

## II. Reports and further information on agenda items

### 1 Remuneration Report (Item 6 on the Agenda)

RWE Aktiengesellschaft  
Essen

#### 2021 Remuneration Report

Standards imposed on management and supervisory board compensation by the capital market, policymakers and the public have become higher. More than ever before, companies are expected to remunerate managing bodies based on performance, while providing incentives for forward-looking, sustainable action. Above and beyond this, disclosure of compensation is subjected to new standards prescribed by law and the capital market. RWE meets these new standards imposed on its remuneration system and reporting.

The Remuneration Report complies with Section 162 of the German Stock Corporation Act. It provides, inter alia, information on remuneration granted and due current and former members of the Executive Board and Supervisory Board in the past fiscal year.

The Remuneration Report has been audited by PricewaterhouseCoopers GmbH regarding its form and content, exceeding the standards set by Section 162, Paragraph 3 of the German Stock Corporation Act.

#### A. Summary review of the 2021 fiscal year

**Review of fiscal 2021.** Despite the coronavirus pandemic, 2021 was a successful fiscal year for RWE. Adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) totalled €3,650 million. This clearly exceeded the forecast published in March 2021. Adjusted EBITDA was up 11% compared to 2020. Adjusted EBIT and adjusted net income also bested the prognosticated range, amounting to €2,185 million and €1,569 million, respectively. This was primarily due to the exceptionally strong trading performance put in by RWE Supply & Trading. Furthermore, RWE benefited from improved margins in electricity generation from lignite and nuclear fuel. Moreover, the Hydro/Biomass/Gas segment registered a very good earnings trend above all in the fourth quarter. The main driver was better-than-expected income from commercial optimisation of power plant dispatch. This was contrasted by significant one-off charges taken in the Onshore Wind/Solar segment.

The reason for this was the extreme cold snap in Texas in February of 2021, which led to unscheduled outages and forced RWE to meet existing electricity supply commitments by making expensive purchases on the market.

In November 2021, RWE informed the public of its growth and earnings targets for the current decade, for which the company received very positive feedback. Management aims to spend €50 billion to build renewable energy assets, battery storage, gas-fired power stations and electrolyzers for hydrogen production by 2030.

Expected net investments including proceeds on the sale of stakes in projects amount to €30 billion. This is how RWE intends to double generation capacity based on the aforementioned technologies to 50 GW by 2030. This generation capacity will drive up adjusted EBITDA substantially. This figure is expected to reach a level of €5 billion by 2030, which RWE will earn entirely with its core business.

Concurrently, RWE will gradually exit the coal-fired power production business, establishing the prerequisites for becoming carbon neutral along the entire value chain by no later than 2040. The last two German hard coal-fired power stations operated by RWE were shut down early in July 2021. Shortly thereafter, two RWE lignite units, which had been on legally mandated security standby, were closed. They were followed on 31 December 2021 by three further lignite units as well as the penultimate German nuclear power plant operated by RWE, Gundremmingen C.

RWE has set itself an emission reduction goal for the current decade as well: By 2030, the company aims to have reduced emissions by 50% (Scope 1 and 2) and 30% (Scope 3) compared to 2019. This target is in line with the Paris Climate Agreement, as officially confirmed by the independent Science Based Targets Initiative at the end of 2020. In so doing, RWE is making its contribution to limiting global warming to less than 2 degrees Celsius. The company's ambitions have since risen even further: RWE intends to comply with the 1.5 degree target set by the Paris Climate Conference in the future as well.

**New Executive Board remuneration system since 1 January 2021.** In fiscal 2020, the Supervisory Board refined the system for remunerating the Executive Board with a view to bringing it in line with new legal requirements and the expectations of our stakeholders. The remuneration system was presented to the Annual General Meeting on 28 April 2021 in accordance with Section 120a, Paragraph 1 of the German Stock Corporation Act and approved by 93.19% of the represented votes. The new provisions have been in force since 1 January 2021.

The basic structure of the remuneration remained unchanged. This means that Executive Board remuneration continues to consist of the base pay, fringe benefits, pension instalment, performance-based bonus and share-based payment. The main new elements of the remuneration system are presented in the following table.

