

## 2 Remuneration Report (Item 7 on the Agenda)

RWE Aktiengesellschaft

Essen

### 2023 Remuneration Report

This Remuneration Report has been prepared by the Executive Board and the Supervisory Board of RWE Aktiengesellschaft. It complies with Section 162 of the German Stock Corporation Act. The Remuneration Report provides a clear and intelligible presentation and provides commentary on the remuneration granted and due current and former members of the Executive Board and Supervisory Board of RWE Aktiengesellschaft.

Detailed information on the remuneration system for the members of the Executive Board and Supervisory Board of RWE Aktiengesellschaft can be found on the Company's website at [www.rwe.com/remuneration](http://www.rwe.com/remuneration).

Rounding may result in some of the figures in this report not adding up to the sum totals stated precisely and percentages not accurately reflecting the numbers to which they refer.

#### A. Summary review of the 2023 fiscal year

**Review of fiscal 2023.** The past fiscal year was challenging in various respects and was still characterised by the energy crisis. We reactivated three of our lignite units following a directive issued by the German government in the winter of 2023/2024. Their deployment expires at the end of March 2024, at which time we will shut them down for good. Our last German nuclear power station was taken offline on 15 April 2023. The government had prolonged its service life in order to ensure security of supply in the winter of 2022/2023.

Overall, we put in a successful business performance last year. In July 2023, we raised the earnings forecast we had published at the beginning of the year and exceeded it yet again at the end of the year. The main reason was higher income from international power production and our strong trading business. Another major driver of earnings growth was the increase in renewable generation capacity. Our adjusted EBITDA amounted to €8.4 billion (+33% versus 2022) and our adjusted net income totalled €4.5 billion (+39%). We invested €10.0 billion in the financial year that just ended, spending the lion's share on wind and solar projects in Europe and the USA. In sum, we expanded our renewables portfolio from 13.3 GW to 17.5 GW.

Concurrently, we continued to develop the Group strategically. We completed the acquisition of Con Edison Clean Energy Businesses, Inc. in March 2023, having announced it in October 2022. This gives us leading positions in all our core regions – in the EU, the United Kingdom and the USA. We also underscored our growth ambitions by acquiring a British and Polish

solar developer. In addition, we placed the winning bids in several offshore wind auctions, securing purchase agreements in both the USA and Ireland. In Japan, a consortium consisting of RWE, Mitsui and Osaka Gas was selected by the government to set up an offshore wind farm off the country's western coast. The three partners have been given permission to sell the generated electricity without restrictions. Moreover, we secured ocean areas for an offshore wind farm in the German North Sea through a tender procedure.

We revised our Growing Green strategy and are now pursuing an even more ambitious course for growth than before. Our new plan envisages net investments of approximately €55 billion through to 2030 to increase our green generation capacity from some 35.5 GW (prorata) today to over 65 GW. We intend to increase adjusted EBITDA in the core business to about €9 billion by 2030.

We made progress in decarbonising the Group. Last year, we reduced our carbon dioxide emissions by 22.4 million metric tons (-27% versus 2022). For the first time in RWE's corporate history, we produced more electricity from renewable sources of energy (35%) than from coal (29%). Our actions are in line with the Paris climate targets that seek to limit global warming to 1.5 degrees Celsius. We expect the independent Science Based Targets Initiative to confirm this officially soon. RWE wants to make its electricity generation climate neutral by 2040.

Thanks to the strong operating performance, the Executive Board overachieved both the financial and non-financial goals set for 2023. This is reflected in the Executive Board's variable remuneration.

**Vote on the 2022 Remuneration Report.** The Remuneration Report for fiscal 2022 was approved by a 92.81% majority of the Annual General Meeting on 4 May 2023. We generally received positive feedback on our Remuneration Report. Suggestions for improvement from our investors motivated us to make amendments to this Remuneration Report. For instance, the comparison drawn to assess the appropriateness of Executive Board remuneration in chapter B.3 was made even more transparent.

**Changes in personnel on the Executive and Supervisory Boards.** Katja van Doren was appointed Chief Human Resources Officer and Labour Director of RWE AG with effect from 1 August 2023. She succeeded Zvezdana Seeger, who retired from the Executive Board as of the same date and left the Company on expiry of her contract on 31 October 2023.

There were no changes in personnel on the Supervisory Board of RWE AG in fiscal 2023. Dr. Erhard Schipporeit resigned from his office as Chairman of the corporate body's Audit Committee with effect from the end of the day on 15 March 2023 after a seven-year tenure. At its meeting on 15 March 2023, the Supervisory Board appointed Mag. Dr. h. c. Monika Kirchner his successor with effect from 16 March 2023.

## B. Executive Board member remuneration

### B.1 Principles of Executive Board remuneration

**Alignment with strategy and sustainability.** The Supervisory Board ensured that the Executive Board's remuneration system is in line with the motto 'Our energy for a sustainable life' and the strategy of the RWE Group. The remuneration system thus makes a major contribution to ensuring sustainable corporate governance that is successful over the long term and increasing the Company's value in two respects. It serves as a central management tool for bringing Executive Board remuneration in line with the interests of the Company, its shareholders and other stakeholders while providing important stimulus for implementing the Company's business policy. The following key figures are used as management parameters.

- Success is measured, inter alia, based on key financial figures such as adjusted income before interest and taxes (adjusted EBIT) as well as adjusted net income. These key figures, which RWE also uses to manage operating activities, are considered to be key performance indicators for the variable remuneration of the Executive Board.
- The degree to which RWE meets the standards it imposes on its entrepreneurial responsibility is reflected by the degree to which its goals in relation to corporate social responsibility and environmental social governance (CSR/ESG) are achieved. These objectives are factored into the variable remuneration of the Executive Board.
- In addition, the increase of the Group's value over the long term is incentivised. Long-term performance-based remuneration is linked to both the financial (earnings and total shareholder return) and non-financial (CO<sub>2</sub> reduction of the power plants) performance of the Group and is strongly oriented towards the development of RWE's share price.

The Supervisory Board always reviews these key financials when determining variable remuneration and adjusts them only in the event of extraordinary developments (cf. Company bonus in chapter B.6.1 and Share-based payment: Long-Term Incentive programme (LTIP) in chapter B.6.2).

The remuneration system aims for a high level of consistency within the RWE Group. This means that similar incentives and goals are set for the Executive Board, executives and other employee groups in order to ensure cooperation aiming for the Company's long-term, sustainable success across all levels.

**Appropriateness of remuneration.** The Supervisory Board determines the structure and level of Executive Board remuneration and reviews it to determine whether it is appropriate and in line with market principles both on a regular basis and whenever occasioned. The Supervisory Board receives the assistance of an external, independent remuneration expert when necessary.

Appropriateness is mainly assessed based on the tasks of the Executive Board members, their personal performance, their experience, the Company's financial position, and the strategic and economic prospects of the RWE Group. The level, structure and details of management board remuneration in similar companies (peer group) are considered to ensure that remuneration is in line with the market and appropriate given the competitive environment. The peer group used for comparison encompasses all companies listed in the German blue chip index (DAX) and – in view of the international orientation of the RWE Group – a selection of similar companies in the STOXX Europe 600 Utilities. The following STOXX Europe 600 Utilities companies, all of which achieved at least €10 billion in revenues and employed at least 10,000 people, were considered: A2A S.p.A; Centrica plc; E.ON SE; EDP - Energias de Portugal, SA; Enel S.p.A.; Engie SA; Iberdrola S.A.; National Grid plc; SSE plc and Veolia S.A.

Moreover, the level of Executive Board remuneration and its development are subjected to an annual intragroup comparison with the remuneration and employment conditions of three peer groups (vertical comparison): (1) the top management level, i.e. the department heads of RWE Aktiengesellschaft who report directly to the Executive Board of RWE Aktiengesellschaft as well as the managing board members and managing directors of the subsidiaries in which the operating divisions are pooled, (2) the Group's other managerial staff and executives in Germany, and (3) the Group's remaining workforce in Germany.

