the large number of additional offices he holds.

In its white paper on the "Effects of multiple offices held by chairmen of German boards of management and supervisory boards", the Council of Experts for the appraisal of the macroeconomic trend reached the following conclusion in 2009:

"Holders of multiple offices on boards of management and supervisory boards have been the subject of public criticism for a long time. The impact of multiple offices held by chairmen of boards of management and supervisory boards on corporate success from 1996 to 2006 is being assessed based on panel data for Germany's largest companies. The obvious conclusion to be drawn from the results is that there is a concavely positive correlation between the number of supervisory board offices held by a chairman of a board of management and the success of his company: apparently, it is counter-productive to hold too many offices ..." (White Paper 01/2009, July 2009).

**The countermotions have been endorsed by the human rights and environmental organisation Urgewald e. V., [www.urgewald.org](http://www.urgewald.org).**

Cologne, 28 March 2013

Signed by Markus Dufner

Managing Director of the German Umbrella Association of Critical Shareholders"