#### Overview of major amendments

Element	Amendment
Share-based payment (LTIP)	<ul style="list-style-type: none"> <li>• Introduction of two success factors in addition to adjusted net income:               <ul style="list-style-type: none"> <li>- Carbon footprint of the generation portfolio</li> <li>- Relative total shareholder return</li> <li>- Extension of the performance period from one to three years</li> </ul> </li> </ul>
Share Ownership Guideline (SOG)	<ul style="list-style-type: none"> <li>• Obligation of Executive Board members to make an investment in RWE shares equalling at least 25 % of the variable gross remuneration paid annually until the SOG goal is achieved (Chairman of the Executive Board: 200 %; ordinary Executive Board members: 100 % of annual gross base pay)</li> <li>• The shares must be held until the end of the second year after the termination of the Executive Board office</li> </ul>
Malus and clawback provision	<ul style="list-style-type: none"> <li>• Introduction of a compliance and performance malus and clawback provision</li> </ul>
Remuneration cap	<ul style="list-style-type: none"> <li>• Establishment of a remuneration cap in accordance with Section 87a, Paragraph 1, Item 1 of the German Stock Corporation Act</li> </ul>

**Remuneration of Supervisory Board members since 1 January 2021.** The remuneration of the members of the Supervisory Board was also reviewed. The Executive Board and the Supervisory Board proposed to the 2021 Annual General Meeting in accordance with Section 113, Paragraph 3, Sentences 1 and 2 of the German Stock Corporation Act that the Articles of Incorporation be amended to reflect changes in remuneration. The structure of remuneration, which in line with the recommendations of the German Corporate Governance Code generally envisages a fixed remuneration of the members of the Supervisory Board, was maintained. The only amendment involved adjusting the level of remuneration for offices held on Supervisory Board committees and paying such remuneration for offices held on all Supervisory Board committees to better reflect the increased responsibility and actual workload as well as to ensure that the company remains capable of recruiting candi-

dates with excellent qualifications when staffing positions on the Supervisory Board. Furthermore, the mode of payment was changed to direct compensation for work performed and time spent, and a quarterly payment of the base remuneration was introduced. The adjustment to the remuneration of the members of the Supervisory Board and the matching amendment to the Articles of Incorporation were approved by a resolution passed by a majority of 99.65 % of the votes represented at the 2021 Annual General Meeting. The new provisions have been in force since 1 January 2021.

**Changes in personnel on the Executive Board.** In July 2020, the Supervisory Board passed a resolution to appoint Dr. Markus Krebber Chairman of the Executive Board in the future. The former Chairman of the Executive Board Dr. Rolf Martin Schmitz, who retired as of 1 July 2021, handed over to Dr. Markus Krebber as of 1 May 2021. Dr. Markus Krebber transferred his office as Chief Financial Officer to Dr. Michael Müller with effect from the same date.

**Changes in personnel on the Supervisory Board.** The tenures of the Supervisory Board members ended on conclusion of the Annual General Meeting on 28 April 2021. Therefore, new elections of the shareholder representatives were placed on the agenda. Candidates were selected based on the skills matrix refined by the Supervisory Board. Dr. Werner Brandt, Ute Gerbaulet, Prof. Dr. Ing. Dr. Ing. E.h. Hans-Peter Keitel, Mag. Dr. h.c. Monika Kircher, Günther Schartz, Dr. Erhard Schipporeit and Ullrich Sierau were elected to the Supervisory Board for an additional term. Dr. Hans Bünting, Hauke Stars and Helle Valentin were elected to the corporate body to replace the existing members Dagmar Mühlenfeld, Peter Ottmann and Dr. Wolfgang Schüssel. A further change in personnel occurred among the shareholder representatives during the course of the year. Günther Schartz resigned his office with effect from 30 September 2021. Thereupon, Thomas Kufen was appointed to the corporate body by the Essen District Court with effect from 18 October 2021.

The Assembly of Delegates could not convene to hold new elections of employee representatives due to the coronavirus pandemic. Therefore, these seats were initially filled by court-ordered appointments. All of the formerly incumbent employee representatives were appointed by court order: Michael Bochinsky, Sandra Bossemeyer, Martin Bröker, Frank Bsirske, Anja Dubbert, Matthias Dürbaum, Harald Louis, Ralf Sikorski, Marion Weckes and Leonhard Zubrowski.

The Assembly of Delegates was held on 15 September 2021. Michael Bochinsky, Sandra Bossemeyer, Matthias Dürbaum, Harald Louis, Ralf Sikorski and Marion Weckes were elected once again. Reiner van Limbeck, Dirk Schumacher, Dagmar Paasch and Dr. Andreas Wagner were elected new members. Martin Bröker, Frank Bsirske, Anja Dubbert and Leonhard Zubrowski retired from the corporate body.