## B.2 Remuneration system at a glance

### Remuneration system at a glance

		Consideration in the remuneration system							
Fixed remuneration	Base remuneration	Competitive fixed remuneration to recruit and retain the best available candidates for the Group	Annual fixed salary paid in twelve monthly instalments						
	Fringe benefits		Non-cash and other remuneration such as company car usage, accident insurance premiums and expenditure on security measures						
	Pension instalment		<ul style="list-style-type: none"> <li>Amount set for each fiscal year of service of an Executive Board member</li> <li>Payment in cash or conversion to pension commitment of equal value</li> </ul>						
Variable remuneration	Bonus	Performance-based incentivisation to promote successful annual business performance and governance	<table border="1"> <tr> <td>Plan type</td> <td>Target bonus</td> </tr> <tr> <td>Performance targets</td> <td> <ul style="list-style-type: none"> <li>Adjusted EBIT (0% - 150% target achievement)</li> <li>Individual performance factor (0.8 - 1.2) for individual goals, collective goals &amp; performance in the areas of CSR/ESG and employee motivation</li> </ul> </td> </tr> <tr> <td>Payment</td> <td>In cash on conclusion of every fiscal year (0% - 180% of the target amount)</td> </tr> </table>	Plan type	Target bonus	Performance targets	<ul style="list-style-type: none"> <li>Adjusted EBIT (0% - 150% target achievement)</li> <li>Individual performance factor (0.8 - 1.2) for individual goals, collective goals &amp; performance in the areas of CSR/ESG and employee motivation</li> </ul>	Payment	In cash on conclusion of every fiscal year (0% - 180% of the target amount)
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Payment	In cash on conclusion of every fiscal year (0% - 180% of the target amount)								
Share-based payment (LTIP)	Incentivization to promote the company's sustainable success taking account of financial and non-financial stakeholder interests	<table border="1"> <tr> <td>Plan type</td> <td>Performance shares (virtual)</td> </tr> <tr> <td>Performance targets</td> <td> <ul style="list-style-type: none"> <li>1/3: Adjusted net income</li> <li>1/3: Relative total shareholder return (TSR)</li> <li>1/3: Carbon footprint of the power plant fleet</li> </ul> </td> </tr> <tr> <td>Payment</td> <td>In cash on conclusion of the four-year term (0% - 200% of the target amount)</td> </tr> </table>	Plan type	Performance shares (virtual)	Performance targets	<ul style="list-style-type: none"> <li>1/3: Adjusted net income</li> <li>1/3: Relative total shareholder return (TSR)</li> <li>1/3: Carbon footprint of the power plant fleet</li> </ul>	Payment	In cash on conclusion of the four-year term (0% - 200% of the target amount)	
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Payment	In cash on conclusion of the four-year term (0% - 200% of the target amount)								
Malus & clawback		Ensure dutiful and orderly corporate governance as well as appropriate risk management	In substantiated cases, variable remuneration (bonus and share-based payment) may be withheld or clawed back						
Share Ownership Guideline (SOG)		Bring Executive Board remuneration more in line with shareholder interests and increasing the company's value over the long term	<ul style="list-style-type: none"> <li>200 % of gross base remuneration for the Chairman of the Executive Board</li> <li>100 % of gross base remuneration for the ordinary members of the Executive Board</li> </ul>						
Benefits on termination of the contract		Appropriate consideration of the interests of both contracting parties	Limitation of severance pay in the event of the early termination of the Executive Board office to no more than two annual total remunerations including fringe benefits, capped at the value of the benefits over the remaining term of the contract						

The current Executive Board remuneration system has been in force since 1 January 2021 and was approved by a 93.19% majority of the Annual General Meeting on 28 April 2021. The remuneration of the Executive Board members encompasses fixed, non-performance-based remuneration components made up of the base remuneration, fringe benefits and the pension instalment. It also includes performance-based, variable remuneration components comprising a short-term component in the form of a bonus and a long-term component in the form of the Long Term Incentive Programme (LTIP). Variable remuneration primarily reflects the Company's economic development, its progress in terms of sustainability, and the individual performance of the Executive Board members. When selecting the performance criteria, the Supervisory Board ensured that they can be clearly measured and form part of the Company's strategy.

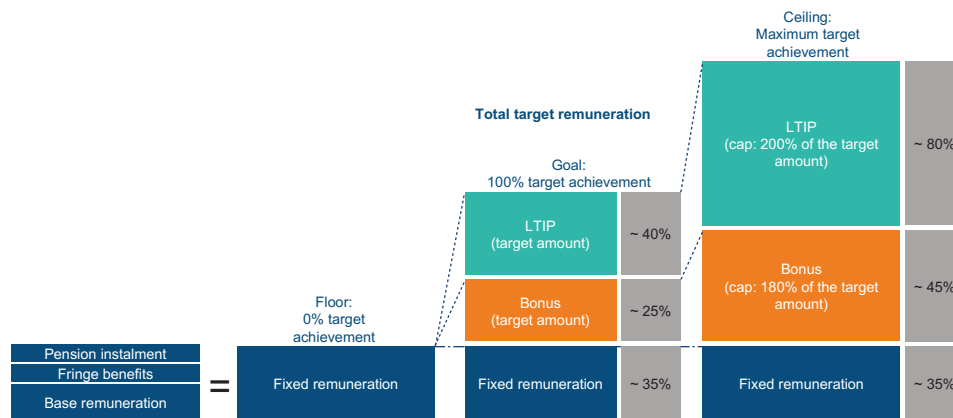
The Supervisory Board establishes the individual performance targets for the impending assessment period. In doing so, it ensures that the targets set are both ambitious and realistic.

The degree to which a target is achieved determines the level of variable remuneration, which is capped and is forfeited if the target is missed. If targets are achieved to a degree of exactly 100%, variable remuneration and fixed remuneration make up what is referred to as total target remuneration.

Long-term targets are weighted more than short-term targets. Therefore, weighting is also oriented towards the Company's sustainable and long-term development.

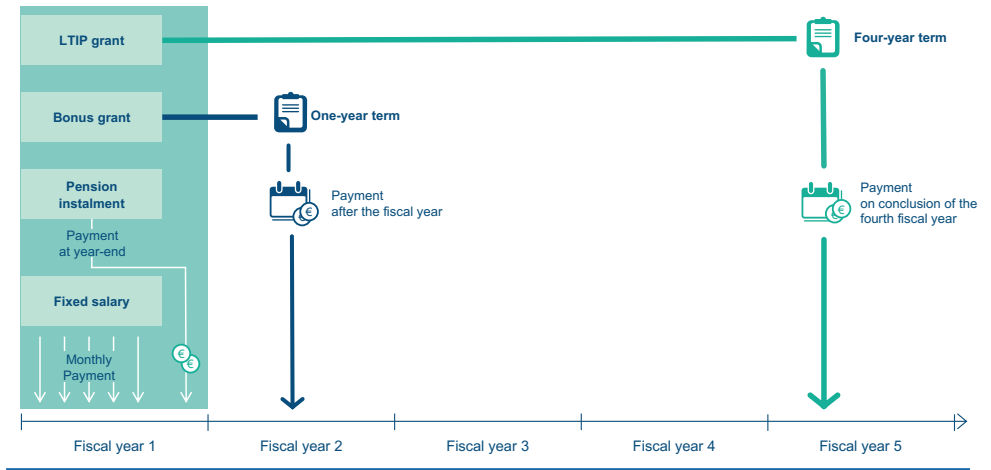
This results in the following structure and range of remuneration:

#### Range of Executive Board remuneration



Base remuneration and fringe benefits are components of fixed remuneration and paid on a monthly basis, while the pension instalment is paid as a one-off payment at the end of the calendar year. The bonus is paid once the fiscal year has ended and the achievement of the performance targets has been measured. The LTIP payment is made to the Executive Board members at the beginning of the year following the end of the four-year term.

#### Executive Board remuneration payment timeline for a fiscal year



Further information and details on the Executive Board remuneration system are available at [www.rwe.com/remuneration](http://www.rwe.com/remuneration).

### B.3 Recipients of Executive Board remuneration

In the past fiscal year, Dr. Markus Krebber, Dr. Michael Müller, Katja van Doren and Zvezdana Seeger received compensation for their work on the Executive Board of RWE Aktiengesellschaft:

- **Dr. Markus Krebber** has been the Chairman of the Executive Board of RWE Aktiengesellschaft since 1 May 2021. He was appointed to the Executive Board as of 1 October 2016; his current appointment ends on 30 June 2026.
- **Dr. Michael Müller** has been the Chief Financial Officer of RWE Aktiengesellschaft since 1 May 2021. He was appointed to the Executive Board as of 1 November 2020 for an initial term of three years, i.e. until 31 October 2023. At its meeting on 9 December 2022, the Supervisory Board extended the appointment of Dr. Michael Müller by five years, i.e. until 31 October 2028.
- **Katja van Doren** has been the Chief Human Resources Officer and Labour Director of RWE Aktiengesellschaft since 1 August 2023. At the Supervisory Board meeting on 9 December 2022, she was appointed by the corporate body to the Executive Board for an initial term of three years, i.e. until 31 July 2026.

- **Zvezdana Seeger** was the Chief HR Officer and Labour Director from 1 November 2020 to 31 July 2023, the date on which her appointment ended. Her contract expired on 31 October 2023. Her successor, Katja van Doren, assisted her as an advisor until 31 October 2023 in order to ensure a smooth transition.

On top of this, former Executive Board members received remuneration during the year under review, e.g. as a monthly company pension or the long-term incentive payment. The remuneration granted to and due them is presented in Section C entitled 'Executive Board member remuneration granted and due' in this Remuneration Report.

#### B.4 Total target remuneration

In line with the remuneration system, the German Stock Corporation Act and the German Corporate Governance Code, the Supervisory Board established the total target remuneration for each Executive Board member.

The Supervisory Board reviewed the appropriateness of the remuneration of Dr. Markus Krebber and Dr. Michael Müller with the assistance of an independent external remuneration advisor. It was found that the remuneration levels justified a raise in each case when compared to the peer group (DAX companies and a selection of companies in the STOXX Europe Utilities 600, cf. Appropriateness of remuneration in chapter B.1).

RWE's international reach, scale and complexity have increased substantially in the last two years. Con Edison Clean Energy Businesses, Inc. was acquired and activities on the American market were expanded with a view to transforming RWE into a leading provider of renewable energy. In addition, the expansion of onshore and offshore operations was accelerated and the lignite phaseout was brought forward to 2030. In doing so, security of supply was maintained at all times. RWE's economic position has improved significantly. By the review's reference date, EBITDA had increased by 73% to 6.3 billion euros compared to fiscal 2021, and share performance was also very positive - both in absolute terms as well as relative to the competition. Taking account of the market comparison and the Company's performance and against the backdrop of the heightened demands placed on the role and tasks of the Chairman of the Executive Board, the Supervisory Board decided to increase the total target remuneration of Dr. Markus Krebber from €4,950,000 to €5,980,000 for a full fiscal year as of 1 May 2023. As a result, compensation paid to the CEO, which was set at the lower end of the peer group range because he became CEO for the first time and had not been adjusted since then, is back in line with the market.

