

RWE
Aktiengesellschaft
Essen

Position of the Executive Board with respect to the counter motions

The counter motions filed in respect of the Agenda of this year's Annual General Meeting focus on the transformation of the German energy sector, RWE's generation portfolio and power plant projects, coal imports, and opencast lignite mining as well as on the proposed amendments to the Articles of Incorporation regarding the remuneration of the Supervisory Board. We take the following position.

RWE believes that it is part of the solution to the transformation of the energy sector. One of the focal points besides expanding renewable energy and helping customers conserve energy intelligently is to increase the efficiency of our power plant fleet. State-of-the-art conventional power stations, which are capable of compensating for the fluctuation in the electricity fed into the grid from renewable sources, are indispensable when it comes to integrating renewables into the energy system in the first place, securing supplies, and further reducing greenhouse gas emissions. By 2020, RWE intends to have reduced specific carbon dioxide emissions by at least 20% compared to 2005. To this end, RWE has invested more than 3 billion euros in modernising its power plant portfolio in the Rhenish mining region in the last 10 years. This enables annual savings of more than 9 million metric tons of carbon dioxide compared to old facilities. The European emissions trading system sets pan-European carbon dioxide emissions caps, which we must also observe when operating our power plants.

When sourcing coal on international markets, RWE insists that its business partners and suppliers comply with RWE's Code of Conduct, which is based on the 10 principles of the UN Global Compact regarding human rights, labour standards, environmental protection and anti-corruption. Furthermore, our contractual partners are subjected to extensive compliance audits. In addition, we regularly conduct on-site visits in order to gain insight into the production conditions. With a view to achieving improvements and increased transparency in the export mines, we established the Bettercoal initiative together with other European energy utilities, which will conduct assessments of coal mines the world over and push for improvements together with the mine operators based on a 'code of practice.'

RWE attaches significant importance to being a good neighbour to the residents of the Rhenish mining region. The environment surrounding our operations is characterised by a high degree of public acceptance. All of the permits required to use the land in the Hambach Forest have been obtained, and the usage is supported by the wide political consensus of democratically elected and legitimised committees. Of course, all our operations in the Rhenish mining region comply with the strict statutory regulations concerning emission protection, nature preservation and wildlife conservation. Furthermore, we have taken a large number of measures to reduce emissions and keep the air clean, which we constantly refine. The recultivation of the forest on land we have used, including plots surrounding the Hambach opencast mine, is considered exemplary the world over. RWE sees to it that all relocation measures are as socially acceptable as possible.

Freedom of speech and demonstration are also assets that are valuable to RWE. However, property, public welfare guaranteed by a secure supply of energy, and the rule of law are also valuable assets, which must be neither damaged nor curtailed. Therefore, we cannot tolerate illegal activity or occupation.

Our position with respect to the hard coal-fired power plant project at Eemshaven has not changed. The planned dual-block hard coal power station is still one of the world's most modern plants of its kind. The environmental and water permits we have obtained for the power station are definitive. The new application for a permit under nature preservation law was approved by the Province of Groningen in June 2012. We comply with all the requirements of nature preservation law and will fully adhere to all of the emission caps established by law and the authorities, with the threshold values taking particular account of the protective effect they have on the elderly and children. Therefore, we do not agree with the findings of the Greenpeace study with respect to the health threat posed by coal-fired power stations. Nothing stands in the way of continuing the construction work.

We would also like to address the amendment to the Articles of Incorporation concerning the remuneration of the Supervisory Board proposed under Item 9 on the Agenda. It became necessary to adapt the compensation concept because the previous remuneration of the Supervisory Board no longer complied with the changed requirements established in the German Corporate Governance Code with respect to being oriented towards sustainable corporate development. The new concept, which was developed in cooperation with an independent consulting firm taking account of the provisions of the German Stock Corporation Act and current trends, ensures that the remuneration fully satisfies the requirements of the Code. The Supervisory Board members' self-imposed obligation to invest a fixed portion of their emoluments in RWE shares brings the Supervisory Board members' interests in line with the objective of sustainable corporate development.

Companies included in the DAX were compared and put into relation with each other in order to determine the fixed compensation. RWE is in the middle of the range compared to the other DAX companies and is of the opinion that the compensation is appropriate in view of the responsibility and the workload of the members of the Supervisory Board.

As regards the by-elections to the Supervisory Board, we refer to the separate position taken by the Supervisory Board.

We find that all of the counter motions are unsubstantiated and will make supplementary statements in this regard at the Annual General Meeting, if necessary.

Essen, April 2013

RWE Aktiengesellschaft

The Executive Board