## B. Executive Board member remuneration

### B.1 Principles of Executive Board remuneration

**Alignment with strategy and sustainability.** When designing the Executive Board's remuneration system, the Supervisory Board ensured that it 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 are also used 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 short-term variable remuneration of the Executive Board.
- In addition, the development of the Group's value over the long term is incentivised. Long-term performance-based remuneration is strongly oriented towards the development of RWE's share price.

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 co-operation 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 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. Furthermore, the level, structure and details of

management board remuneration in similar companies are considered. These primarily include DAX companies and similar companies listed on the STOXX® Europe 600 Utilities. In so doing, the Supervisory Board sees to it that the remuneration of the Executive Board members is in line with market practices.

Moreover, the level of Executive Board remuneration and its development are subjected to an annual intra-group comparison. This involves comparing the remuneration of the Executive Board to the compensation and employment conditions of three peer groups. First, it is considered in relation to the top management level. This encompasses the department heads of RWE Aktiengesellschaft who report directly to the Executive Board as well as the managing board members and managing directors of the subsidiaries in which the operating divisions are pooled. The second comparison group consists of the Group's other managerial staff and executives in Germany, and third comparison group is made up of 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 services	
	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	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 and employee motivation</li> </ul>
			Payment	In cash on conclusion of every fiscal year (0%–180% of the target amount)
	Share-based payment (LTIP)	Incentivisation to promote the company's sustainable success taking account of financial and non-financial stakeholder interests	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)
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	

**Remuneration components and structure as well as total target remuneration.** 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, the company's 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.

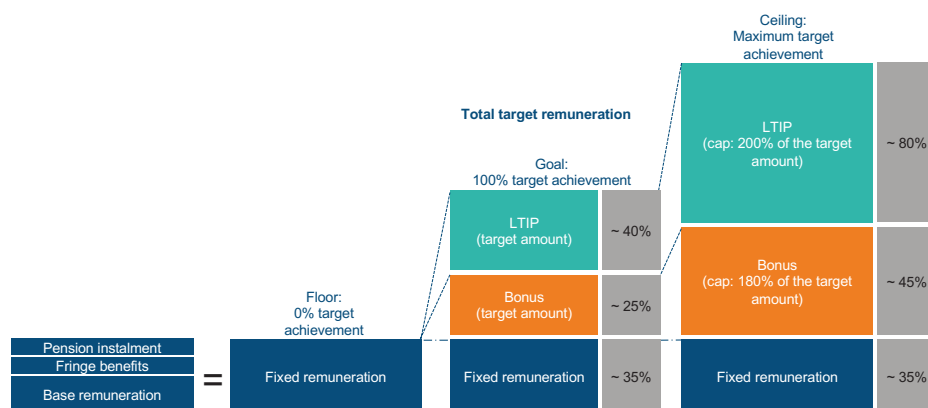
The individual performance targets for the impending assessment period are established by the Supervisory Board. In doing so, it ensures that the targets set are both ambitious and realistic.

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.

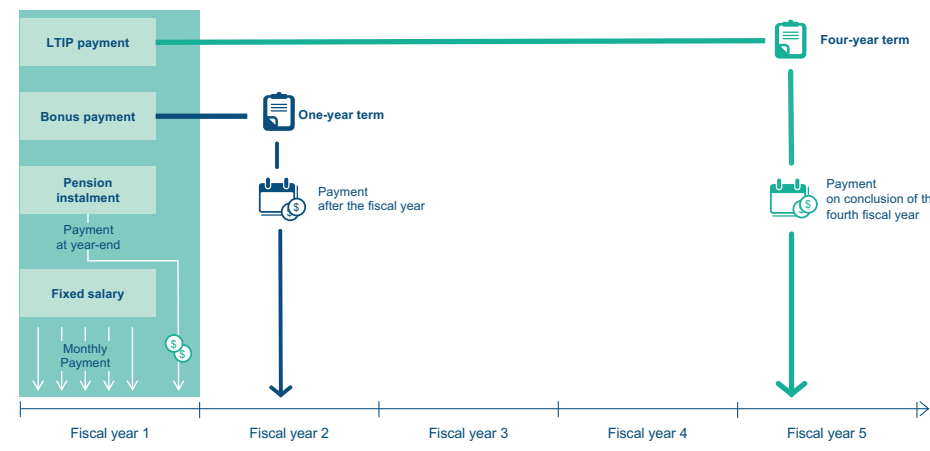
This results in the following structure and range of remuneration:

#### Range of Executive Board remuneration



**Payment of remuneration components.** Fixed remuneration, i.e. base remuneration and fringe benefits, are 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 is available on the company's website at [www.rwe.com/en/remuneration](http://www.rwe.com/en/remuneration).