With effect from 1 November 2023, the Supervisory Board also resolved to increase the remuneration of Dr. Michael Müller. In light of the comparison to the market, RWE's financial development and his personal performance, the Supervisory Board decided to increase the total target remuneration of Dr. Michael Müller from €2,730,000 to €3,000,000 for a full

fiscal year with effect from 1 November 2023. The increase in the total target remuneration of Dr. Michael Müller is in line with the market.

The Supervisory Board set the level of total target remuneration for fiscal 2023 for each Executive Board member as follows:

Contractually agreed total target remuneration	Executive Board members in office as of 31 Dec 2023						Executive Board members who resigned in the fiscal year	
	Dr. Markus Krebber		Dr. Michael Müller		Katja van Doren		Zvezdana Seeger	
	2023	2022	2023	2022	2023	2022	2023	2022
€ '000								
Base remuneration	1,417	1,250	694	655	640	-	683	655
Pension instalment	567	500	278	262	256	-	273	262
<b>Fixed remuneration</b>	<b>1,984</b>	<b>1,750</b>	<b>972</b>	<b>917</b>	<b>896</b>	<b>-</b>	<b>956</b>	<b>917</b>
Short-term performance-based remuneration	1,417	1,250	694	655	640	-	683	655
of which bonus	1,417	1,250	694	655	640	-	683	655
Share-based payment	2,237	1,950	1,110	1,015	1,024	-	1,092	1,015
of which LTIP tranche	2,237	1,950	1,110	1,015	1,024	-	1,092	1,015
<b>Variable remuneration</b>	<b>3,654</b>	<b>3,200</b>	<b>1,804</b>	<b>1,670</b>	<b>1,664</b>	<b>-</b>	<b>1,775</b>	<b>1,670</b>
<b>Total target remuneration</b>	<b>5,638</b>	<b>4,950</b>	<b>2,776</b>	<b>2,587</b>	<b>2,560</b>	<b>-</b>	<b>2,731</b>	<b>2,587</b>

The increases in the remuneration of Dr. Markus Krebber and Dr. Michael Müller have been considered in the total target remuneration prorata temporis. To improve comparability, numbers stated for Katja van Doren (starting on 1 August 2023) and Zvezdana Seeger (until 31 October 2023) refer to a full fiscal year.

## B.5 Fixed remuneration

**Base remuneration.** The members of the Executive Board of RWE Aktiengesellschaft receive annual base remuneration, which is paid in monthly instalments.

**Fringe benefits.** Non-performance-based remuneration components also include fringe benefits in the form of non-cash and other compensation. They encompass the personal use of company cars, accident insurance premiums and any expenditure on security measures.

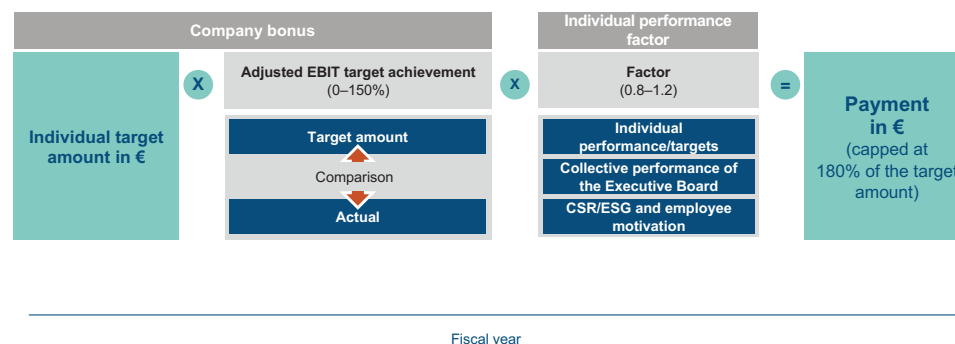
**Pension instalment.** The members of the Executive Board are not entitled to a company pension. Instead, they are granted a pension instalment. The pension instalment is paid in cash or fully or partially converted to a pension commitment fulfilled by making a later pension payment of equal value through a gross compensation conversion. The accumulated capital may be drawn on retirement, but not before the Executive Board member turns 62. When retiring, Executive Board members can choose a one-time payment or a maximum of nine instalments. They and their surviving dependants do not receive any further benefits. Vested retirement benefits from earlier activities within the RWE Group remain unaffected by this.

## B.6 Variable remuneration

### B.6.1 Bonus

**Fundamentals and mechanism.** Executive Board members receive a bonus, which is based on the economic development of the RWE Group and the degree to which they achieve the individual and collective goals of the Executive Board. The bonus of each Executive Board member is calculated by multiplying the company bonus by the individual performance factor. It is limited to 180% of the individual target amount and is paid after the end of the fiscal year.

### Bonus overview



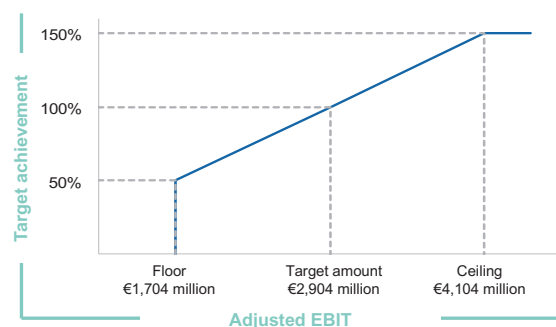
**Company bonus.** The company bonus is the basis for determining the individual bonus. The company bonus depends on adjusted EBIT achieved in the fiscal year.

At the beginning of the fiscal year, the Supervisory Board establishes a target as well as a floor and ceiling for adjusted EBIT taking into account the budget plan for the fiscal year. The adjusted EBIT actually achieved is determined at the end of the fiscal year. In the event of exceptional developments that are not sufficiently considered in the target figures established up front, the Supervisory Board may make modifications to a limited extent and establish an adapted actual figure for adjusted EBIT. This figure may take account of portfolio changes, changes in provisions, impairments, and their ramifications, among other things.

The decisive actual figure determined on this basis is compared to the target figure. If the actual and target figures are a perfect match, the degree of target achievement is 100%. The company bonus then becomes the contractually determined target amount. If the actual figure matches the predefined floor, the degree of target achievement is 50%; no bonus is paid if it falls below the floor. If it matches or exceeds the ceiling, the degree of target achievement is 150%. Actual figures between these end points are calculated by linear interpolation.

At its meeting on 9 December 2022 the Supervisory Board set the target for adjusted EBIT for fiscal 2023 at €2,904 million. A floor of €1,704 million and a ceiling of €4,104 million were established.

## Adjusted EBIT payment curve



**Individual performance factor.** Based on the company bonus, the individual performance factor determines the level of the bonus paid to each Executive Board member. The performance factor depends on the achievement of the following goals:

- (1) Individual goals
- (2) General collective goals of the Executive Board
- (3) Collective CSR/ESG performance and employee motivation

These three components each have a weighting of 25%. The remaining 25% weighting is distributed among the components at the Supervisory Board's discretion at the beginning of the fiscal year.

The Supervisory Board establishes binding goals and target figures for the three aforementioned performance factor criteria at the beginning of the fiscal year. After the fiscal year, the Supervisory Board assesses the performance of the Executive Board members in the aforementioned categories. In so doing, it uses the extent to which the targets set at the beginning of the year have been achieved. The performance factor derived from all target achievements is limited to between 0.8 and 1.2.

For fiscal 2023, the Supervisory Board assigned equal weightings of 33.33% to the individual goals, the Executive Board's collective goals, and the collective CSR/ESG and employee motivation goals.

**Individual goals in 2023.** The individual goals for fiscal 2023 were defined by the Supervisory Board taking the responsibilities of each Executive Board member into account.

Executive Board member	Individual goals
Dr. Markus Krebber	<ul style="list-style-type: none"> <li>➤ Position RWE as <b>driver of the energy transition</b></li> <li>➤ Constructive monitoring of <b>developments in energy policy</b></li> <li>➤ Implementation of the <b>strategy</b> and the <b>sustainability strategy</b></li> </ul>
Dr. Michael Müller	<ul style="list-style-type: none"> <li>➤ Successful <b>capital market communications</b></li> <li>➤ Refinement and implementation of the <b>financing strategy</b></li> <li>➤ Monitoring of the <b>auditor rotation process</b> on behalf of the company</li> </ul>
Katja van Doren	<ul style="list-style-type: none"> <li>➤ Familiarisation with the new role as member of the Executive Board</li> <li>➤ Implementation of the <b>IT strategy</b></li> <li>➤ Implementation of the <b>cyber security strategy</b></li> <li>➤ Implementation of the <b>HR strategy</b></li> </ul>
Zvezdana Seeger	<ul style="list-style-type: none"> <li>➤ Provision of assistance to Katja van Doren in familiarising herself with and assuming the responsibilities of her new role</li> <li>➤ Implementation of the <b>IT strategy</b></li> <li>➤ Implementation of the <b>cyber security strategy</b></li> <li>➤ Implementation of the <b>HR strategy</b></li> </ul>

**Collective goals in 2023.** Besides the individual goals, the Supervisory Board defined the general collective goals of the Executive Board as well as the collective goals with regard to CSR/ESG and employee motivation.

### General collective goals of the Executive Board

- Co-operation within the Executive Board team
- Refinement of the Growing Green growth and capital expenditure programme
- Co-operation within the top management team

### Collective CSR/ESG and employee motivation goals

- Groupwide adherence to **compliance standards** and the **Code of Conduct**
- **Maintenance of the high occupational safety standard/low accident frequency**
- Integration of international **environmental and social standards** in the supply chain
- Ensure groupwide **environmental management**
- **Complete avoidance of severe environmental events**
- Maintenance of **strong employee motivation**

**Target achievement.** The actual figure for adjusted EBIT, which is decisive in relation to the company bonus, was €5,815 million last year. The Supervisory Board made adjustments to the adjusted EBIT actually achieved (€6,349 million) through which exceptional effects, which were not foreseeable when determining the target figure, were neutralised. The main adjustments related to changes in regular depreciation and amortisation caused by impairments.

The decisive actual figure was *increased* to offset the rise in normal depreciation and amortisation in the Hydro/Biomass/Gas segment, which can be traced back to impairments in fiscal 2023.

The decisive actual figure was *reduced* to offset the decrease in normal depreciation and amortisation in the Coal/Nuclear segment. Likewise, minor adjustments were made for individual items including property sales at the Tilbury and Aberthaw sites in the UK as well as capital gains on the sale of wind farms, which had not been budgeted. These items are one-off exceptional effects.

The decisive actual figure for adjusted EBIT of €5,815 million is above the ceiling established for target achievement (€4,104 million). This resulted in a **target achievement of 150%** for fiscal 2023, reaching the limit set by the cap.

Calculation of the 2023 company bonus	Target achievement	
	€ million	%
Adjusted EBIT	6,349	–
Modifications	-534	–
<i>increasing the actual figure, in particular</i> <ul style="list-style-type: none"> <li>Higher depreciation and amortisation in the Hydro/Biomass/Gas segment due to write-backs</li> </ul>	<i>educing the actual figure, in particular</i> <ul style="list-style-type: none"> <li>Lower depreciation and amortisation in the Coal/Nuclear segment due to impairments</li> </ul>	
Decisive actual figure	5,815	221
Target figure	2,904	100
Ceiling	4,104	150
Floor	1,704	50

After the fiscal year, the Supervisory Board evaluated the individual and collective performance of the Executive Board members as well as performance in terms of CSR/ESG and employee motivation and reached the following conclusions:

**Dr. Markus Krebber** clearly exceeded his individual targets (140%). The Company significantly increased its capital expenditure on renewable energy once again. RWE is perceived as a driver of the energy transition and is thus actively contributing to managing the energy and climate crisis. RWE monitored developments in energy policy constructively and made proactive contributions to managing the ongoing energy crisis. The approved strategy and adopted sustainability strategy were rolled out with resolve and developed further.

**Dr. Michael Müller** also exceeded his individual targets (130%). The high level of trust placed by the capital market in the Growing Green and sustainability strategy was reaffirmed in 2023. The Capital Market Day was extremely successful, and RWE's rating was confirmed in a persistently challenging market environment. Moreover, liquidity management was optimised further, while internal processes were reviewed and improved. The process of switching auditors that began in the preceding year was supported and monitored very efficiently by Dr. Michael Müller.

**Katja van Doren** also exceeded her individual targets (130%). She familiarised herself with her new role extremely quickly. In so doing, she implemented the IT strategy very efficiently and successfully while launching a project for the integration of artificial intelligence. The transition to a new SAP technology was advanced further within the Group. The rollout of the cyber security strategy was also spurred with great success. The HR strategy, a new top talent programme, and employer branding were all implemented extremely successfully. By way of example, the employer branding campaign was nominated for the renowned RAD award.

**Zvezdana Seeger** also exceeded her individual targets (130%). She handed over her function to Katja van Doren seamlessly and was of the best possible assistance in the transition. She was responsible for the implementation of the IT and cyber security strategies until she resigned from her office on the Executive Board and paved the way for them successfully. Moreover, she initiated and implemented the HR strategy, the top talent programme, and the employer branding campaign extremely successfully.

The Executive Board overachieved its **collective goals** (130%). A major highlight is the refinement of the Growing Green growth and capital expenditure programme with much more ambitious goals and very successful communication with and feedback from the market. Collaboration among the team on the Executive Board and within the top management team in a persistently difficult market environment in 2023 contributed to the high degree of target achievement. This is also reflected in the unusually high engagement index of the top-flight management team.



The high level of **employee motivation** from the past two years was raised even further in the year under review and is far above the market average. This enabled the Executive Board to exceed its targets. In the **CSR/ESG area**, all goals relating to adherence to compliance and social standards in the supply chain were fully achieved, while the Code of Conduct was adhered to. Serious environmental incidents were avoided. However, an audit of the environmental management system provided suggestions for improvement, as a result of which the target in this area was barely missed. The targets of maintaining the high occupational safety standards as well as the accident and lost-time incident quotas were overachieved. Overall, the degree to which **CSR/ESG and employee motivation** goals were achieved was 108%.

Based on the weighting established for fiscal 2023 (33.33% each for the individual targets), the Executive Board's general collective targets, and the collective targets in relation to CSR/ESG and employee motivation), the individual performance factor for all Executive Board members was 1.2.

As set out above, the company bonus and the individual performance factor are the basis for calculating the individual bonus amounts shown in the table.

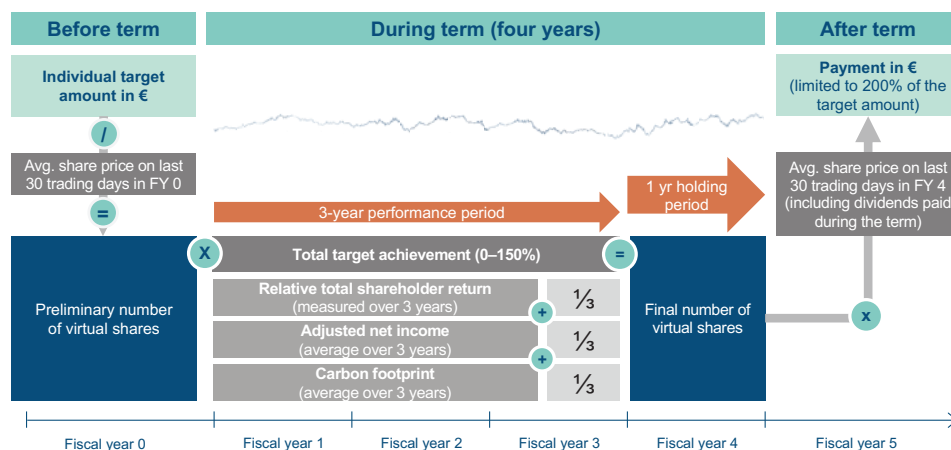
Calculation of the individual bonus for		Dr. Markus Krebber	Dr. Michael Müller	Katja van Doren	Zvezdana Seeger
<b>fiscal 2023</b>					
Target amount	€ '000	1,417	694	267	569
Target achievement for adjusted EBIT	%	150	150	150	150
Company bonus	€ '000	2,126	1,041	401	854
Individual performance factor		1.2	1.2	1.2	1.2
Individual bonus	€ '000	2,550	1,249	480	1,024

## B.6.2 Share-based payment: Long-Term Incentive Programme (LTIP)

**Fundamentals and mechanism.** Share-based payment, the LTIP, reflects RWE's sustainable and long-term development. One of the main tasks consists of contributing to achieve national and international climate goals through continuous emission reductions. RWE is pursuing the strategic goal of becoming carbon neutral by no later than 2040. The LTIP provides incentives for the successful implementation of the business strategy by linking remuneration to the absolute development of the share price, the total shareholder return relative to the competition (relative total shareholder return), the development of adjusted net income, and the reduction of the power plant fleet's carbon footprint.

The LTIP is based on virtual shares. At the beginning of every fiscal year, a new tranche of virtual shares with a term of four years is issued to the Executive Board members under the LTIP. During this term, the Company's performance in the first three years (performance period) affects the number of virtual shares. To determine the preliminary number of virtual shares, the grant amount determined individually for every Executive Board member is divided by the average closing quotation of the RWE share in Xetra trading on the 30 stock exchange trading days leading up to the beginning of the performance period. After the three-year performance period, the final number of virtual shares is calculated based on the average degree to which the three equally weighted performance targets - relative total shareholder return, adjusted net income and carbon footprint - are achieved. To this end, the total target achievement is multiplied by the preliminary number of virtual shares in order to calculate the final number of virtual shares. The three-year performance period is followed by a one-year holding period. After the holding period, the final number of virtual shares is multiplied by the average closing quotation of the RWE share in Xetra trading on the 30 stock exchange trading days leading up to the end of the four-year term starting on the grant date plus the dividends paid during the term, in order to determine the amount paid. This payment is made to the Executive Board members in cash. The amount paid can range between 0% and 200% of the grant amount originally established. The Supervisory Board may further limit remuneration from the LTIP in the event of extraordinary developments.