### B.3 Recipients of Executive Board remuneration

In the past fiscal year, Dr. Markus Krebber, Dr. Michael Müller, Zvezdana Seeger and Dr. Rolf Martin Schmitz 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. He was responsible for the Finance office from October 2016 to April 2021.
- **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.

- **Zvezdana Seeger** is the Chief HR Officer and Labour Director. She has been on the Executive Board of RWE Aktiengesellschaft since 1 November 2020. Her appointment is also limited to an initial term of three years.
- **Dr. Rolf Martin Schmitz** retired from the Executive Board as of 30 April 2021. He was appointed to the Executive Board as of 1 May 2009 and chaired the corporate body from 15 October 2016 until he retired from it. He served concurrently as Labour Director from May 2017 to October 2020.

On top of this, former Executive Board members received remuneration paid e. g. as a monthly company pension during the year under review. The remuneration granted to and due them is presented in the section entitled 'Executive Board member remuneration granted and due' in this Remuneration Report.

## B.4 Executive Board remuneration in fiscal 2021

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

Contractually agreed target remuneration	Executive Board members in office as of 31 Dec 2021						Executive Board members who retired in the fiscal year	
	Dr. Markus Krebber*		Dr. Michael Müller		Zvezdana Seeger		Dr. Rolf Martin Schmitz	
	2021	2020	2021	2020	2021	2020	2021	2020
€ '000								
Base remuneration	1,000	800	650	650	650	650	1,160	1,160
Pension instalment	433	300	260	260	260	260	-	-
<b>Fixed remuneration</b>	<b>1,533</b>	<b>1,100</b>	<b>910</b>	<b>910</b>	<b>910</b>	<b>910</b>	<b>1,160</b>	<b>1,160</b>
Short-term performance-based remuneration	1,085	755	650	650	650	650	1,100	1,100
of which 2021 bonus	1,085	-	650	-	650	-	1,100	-
of which 2020 bonus	-	755	-	650	-	650	-	1,100
Share-based payment	1,667	1,100	1,000	1,000	1,000	1,000	1,500	1,500
of which 2021 LTIP tranche	1,667	-	1,000	-	1,000	-	1,500	-
of which 2020 SPP tranche	-	1,100	-	1,000	-	1,000	-	1,500
<b>Variable remuneration</b>	<b>2,752</b>	<b>1,855</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>2,600</b>	<b>2,600</b>
<b>Target total remuneration</b>	<b>4,285</b>	<b>2,955</b>	<b>2,560</b>	<b>2,560</b>	<b>2,560</b>	<b>2,560</b>	<b>3,760</b>	<b>3,760</b>
Pension cost	-	-	-	-	-	-	-	595
<b>Target total remuneration including pension cost</b>	<b>4,285</b>	<b>2,955</b>	<b>2,560</b>	<b>2,560</b>	<b>2,560</b>	<b>2,560</b>	<b>3,760</b>	<b>4,355</b>

\* Figures are based on a full fiscal year to improve comparability.

## 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. Dr. Markus Krebber was appointed Chairman of the Executive Board as of 1 May 2021. His remuneration was adjusted to his increased responsibility as of this date.

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

**Pension instalment.** The pension instalment is paid in cash or converted to a pension commitment fulfilled by making a later pension payment of equal value capped at €250,000 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.

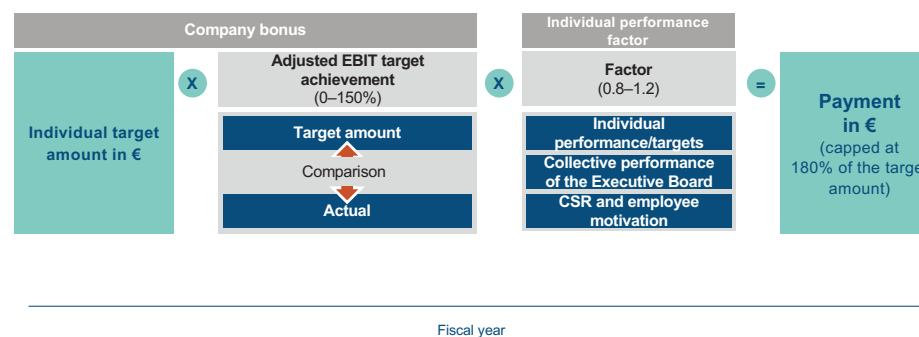
Dr. Rolf Martin Schmitz, who belonged to the Executive Board before the pension instalment was introduced, receives a pension commitment, which gives him the right to a lifelong pension. He has been receiving this pension since 1 July 2021. In the event of death, his surviving dependants are entitled to the benefits. A pension cost was no longer incurred for his pension commitment in fiscal 2021, as Dr. Rolf Martin Schmitz had already reached the financing age limit (in the previous year, it amounted to €595,000, and the net present value pursuant to IFRS amounted to €16,441,000 as of 31 December 2020).