## LTIP overview

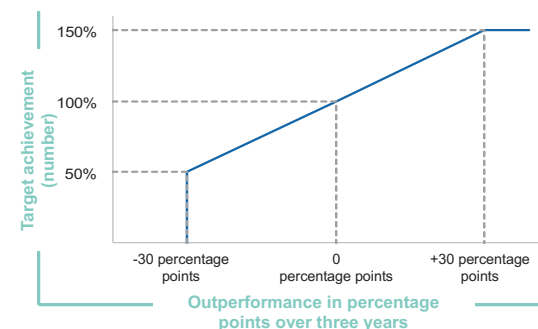


Performance relative to each target is measured as follows:

**Relative total shareholder return (TSR).** With a weighting of one-third, the TSR of RWE Aktiengesellschaft (RWE TSR) relative to companies included in the STOXX Europe 600 Utilities determines the final number of virtual shares. The TSR reflects the development of the share price plus the gross dividends fictitiously reinvested during the three-year performance period. As a result, the development of RWE on the capital market compared to the competition is considered while general market developments are largely disregarded.

The relative performance of RWE Aktiengesellschaft is determined based on the difference in percentage points between the RWE TSR and the TSR of the STOXX Europe 600 Utilities. If the RWE TSR matches that of the Index exactly (identical performance), the degree of target achievement is 100%. If the RWE TSR is 30 percentage points or more below or above the TSR of the Index, the degree of target achievement is 0% in the event of an underachievement and 150% in the event of an overachievement. An outperformance of more than 30 percentage points does not result in a further increase in target achievement. Figures for values between the end points are calculated by linear interpolation.

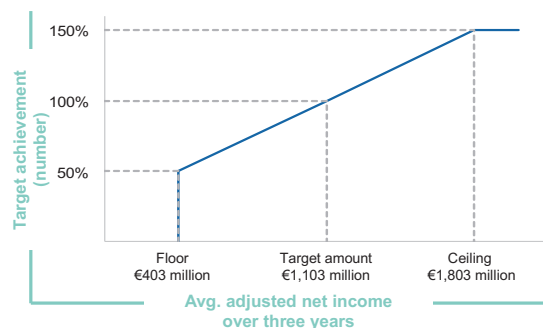
## Relative total shareholder return payment curve



**Adjusted net income.** With a weighting of another one-third, the final number of virtual shares depends on average adjusted net income over three years, for which the Supervisory Board establishes a target figure derived from the medium-term plan as well as a floor and ceiling. Average adjusted net income is determined after the three-year performance period. In the event of exceptional developments that were not known or foreseeable when the target figures were established and could thus not be considered sufficiently in the target figures, the Supervisory Board may make modifications to a limited extent and establish a modified actual figure for average adjusted net income. This figure may take account of the effects of capital measures, portfolio changes and changes in the regulatory environment, among other things. The decisive actual figure determined on this basis is compared to the target figure. If the actual and target figures are a perfect match, the degree of target achievement is 100%. If the actual figure matches the floor exactly (target figure - X), the degree of target achievement is 50%. If the actual figure matches the ceiling exactly (target figure + X), the degree of target achievement is 150%. If the actual figure is below the floor, the degree of target achievement is 0%. If the ceiling is exceeded, however, the degree of target achievement is not increased beyond 150%. Figures for values between the end points are calculated by linear interpolation.

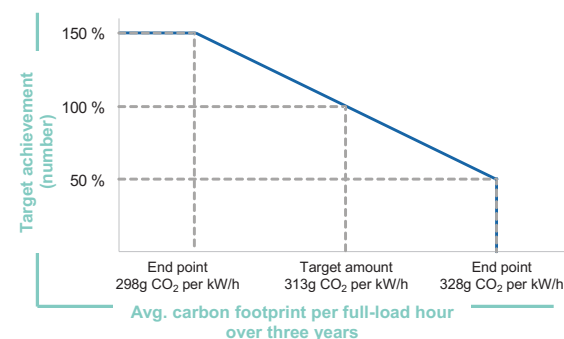
The target figure of €1,103 million for the 2023 tranche was established as an average over three years by the Supervisory Board at its meeting on 9 December 2022. As in the previous year, the difference between the floor and the ceiling was set at €700 million. Accordingly, the floor set was 'target figure - €700 million' (€403 million), and the ceiling was 'target figure + €700 million' (€1,803 million).

### Adjusted net income payment curve



15 g CO<sub>2</sub> per kilowatt per full-load hour' and 'target figure + 15 g CO<sub>2</sub> per kilowatt per full-load hour.'

### Carbon footprint payment curve



**Carbon footprint.** The last one-third of the virtual shares is determined based on the average carbon footprint of the Group's power plant fleet over three years. The average carbon footprint is measured in metric tons of carbon dioxide per megawatt of installed capacity (mt/MW) for every full-load hour of RWE's power plant fleet, in order to enable an assessment independent of weather- or market-induced load fluctuations. Based on the long-term goal of becoming carbon neutral, milestones and end points deviating upward or downward derived from the medium-term plan are set for every LTIP tranche. The average carbon footprint is determined after the performance period. To improve the informational value of the carbon footprint with respect to operating activities, the Supervisory Board may make very limited modifications and establish a modified actual figure for the average carbon footprint if certain exceptional situations are not sufficiently considered in the established target figures. For instance, this enables account to be taken of the effects of an acquisition or sale of generation assets deviating from the budget, changes in investment plans and changes in the regulatory or political environment leading to deviations from the planned renewable energy expansion roadmap or coal phaseout timeline. The decisive actual figure determined on this basis is compared to the target figure. If the decisive actual figure matches the predetermined target figure exactly, the degree of target achievement is 100%. If the carbon footprint matches the end point 'target figure + X' exactly, the degree of target achievement is 50%. Further increases in the carbon footprint result in a degree of target achievement of 0%. If the carbon footprint matches the end point 'target figure - X' exactly, the degree of target achievement is 150%. Further reductions in the carbon footprint do not result in a further increase in the degree of target achievement beyond 150%. Figures for values between the end points are calculated by linear interpolation.

**Target achievement of the 2021, 2022 and 2023 tranches.** The performance of the individual targets TSR, adjusted net income and carbon footprint is measured as an average over three years. The performance period of the 2022 tranche ends on conclusion of fiscal 2024, and the performance period of the 2023 tranche ends on conclusion of fiscal 2025. Target achievement for the 2022 and 2023 tranches will thus be reported in the remuneration reports for fiscal 2024 and 2025, respectively. The performance period of the 2021 tranche ended on conclusion of fiscal 2023. The target achievements for the three performance targets relative total shareholder return, adjusted net income and carbon footprint were determined after the fiscal year.

At its meeting on 9 December 2022, the Supervisory Board set the target figure for the 2023 tranche at 313 g CO<sub>2</sub> per kilowatt (0.313 mt/MW) per full-load hour as an average over three years. As in the previous year, the end points were defined as 'target figure -

**Relative total shareholder return (TSR) of the 2021 tranche.** The price of the RWE share plus fictitiously reinvested gross dividends registered a very good development in the performance period of the 2021 tranche, i.e. in 2021, 2022 and 2023. At the beginning of the period, the share price stood at €34.57 after which it rose to €41.18 at the end of the assessment period. In addition, €2.65 per share was paid as a dividend to shareholders. The TSR of the RWE share totalled 27.81%. During the same period, the TSR of STOXX Europe 600 Utilities companies was 14.02%. Therefore, the relative performance of the RWE share was 13.79 percentage points above the TSR of the STOXX Europe 600 Utilities, corresponding to a target achievement of 123%.

**Adjusted net income of the 2021 tranche.** At its meeting on 11 December 2020, the Supervisory Board set the three-year average target figure for adjusted net income at €1,070 million (floor: €570 million; ceiling: €1,570 million). The decisive actual figure for average adjusted net income during this period was €3,106 million. It differs from average

adjusted net income actually achieved €3,112 million) by modifications to neutralise exceptional effects, which were not foreseeable when determining the target figure. The decisive actual figure was *increased* in order to compensate for an extraordinary addition to mining provisions made in 2022 that was recognised in the operating result, which was necessary due to the land use decree for the lignite plan for the Rhine water pipeline, among other things. Furthermore, changes in normal depreciation and amortisation due to impairments recognised for the conventional power plant fleet were offset. These value adjustments were made in part owing to the shortening of the lignite phaseout to 2030 and the associated reduction in the remaining service life of the lignite assets. The decisive actual figure was *reduced*, in particular to eliminate the effects of the acquisition of Con Edison Clean Energy Businesses, Inc., which was completed as of 1 March 2023 and could not be considered when the target figure was established. The positive impact on earnings of the prolonged operation of the Emsland nuclear power station was also offset. In addition, minor adjustments were made for property sales at the Tilbury and Aberthaw sites in the UK and capital gains on the sale of wind farms, which had not been budgeted. These items are one-off exceptional effects. The decisive actual figure for adjusted net income of €3,106 million is above the established ceiling (€1,570 million). This results in a **target achievement of 150%** for the 2021 tranche, reaching the limit set by the cap.

Calculation of the target achievement for adjusted net income averaged over three years	Target achievement	
	€ million	%
Actually achieved adjusted net income	3,112	–
Modifications	-6	–
<i>increasing the actual figure, in particular</i>		
• Extraordinary addition to mining provisions		
• Higher depreciation and amortisation of conventional power plants due to accelerated lignite phaseout		
<i>reducing the actual figure, in particular</i>		
• Acquisition of Con Edison Clean Energy Businesses, Inc.		
• Prolonged operation of Emsland nuclear power station		
• Property sales and capital gains		
Decisive actual figure	3,106	304
Target figure	1,070	100
Ceiling	1,570	150
Floor	570	50

**Carbon footprint of the 2021 tranche.** At its meeting on 11 December 2020, the Supervisory Board set the target figure for the carbon footprint at 366 g CO<sub>2</sub> per kilowatt (0.366 mt/MW) per full-load hour as an average over three years (floor: 372 g CO<sub>2</sub> per kilowatt; ceiling: 360 g CO<sub>2</sub> per kilowatt). The average decisive actual figure for the carbon footprint from 2021 to 2023 was 368 g CO<sub>2</sub> per kilowatt. The Supervisory Board made adjustments to the figure actually achieved (390 g CO<sub>2</sub> per kilowatt) through which exceptional effects, which were not foreseeable when determining the target figure, were neutralised. The decisive actual figure was *decreased* in particular to offset the CO<sub>2</sub> effects of the temporary continued operation of lignite-fired power stations after 1 January 2023 and the reactivation of the lignite power plant units in security standby as ordered by policymakers during the energy crisis. The decisive actual figure was *increased* in particular to neutralise the CO<sub>2</sub> effects of takeovers, above all the acquisition of Con Edison Clean Energy Businesses, Inc. A further modification was made due to the prolonged operation of the Emsland nuclear power station. The presented target figures for carbon intensity and the decisive actual figure result in a target achievement of 79% for the 2021 tranche.

Calculation of the carbon footprint averaged over three years	Target achievement	
	g CO <sub>2</sub> per kW	%
Carbon footprint actually achieved	390	–
Modifications	-22	
<i>increasing the actual figure, in particular</i>		
• Prolonged operation of Emsland nuclear power station		
• Acquisition of Con Edison Clean Energy Businesses, Inc.		
<i>reducing the actual figure, in particular</i>		
• Temporary continued operation and reactivation of lignite power station units		
Decisive actual figure	368	79
Target figure	366	100
Ceiling	360	150
Floor	372	50

**Total target achievement of the 2021 tranche.** The target achievements of 123% for the relative total shareholder return (TSR), 150% for adjusted net income, and 79% for the carbon footprint result in a total target achievement of 117% for the 2021 tranche.

Calculation of the target achievement for the 2021 tranche		Relative total shareholder return (TSR)	Adjusted net income	Carbon footprint
Target amount averaged over three years		Same performance as the STOXX Europe 600 Utilities	€1,070 million	366 g CO <sub>2</sub> per kilowatt per full-load hour
Target achievement	%	123	150	79
Weighting		⅓	⅓	⅓
Weighted target achievement	%	41	50	26
Total target achievement	%		117	

The payout depends on the performance of the RWE share. It corresponds to the number of finally granted virtual shares multiplied by the sum of the RWE share's average closing quotation on Xetra on the 30 trading days prior to the end of the term and the accumulated dividend from the last three years. However, the payout is capped at 200% of the grant amount determined individually.

Members of the Executive Board are obligated to reinvest 25% of the payout amount (after taxes) from the 2016–2020 SPP in RWE shares. The shares must be held until at least the end of the third year after expiration of the term.

### B.6.3 Share-based payment: Strategic Performance Plan (SPP) for 2016–2020

The 2016–2020 SPP was used prior to fiscal 2021. Analogously to the LTIP, the 2016–2020 SPP was based on virtual shares, the term of which lasted for the fiscal year in question (performance period) and the three following years (holding period). The virtual shares were converted to a euro amount, which was paid out in cash to the members of the Executive Board after a total of four years. The payout amount of the 2020 tranche was established at the close of the 2023 calendar year and was disbursed in early 2024. Therefore, there are no more tranches of the Strategic Performance Plan (SPP) 2016–2020 pending payment.

The number of virtual shares in the SPP is determined by dividing the grant amount determined individually by the RWE share's average closing quotation on Xetra in the 30 trading days prior to the start of the respective four-year term. The grant, however, is conditional. In the SPP, conversion of the conditional virtual shares to the finally granted virtual shares occurs on the basis of adjusted net income. Based on the Company's medium-term plan, the Supervisory Board set the target figures as well as the ceilings and the floors (50% and 150%) for adjusted net income at the start of the fiscal year in question. The target amount of the 2020 SPP tranche was established by the Supervisory Board at the beginning of 2021 and corresponded to 104%.

**SPP and LTIP tranches in fiscal 2022 of active and re-tired Executive Board members at a glance**

Determination of the payment amount

		Grant amount € '000	Opening RWE share price €	number of conditionally granted performance shares	Total target achievement	Number of finally granted performance shares	Closing RWE share price €	Total dividends paid per share €	Payment amount € '000
<b>2020 SPP tranche*</b> (1 Jan 2020 – 31 Dec 2023)	Dr. Markus Krebber	1,100		41,651		43,317			1,843
	Dr. Michael Müller	167	26.41	6,311	104%	6,563	€39.89	€2.65	279
	Zvezdana Seeger	167		6,311		6,563			279
<b>2021 LTIP tranche*</b> (1 Jan 2021 – 31 Dec 2024)	Dr. Markus Krebber	1,667		48,919		57,235			
	Dr. Michael Müller	1,000	34.07	29,351	117%	34,341		Term ends on 31 Dec 2024	
	Zvezdana Seeger	1,000		29,351		34,341			
<b>2022 LTIP tranche*</b> (01 Jan 2022 – 31 Dec 2025)	Dr. Markus Krebber	1,950		56,505					
	Dr. Michael Müller	1,015	34,51	29,421	To be determined after 31 Dec 2024			Term ends on 31 Dec 2025	
	Zvezdana Seeger	1,015		29,421					
<b>2023 LTIP tranche*</b> (01 Jan 2023 – 31 Dec 2026)	Dr. Markus Krebber	2,237		53,470					
	Dr. Michael Müller	1,110		26,536	To be determined after 31 Dec 2025			Term ends on 31 Dec 2026	
	Katja van Doren	427	41.83	10,200					
	Zvezdana Seeger	910		21,755					

\* Total target achievement of the SPP (2020 tranche) was determined early, after the end of the first year of the four-year term, in accordance with the remuneration system in effect during these years. Total target achievement of the LTIP (2021, 2022 and 2023 tranches) is an average over three years. Total target achievement for the 2021 tranche was determined on 31 December 2023. For the 2022 and 2023 tranches, it can only be determined after 31 December 2024 (2022 tranche) and 31 December 2025 (2023 tranche).

## B.6.4 Malus and clawback provisions

Since 2021, bonuses and tranches of the LTIP have been subject to comprehensive malus and clawback provisions, in order to continue ensuring the sustainable development of the Company and the appropriateness of remuneration.

If the consolidated financial statements prove to contain errors after the performance-linked variable compensation (bonus and LTIP) has been paid, the Supervisory Board may demand that the variable remuneration that has already been paid be returned in part or in full (performance clawback). In the event that an Executive Board member commits a premeditated violation of the Code of Conduct, the Compliance Policy or a duty set forth in their employment contract or commits a serious breach of their duties of care as defined in Section 93 of the German Stock Corporation Act, the Supervisory Board may additionally exercise its discretion to reduce the variable compensation for the fiscal year with which the breach of duty is associated or cancel it entirely (malus) and, if variable compensation has already been paid for a fiscal year with which the breach of duty is associated, to demand that it be repaid in part or in full (compliance clawback).

The tranches of the 2016–2020 SPP are only subject to malus provisions. According to these, the Supervisory Board can sanction inappropriate behaviour by Executive Board members by reducing or completely cancelling ongoing tranches of the SPP. Such inappropriate behaviour is deemed to have occurred if a member of the Executive Board commits a premeditated violation of the Code of Conduct, the Compliance Policy or a duty set forth in their employment contract or commits a serious breach of their duties of care as defined in Section 93 of the German Stock Corporation Act.

During the year under review, there was no reason to apply the malus and clawback provisions.

## B.7 Share Ownership Guideline (SOG)

To bring Executive Board remuneration more in line with the interests of shareholders, since fiscal 2021 the members of the Executive Board have been obligated to make a personal investment in RWE shares. This involves the Executive Board members investing a sum equal to 200% (Chairman of the Executive Board) and 100% (all other members) of their annual gross base pay (SOG target) in RWE shares and holding the shares for the duration of their term on the Executive Board and two years thereafter. To comply with the SOG, starting with the payments made for fiscal 2021, an annual amount of at least 25% of the paid gross variable remuneration (bonus and LTIP) is invested to acquire enough shares until the SOG

target is achieved. Executive Board members may acquire additional RWE shares to help achieve the SOG target.

The members of the Executive Board fulfilled their annual contractual investment obligations. As of 31 December 2023, the degrees of achievement for each SOG target were as follows:

Status of the Share Ownership Guideline (SOG) as of 31 Dec 2023				
Executive Board members in fiscal 2023				
Executive Board member	SOG target for annual gross base remuneration	Investment of annual gross base remuneration to date	Status	
	%	%		
Dr. Markus Krebber (Chairman)	200	32.1	in accumulation phase	
Dr. Michael Müller (ordinary member)	100	81.0	in accumulation phase	
Katja van Doren (ordinary member)	100	0.0	in accumulation phase	
Zvezdana Seeger (ordinary member) resigned	100	85.1	Holding period (until 31 Oct 2025)	

## B.8 Other provisions

### B.8.1 Remuneration for holding offices

Remuneration that is due Executive Board members for holding offices on supervisory boards of intragroup companies is fully counted towards their fixed remuneration and thus does not increase total remuneration. In the past fiscal year, the members of the Executive Board of RWE Aktiengesellschaft renounced remuneration for exercising offices on boards of subsidiaries. Compensation for holding offices on supervisory boards of other companies in which RWE holds a stake was fully counted towards their fixed remuneration.