## 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 in full after the end of the fiscal year.

### Bonus overview



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

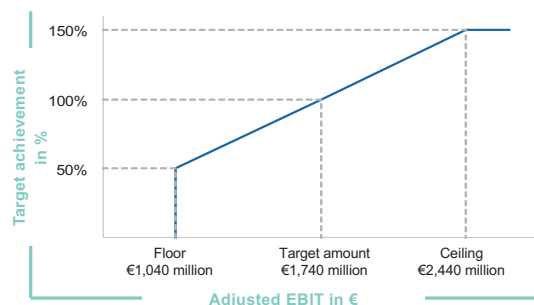
At the beginning of the fiscal year, the Supervisory Board establishes a target as well as a floor and ceiling for adjusted EBIT taking into account the budget plan for the fiscal year. The adjusted EBIT actually achieved is determined at the end of the fiscal year. In the event of exceptional developments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

The actual figure which then becomes decisive 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 11 December 2020, the Supervisory Board established a target of €1,740 million for adjusted EBIT for fiscal 2021. A floor of €1,040 million and a ceiling of €2,440 million were established.



#### Adjusted EBIT payment curve



**Individual performance factor.** In addition to 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.

The Supervisory Board assigned weightings of 25% to the individual goals, 45% to the Executive Board's collective goals, and 30% to the collective CSR and employee motivation goals.

Only for Dr. Rolf Martin Schmitz were the three components given a one-third weighting each – as envisaged by the old remuneration system – as the provisions of his contract, which was about to expire, were not brought in line with the new remuneration system.

**Individual goals in 2021.** The individual goals for fiscal 2021 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>• Seamless takeover of <b>chairmanship</b></li> <li>• Establishment of the <b>hydrogen</b> business unit and initiation of the implementation of the strategy</li> <li>• Development of the cornerstones of a comprehensive <b>sustainability strategy</b></li> </ul>
Dr. Michael Müller	<ul style="list-style-type: none"> <li>• Trustworthy <b>financial market communications</b></li> <li>• Maintenance of a robust <b>financing structure</b> and liquidity position to underpin the growth programme</li> <li>• Establishment of RWE as a <b>green bond issuer</b></li> </ul>
Zvezdana Seeger	<ul style="list-style-type: none"> <li>• Successful establishment of the <b>new Board office</b></li> <li>• Development of a <b>comprehensive HR strategy</b></li> <li>• Implementation of <b>major IT projects</b> and development of a long-term <b>IT strategy</b></li> </ul>

The targets specific to Dr. Rolf Martin Schmitz, whose retirement from the Executive Board as of 30 April 2021 had already been agreed when the targets were established, were seamlessly familiarising his successor with his new position and transferring all related tasks and issues to be addressed to him in order to ensure continuity.

**Collective goals in 2021.** 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 and employee motivation.

#### General collective goals of the Executive Board

- Trusting co-operation among the **team on the Executive Board**
- Development of a long-term **corporate strategy** and matching implementation plan
- Successful **communication** of the long-term strategy to the capital market (equity story)
- **Constructive involvement** in the debate on energy policy
- Constructive and professional co-operation with the **extended management team**
- Strong **employee identification** with RWE

#### Collective CSR and employee motivation goals

- Groupwide adherence to **compliance standards** and the **Code of Conduct**
- **High occupational safety standard**
- Full coverage of the **supply chain** through consideration of international environmental and social standards in supply and trading agreements
- Introduction of a certified/audited **environmental management system**
- **Avoidance of severe environmental events**
- Strong **employee motivation** measured using the Engagement Index

**Target achievement.** The actual figure for adjusted EBIT, on the basis of which the company bonus is calculated, was €2,039 million last year. It differs from adjusted EBIT actually achieved (€2,185 million) by adjustments through which exceptional effects, which were not foreseeable when determining the target figure, were neutralised. One such adjustment related to a change in accounting due to the full consolidation of the Rampion offshore wind farm as of 1 April 2021. Management did not assume that the asset would be fully consolidated when it established the target figure. Another adjustment concerned valuation allowances in 2020 and 2021, the consequences of which were not considered in the target figure and were thus eliminated. The presented target figures for adjusted EBIT and the decisive actual figure result in a target achievement of 121 % for the 2021 fiscal year. This means that the company bonus was 21 % higher than the target bonus established at the beginning of the year.