### B.8.2 Payments from third parties

In fiscal 2023 no payments from third parties were promised or made to the members of the Executive Board in relation to their activities as members of the Executive Board above and beyond this.

### **B.8.3 Early termination of Executive Board office and severance cap**

The employment contracts of the members of the Executive Board do not envisage any payment of compensation in the event of early termination of an Executive Board office. Severance payments in the event of early termination of an Executive Board office may not exceed the value of the claims for the remaining term of the contract. Moreover, payments are limited to the amount of two years of total annual remuneration, including fringe benefits (severance cap).

Allocations from the Long Term Incentive Programme granted through to the date of early termination are not paid early.

During the year under review, no payments were granted for the early termination of Executive Board mandates.

### **B.8.4 Compliance with the remuneration cap**

In the remuneration system, the Supervisory Board has set the maximum remuneration of the Chairman of the Executive Board at €9,300,000.00 and the maximum remuneration of each ordinary member of the Executive Board at €4,800,000.00. Maximum remuneration encompasses all remuneration components for the fiscal year in question. In reviewing compliance with the maximum remuneration for fiscal 2023, the 2023 LTIP tranche must also be taken into account, even though it will only be possible to determine the amount of payment after the end of fiscal 2026. Accordingly, the amount of all remuneration components which were granted for fiscal 2023 can only be determined after the end of fiscal 2026. The Remuneration Report for fiscal 2026 will provide information on the final review of compliance with the maximum remuneration for fiscal 2023.

### **B.8.5 Change of control**

The current version of the German Corporate Governance Code, which is dated 28 April 2022, proposes that no payments be made due to early termination of an employment contract by an Executive Board member as a result of a change of control. RWE follows this principle in the employment contracts concluded with the members of the Executive Board.

## **C. Executive Board member remuneration granted and due**

The following table presents the remuneration granted and due the members of the Executive Board in fiscal 2023 and 2022, pursuant to Section 162, Paragraph 1, Sentence 1 of the German Stock Corporation Act. It discloses all fixed and variable remuneration components as well as their relative shares in total remuneration (TR).

The amounts of the payments for the bonus for 2023 and the 2020 SPP tranche are assigned to fiscal 2023, while the amounts of the payments for the bonus for 2022 and the 2019 SPP tranche are assigned to fiscal 2022.

Even though actual payment only occurs after the end of the respective fiscal year, the underlying services had been rendered in full upon the end of the respective fiscal year. The information for determining target achievement - and thus payment - is based on the results and performance established for the respective fiscal year. Presentation in this manner allows for transparent, intelligible reporting, in which period-appropriate relationships between the results for the fiscal year and the remuneration of the Executive Board presented in the Remuneration Report are visible.



**Remuneration granted and due**

	Executive Board members in office as of 31 Dec 2023												Executive Board members who resigned in the fiscal year			
	Dr. Markus Krebber				Dr. Michael Müller				Katja van Doren				Zvezdana Seeger			
	2023		2022		2023		2022		2023		2022		2023		2022	
	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR
Base remuneration	1,417	22	1,250	20	694	27	655	31	267	31	-	-	569	27	655	31
Fringe benefits	19	0	29	0	24	1	38	2	6	1	-	-	12	1	20	1
Pension instalment	567	9	500	8	279	11	262	12	107	12	-	-	228	11	262	12
<b>Fixed remuneration</b>	<b>2,003</b>	<b>31</b>	<b>1,779</b>	<b>29</b>	<b>997</b>	<b>39</b>	<b>955</b>	<b>45</b>	<b>380</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>809</b>	<b>38</b>	<b>937</b>	<b>44</b>
Short-term performance-based remuneration	2,550	40	2,250	36	1,249	49	1,179	55	480	56	-	-	1,024	48	1,179	56
of which bonus	2,550	40	2,250	36	1,249	49	1,179	55	480	56	-	-	1,024	48	1,179	56
Share-based payment	1,843	29	2,200	35	279	11	-	-	-	-	-	-	279	13	-	-
of which 2020 SPP tranche	1,843	29	-	-	279	11	-	-	-	-	-	-	279	13	-	-
of which 2019 SPP tranche	-	-	2,200	35	-	-	-	-	-	-	-	-	-	-	-	-
<b>Variable remuneration</b>	<b>4,393</b>	<b>69</b>	<b>4,450</b>	<b>71</b>	<b>1,528</b>	<b>61</b>	<b>1,179</b>	<b>55</b>	<b>480</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>1,303</b>	<b>62</b>	<b>1,179</b>	<b>56</b>
<b>Total remuneration (TR)</b>	<b>6,396</b>	<b>100</b>	<b>6,229</b>	<b>100</b>	<b>2,525</b>	<b>100</b>	<b>2,134</b>	<b>100</b>	<b>860</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>2,112</b>	<b>100</b>	<b>2,116</b>	<b>100</b>

Before the introduction of the pension instalment as of 1 January 2011, a pension commitment was made to the members of the Executive Board. The commitment grants entitlement to life-long retirement benefits. In the event of death, their surviving dependants are entitled to the benefits. In addition, some of them are entitled to LTIP tranches granted during their tenure, which have not been paid yet. In accordance with their respective LTIP entitlements and pension commitments, payments were made to Dr. Rolf Martin Schmitz (€3,052,000) and Alwin Fitting (€355,000) in fiscal 2023. Other former Executive Board members who retired from the Executive Board in the last ten years did not receive any payments.

## **D. Supervisory Board remuneration**

### **D.1 Basic principles**

Pursuant to Section 113, Paragraph 3, Sentences 1 and 2 of the German Stock Corporation Act, annual general meetings of listed companies must pass a resolution on the remuneration of supervisory board members at least once every four years. The Annual General Meeting of RWE passed the most recent resolution to adjust remuneration in 2021. This is set forth in Article 12 of the Articles of Incorporation of RWE Aktiengesellschaft and complies with all of the recommendations and proposals of the 28 April 2022 version of the German Corporate Governance Code.

In the Company's opinion, the remuneration structure, which basically envisages fixed remuneration of the Supervisory Board members, is the best way to do justice to the Supervisory Board's independent monitoring function, which is not oriented towards the Company's short-term performance. Additionally, Supervisory Board members are remunerated for their activity on Supervisory Board committees. This better reflects the increased scope of responsibility and workload.

The Executive Board and the Supervisory Board find that the level of remuneration is appropriate both as such as well as in relation to the supervisory board remuneration of other listed companies in Germany. The appropriateness of the Supervisory Board's remuneration ensures that the Company remains able to recruit candidates with outstanding qualifications to fill positions on the corporate body. The Supervisory Board's remuneration thus contributes to promoting the Company's strategy and developing the Company over the long term.

Above and beyond this, the members of the Supervisory Board have undertaken to purchase RWE shares with 25% of the remuneration granted to them each fiscal year and to hold such for the entire duration of their membership of the Supervisory Board of RWE Aktiengesellschaft (voluntary obligation). This obligation is not enforced if the Supervisory Board members donate at least 85% of their fixed remuneration to the Hans Böckler Foundation in accordance with the guidelines of the German Federation of Trade Unions or pay such sum to their employer to fulfil an obligation set out in their employment contract. If a share of less than 85% of fixed remuneration is donated in such cases, the self-imposed obligation applies to 25% of the portion that has not been donated. This self-imposed obligation is a further means of bringing the interests of the members of the Supervisory Board in line with the Company's long-term, sustainable success.

### **D.2 Structure and level of remuneration**

The Chair of the Supervisory Board of RWE Aktiengesellschaft receives annual remuneration of €300,000. The Deputy Chair receives €200,000. The other members of the Supervisory

Board each receive €100,000. Fixed remuneration is paid on a prorated basis after every quarter.

Remuneration for committee activities is paid as follows pursuant to the adjustments made at the 2021 Annual General Meeting: Members of the Audit Committee receive additional remuneration of €60,000, and the Chair of the Audit Committee receives €120,000. Members and Chairpersons of other committees receive additional remuneration of €40,000 and €60,000, respectively, as long as the committee convenes at least once during the fiscal year. By way of derogation, the Chairman of the Supervisory Board and his or her Deputy do not receive any remuneration for their work on the Executive Committee. Furthermore, no separate remuneration is paid for activity on the Nomination Committee or the committee pursuant to Section 27, Paragraph 3 of the German Co-determination Act (Mediation Committee). Remuneration for committee work is paid after every fiscal year.

Members of the Supervisory Board who have been on the Supervisory Board or a committee for only part of a fiscal year shall receive remuneration that is reduced to reflect their tenure during said year.

Supervisory Board members are reimbursed for the expenses incurred in connection with their office. On attending a meeting of the Supervisory Board or one of its committees, at least one per diem of €1,000 is provided for every day of session.

Supervisory Board members who did not relinquish their remuneration met their self-imposed obligation to purchase RWE shares from their respective portion of remuneration for 2022.

### **D.3 Supervisory Board member remuneration granted and due**

The following table presents the remuneration granted and due to the members of the Supervisory Board in fiscal 2023 and 2022 pursuant to Section 162, Paragraph 1, Sentence 1 of the German Stock Corporation Act. It discloses all remuneration components as well as their relative shares in total remuneration (TR).