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:

Calculation of the 2021 company bonus	Target achievement	
	€ million	in %
Adjusted EBIT	2,185	–
Modification	–146	–
Decisive actual figure	2,039	121
Target amount	1,740	100
Ceiling	2,440	150
Floor	1,040	50

**Dr. Markus Krebber** clearly exceeded his individual targets (133%). Key success factors were that he seamlessly took the office of Chairman of the Executive Board and fulfilled all associated tasks in their entirety. RWE's position as a driver of the energy transition was strengthened considerably. The hydrogen business unit was fully established and a 10 gigawatt project pipeline was built. The objective of incorporating major sustainability elements in the corporate strategy was achieved earlier than expected by announcing the Growing Green strategy at the Capital Market Day 2021.

**Dr. Michael Müller** also overachieved his personal targets (120%). His financial market communications enabled him to gain a good level of trust from the capital market in the year being reviewed. Furthermore, he underpinned the Growing Green growth programme

with a robust financing structure and successfully placed three green bonds on the market in the reporting period. In addition, the rating agencies Moody's and Fitch raised their credit ratings for RWE.

**Zvezdana Seeger** also exceeded her personal goals (119%). She successfully established her new Board office and restructured it in the year under review. Major IT projects were completed and transitioned to normal operation. Detailed long-term goals were established and adopted by the Executive Board for the IT and HR departments.

It was highlighted that the Executive Board overachieved its **collective targets** (130%). This was primarily due to the development and communication of the Growing Green long-term strategy, which was exceedingly well received by the capital market. The professional co-operation among the extended management team during the Group's transformation, the constructive contributions to debates on energy policy and the staff's strong identification with RWE also contributed to the high degree of target achievement.

Goals in respect of employee motivation, which is measured via regular in-house surveys, were also clearly overachieved. Target achievement with regard to CSR, which is largely addresses occupational safety as well as adherence to compliance, environmental and social standards, was 95 % and 100 %, respectively. The 5 % shortfall was due to the number of work-related accidents, which increased slightly in the year being reviewed. Overall, the degree to which **CSR and employee motivation** goals were achieved was 102 %.

Based on the weighting established for fiscal 2021 (individual targets = 25 %, the Executive Board's general collective targets = 45 %, collective targets in relation to CSR and employee motivation = 30 %) the individual performance factor for all Executive Board members was 1.2.

**Dr. Rolf Martin Schmitz's** individual performance factor solely depends on his personal target achievement, which was 120 % in the year being reviewed. He was found to have been of extremely professional assistance in implementing the change at the helm of the company. In so doing, he contributed to Dr. Markus Krebber assuming chairmanship of the Executive Board as of 1 May 2021, two months earlier than planned.

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 fiscal 2021		Dr. Markus Krebber	Dr. Michael Müller	Zvezdana Seeger	Dr. Rolf Martin Schmitz
Target amount	€ '000	1,085	650	650	550
Target achievement for adjusted EBIT	%	121	121	121	121
Company bonus	€ '000	1,313	787	787	666
Individual performance factor		1.2	1.2	1.2	1.2
Individual bonus	€ '000	1,575	944	944	799

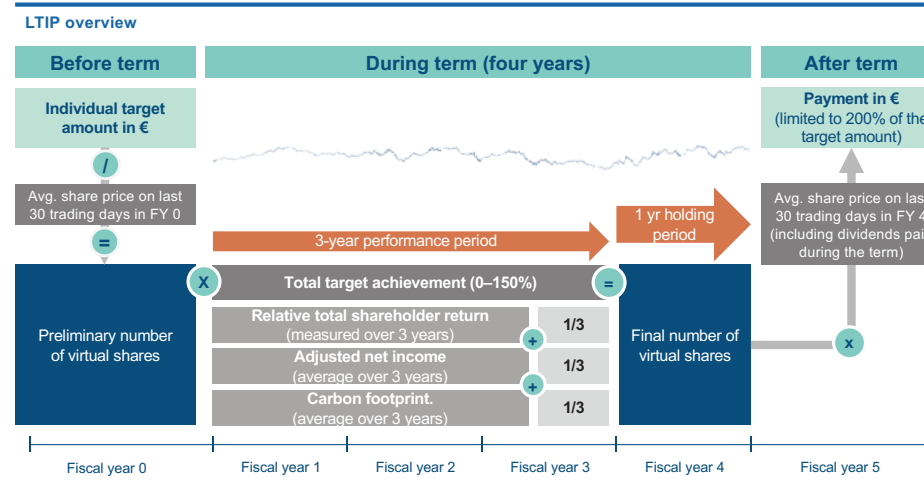
### B.6.2 Share-based payment Long-Term Incentive Programme

**Fundamentals and mechanism.** Share-based payment, the Long-Term Incentive Programme (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. One of RWE's strategic goals is to become carbon neutral by 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 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 in 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 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.

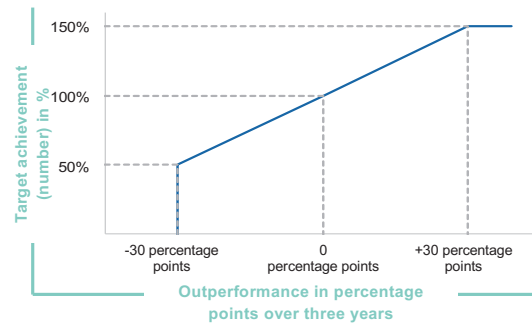
Performance relative to each target is measured as follows:



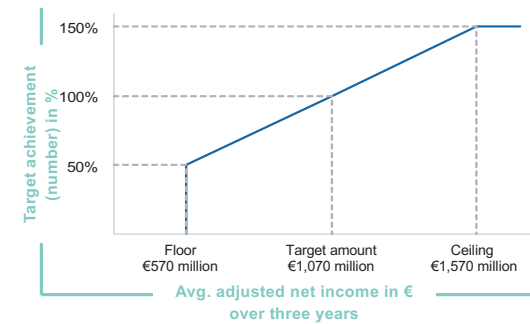
**Relative total shareholder return (TSR).** With a weighting of one-third, the TSR of RWE Aktiengesellschaft relative to companies included in the STOXX® Europe 600 Utilities determines the final number of virtual shares. The TSR reflects the development of the share price plus the gross dividends fictitiously 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 TSR of RWE Aktiengesellschaft and the TSR of the STOXX® Europe 600 Utilities. If the TSR of RWE Aktiengesellschaft matches that of the Index exactly (identical performance), the degree of target achievement is 100%. If the 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 payment curve**



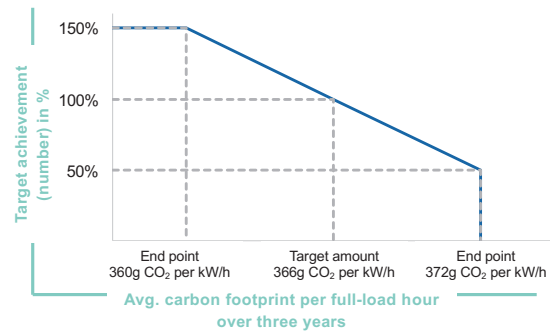
**Adjusted net income.** With a weighting of another one-third, the final number of virtual shares depends on average adjusted net income over three years, for which the Supervisory Board establishes a target figure derived from the medium-term plan as well as a floor and ceiling. Average adjusted net income is determined after the 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, which may take account of the effects of capital measures, acquisitions, disposals and changes in the regulatory environment, among other things. The actual figure which then becomes decisive 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 €1,070 million for the 2021 tranche was established as an average over three years by the Supervisory Board at its meeting on 11 December 2020. The floor set was 'target figure - €500 million' (€570 million), and the ceiling was 'target figure + €500 million' (€1,570 million).

**Carbon footprint.** The last one-third of the virtual shares is determined based on the 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 a planned acquisition or sale of generation assets, 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 roadmap. 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.

At its meeting on 11 December 2020, the Supervisory Board set the target figure for the 2021 tranche at 366 g CO<sub>2</sub> per kilowatt (0.366 mt/MW) per full-load hour as an average over three years. The end points were defined as 'target figure - 6 g CO<sub>2</sub> per kilowatt per full-load hour' and 'target figure + 6 g CO<sub>2</sub> per kilowatt per full-load hour.'

Carbon footprint payment curve



**Target achievement of the 2021 tranche.** Since the performance of the individual targets TSR, adjusted net income and carbon footprint is measured as an average over three years as set out earlier and the performance period of the 2021 tranche ends on conclusion of fiscal 2023, target achievement will be reported in the remuneration report for fiscal 2023.