Both the fixed remuneration and the remuneration for committee work which is due the Supervisory Board members for a fiscal year pursuant to the Articles of Incorporation is assigned in full to the fiscal year in question, even though part of the actual payment may be effected after the fiscal year. The key factor in this presentation is that the services in question have been rendered in full at the close of the fiscal year. This allows for transparent, intelligible reporting, in which the services and the remuneration in the fiscal year are presented in a sensible relation to each other.

Remuneration granted and due Supervisory Board members in office during the fiscal year	Fixed remuneration				Remuneration for committee offices				Remuneration for offices at subsidiaries*				Total remuneration			
	2023		2022		2023		2022		2023		2022		2023		2022	
	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR
Dr. Werner Brandt, Chairman (since Apr 2013, Chairman since Apr 2016)	300	71	300	71	120	29	120	29	-	-	-	-	420	100	420	100
Ralf Sikorski, Deputy Chairman (since Jul 2014; Deputy Chairman since Sep 2021)	200	64	200	61	80	26	80	24	33	11	50	15	313	100	330	100
Michael Bochinsky (since Aug 2018)	100	45	100	47	100	45	100	47	20	9	14	7	220	100	214	100
Sandra Bossemeyer (since Apr 2016)	100	71	100	71	40	29	40	29	-	-	-	-	140	100	140	100
Dr. Hans Bünning (since Apr 2021)	100	56	100	56	80	44	80	44	-	-	-	-	180	100	180	100
Matthias Dürbaum (since Sep 2019)	100	63	100	63	60	38	60	38	-	-	-	-	160	100	160	100
Ute Gerbaulet (since Apr 2017)	100	71	100	71	40	29	40	29	-	-	-	-	140	100	140	100
Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel (since Apr 2013)	100	56	100	56	80	44	80	44	-	-	-	-	180	100	180	100
Mag. Dr. h.c. Monika Kircher (since Oct 2016)	100	48	100	63	108	52	60	38	-	-	-	-	208	100	160	100
Thomas Kufen (since Oct 2021)	100	100	100	100	-	-	-	-	-	-	-	-	100	100	100	100
Reiner van Limbeck (since Sep 2021)	100	63	100	63	40	25	40	25	20	13	20	13	160	100	160	100
Harald Louis (since Apr 2016)	100	50	100	50	80	40	80	40	20	10	20	10	200	100	200	100
Dagmar Paasch (since Sep 2021)	100	43	100	44	100	43	100	44	30	13	25	11	230	100	225	100
Dr. Erhard Schipporeit (since Apr 2016)	100	58	100	45	72	42	120	55	-	-	-	-	172	100	220	100
Dirk Schumacher (since Sep 2021)	100	71	100	71	40	29	40	29	-	-	-	-	140	100	140	100
Ullrich Sierau (since Apr 2011)	100	63	100	63	60	38	60	38	-	-	-	-	160	100	160	100

Remuneration granted and due Supervisory Board members in office during the fiscal year	Fixed remuneration				Remuneration for committee offices				Remuneration for offices at subsidiaries*				Total remuneration			
	2023		2022		2023		2022		2023		2022		2023		2022	
	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR	€ '000	% TR
Hauke Stars (since Apr 2021)	100	71	100	71	40	29	40	29	-	-	-	-	140	100	140	100
Helle Valentin (since Apr 2021)	100	71	100	71	40	29	40	29	-	-	-	-	140	100	140	100
Dr. Andreas Wagner (since Sep 2021)	100	100	100	100	-	-	-	-	-	-	-	-	100	100	100	100
Marion Weckes (since Apr 2016)	100	100	100	100	-	-	-	-	-	-	-	-	100	100	100	100

\*Remuneration for offices at subsidiaries is only considered to the extent that it pertains to periods of membership of the Supervisory Board of RWE Aktiengesellschaft.

## **E. Comparative presentation of the annual change in remuneration**

The following overview shows the annual change in the remuneration of the members of the Executive Board and Supervisory Board, in the average remuneration of employees based on fulltime equivalents, and in the development of the Company's earnings.

The development of the Group's earnings is presented on the basis of the key indicators for managing operating activities, namely adjusted EBIT and adjusted net income as defined by International Financial Reporting Standards (IFRS). The development of RWE Aktiengesellschaft's net profit pursuant to the German Commercial Code is also presented.

The total workforce of the RWE Group in Germany (excluding trainees, suspended employment relationships and employees in the Supply & Trading segment) is used as a basis for the presentation of average employee remuneration.

Comparative presentation of remuneration (€ '000)	2023	Δ in % yoy	2022	Δ in % yoy	2021	Δ in % yoy	2020	Δ in % yoy	2019
<b>Executive Board members in office as of 31 Dec 2023</b>									
Dr. Markus Krebber (CEO)	6,396	3	6,229	17	5,333	27	4,207	53	2,750
Dr. Michael Müller (CFO)	2,525	18	2,134	13	1,885	559	286		–
Katja van Doren (Chief HR Officer/Labour Director)	860		-		-		-		-
<b>Former Executive Board members</b>									
Zvezdana Seeger (until Oct 2023)	2,112	0	2,116	13	1,873	560	284		–
Dr. Rolf Martin Schmitz (until Jun 2021)	3,052	0	3,056	-27	4,167	-29	5,860	16	5,057
Alwin Fitting (until Mar 2013)	355	3	346	8	320	0	320	1	317
<b>Supervisory Board members in office as of 31 Dec 2023</b>									
Dr. Werner Brandt, Chairman (since Apr 2013, Chairman since Apr 2016)	420	0	420	0	420	40	300	0	300
Ralf Sikorski, Deputy Chairman (since Jul 2014; Deputy Chairman since Sep 2021)	313	-5	330	21	272	43	190	0	190
Michael Bochinsky (since Aug 2018)	220	3	214	25	171	22	140	0	140
Sandra Bossemeyer (since Apr 2016)	140	0	140	0	140	17	120	0	120
Dr. Hans Bunting (since Apr 2021)	180	0	180	84	98	–	–	–	–
Matthias Dürbaum (since Sep 2019)	160	0	160	10	146	22	120	344	27
Ute Gerbaulet (since Apr 2017)	140	0	140	10	127	27	100	0	100
Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel (since Apr 2013)	180	0	180	0	180	50	120	0	120
Mag. Dr. h.c. Monika Kircher (since Oct 2016)	208	30	160	0	160	14	140	8	130
Thomas Kufen (since Oct 2021)	100	0	100	376	21	–	–	–	–

<b>Comparative presentation of remuneration</b> (€ '000)	2023	Δ in % yoy	2022	Δ in % yoy	2021	Δ in % yoy	2020	Δ in % yoy	2019
Reiner van Limbeck (since Sep 2021)	160	0	160	240	47			-	-
Harald Louis (since Apr 2016)	200	0	200	17	171	22	140	0	140
Dagmar Paasch (since Sep 2021)	230	2	225	252	64	-	-	-	-
Dr. Erhard Schipporeit (since Apr 2016)	172	-22	220	0	220	22	180	-54	395
Dirk Schumacher (since Sep 2021)	140	0	140	241	41	-	-	-	-
Ullrich Sierau (since Apr 2011)	160	0	160	0	160	14	140	0	140
Hauke Stars (since Apr 2021)	140	0	140	47	95	-	-	-	-
Helle Valentin (since Apr 2021)	140	0	140	47	95	-	-	-	-
Dr. Andreas Wagner (since Sep 2021)	100	0	100	233	30	-	-	-	-
Marion Weckes (since Apr 2016)	100	0	100	-30	143	2	140	0	140
<b>Employees</b>									
Average remuneration of the RWE Group's total workforce in Germany excluding the Supply & Trading segment based on full time equivalent	97	7	90	5	86	0	86	0	86
<b>Earnings trend*</b>									
Adjusted EBIT (€ million) (RWE Group as per IFRS)	6,349	39	4,568	109	2,185	23	1,771	40	1,267
Adjusted net income (€ million) (RWE Group as per IFRS)	4,536	40	3,232	106	1,569	29	1,213	-	-
Net profit (€ million) (RWE Aktiengesellschaft as per the German Commercial Code)	1,285	4	1,335	20	1,108	191	580	13	514

\* Adjusted net income was not reported for fiscal 2019. Moreover, comparability of figures from various fiscal years is curtailed in some cases as a result of adjustments to reporting.

Essen, 13 March 2024  
RWE Aktiengesellschaft

On behalf of the Supervisory Board  
Dr. Werner Brandt

On behalf of the Executive Board  
Dr. Markus Krebber, Dr. Michael Müller,  
Katja van Doren

## **Auditor's Report**

To RWE Aktiengesellschaft, Essen

We have audited the remuneration report of RWE Aktiengesellschaft, Essen, for the financial year from January 1, 2023 to December 31, 2023 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktengesetz: German Stock Corporation Act].

## **Responsibilities of the Executive Directors and the Supervisory Board**

The executive directors and the supervisory board of RWE Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities**

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Audit Opinion**

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1, 2023 to December 31, 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

## **Reference to an Other Matter - Formal Audit of the Remuneration Report according to § 162 AktG**

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

## **Restriction on use**

We issue this auditor's report on the basis of the engagement agreed with RWE Aktiengesellschaft. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.



Essen, 13 March 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Markus Dittmann            Aissata Touré  
(German Public Auditor)    (German Public Auditor)

This version of the Invitation to the Annual General Meeting prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.