### B.6.3 Share-based payment: 2016 – 2020 Strategic Performance Plan

The 2016 – 2020 SPP was used prior to fiscal 2021. Analogously to the new 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). Thus, the virtual shares were paid out in cash to the members of the Executive Board after a total of four years. The payout amount of the 2018 tranche was established at the close of the 2021 calendar year and was disbursed in early 2022. Payment for the 2019 and 2020 tranches has not yet occurred.

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 final grant of virtual shares occurs on the basis of the 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. Target achieve-

ments for the SPP's 2019 and 2020 tranches have already been determined by the Supervisory Board. Thus, the payout amount only depends on the performance of the RWE share. It corresponds to the number of finally established virtual shares multiplied by the sum from 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.

The table below indicates the tranches granted for share-based payment as of 31 December 2021, in respect of which no payout has occurred. Furthermore, the tables show the 2018 tranche of the SPP, in respect of which the payout amount was already known since the end of fiscal 2021 and was paid at the beginning of fiscal 2022.

**SPP and LTIP tranches in fiscal 2021 of active and retired Executive Board members at a glance**

Determination of the payment amount

		Fair value at grant € '000	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>2018 SPP tranche*</b> (1 Jan 2018 – 31 Dec 2021)	Dr. Rolf Martin Schmitz	1,250	1,250	18.80	66,489	123%	81,781	34.51	2.35	2,500
	Dr. Markus Krebber	1,100	1,100		58,511		71,969			2,200
<b>2019 SPP tranche*</b> (1 Jan 2019 – 31 Dec 2022)	Dr. Rolf Martin Schmitz	1,250	1,250	19.10	65,445	150%	98,168	Term ends on 31 Dec 2022		
	Dr. Markus Krebber	1,100	1,100		57,592		86,388			
<b>2020 SPP tranche*</b> (1 Jan 2020 – 31 Dec 2023)	Dr. Rolf Martin Schmitz	1,500	1,500	26.41	56,797	104%	59,069	Term ends on 31 Dec 2023		
	Dr. Markus Krebber	1,100	1,100		41,651		43,317			
	Dr. Michael Müller	167	167		6,311		6,563			
	Zvezdana Seeger	167	167		6,311		6,563			
<b>2021 LTIP tranche</b> (1 Jan 2021 – 31 Dec 2024)	Dr. Rolf Martin Schmitz	750	750	34.07	22,014	To be determined after 31 Dec 2023		Term ends on 31 Dec 2024		
	Dr. Markus Krebber	1,667	1,667		48,919					
	Dr. Michael Müller	1,000	1,000		29,351					
	Zvezdana Seeger	1,000	1,000		29,351					

\* Total target achievement of the SPP (2018, 2019, 2020 tranches) 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 tranche) is an average over three years and can only be determined after 31 December 2023.

## 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. These provisions have been included in the employment contracts of Dr. Markus Krebber, Dr. Michael Müller and Zvezdana Seeger. These new provisions were not introduced into the contract of Dr. Rolf Martin Schmitz as it was coming to end.

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 significant 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 gross base pay 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

compensation (bonus and LTIP) is invested to acquire enough shares until the SOG target is achieved. Executive Board members may acquire additional shares to help achieve the SOG target.

Status of the Share Ownership Guideline (SOG) – Executive Board members in office as of 31 Dec 2021			
Executive Board member	SOG target for annual gross base remuneration %	Investment of annual gross base remuneration to date %	Status
Dr. Markus Krebber (Chairman)	200	0	In accumulation phase
Dr. Michael Müller (ordinary member)	100	0	In accumulation phase
Zvezdana Seeger (ordinary member)	100	0	In accumulation phase

The SOG was no longer applied to Dr. Rolf Martin Schmitz.

## B.8 Further rules

### B.8.1 Remuneration for holding offices

In the past fiscal year, the members of the Executive Board of RWE Aktiengesellschaft received remuneration for exercising offices on supervisory boards of companies affiliated with the Group. This compensation fully counted towards the fixed remuneration of Dr. Markus Krebber, Dr. Michael Müller and Zvezdana Seeger and thus did not lead to higher overall remuneration. As regards Dr. Rolf Martin Schmitz, this compensation counted towards the bonus except for the remuneration he received for holding an office on the Supervisory Board of E.ON SE.

### B.8.2 Payments from third parties

Dr. Rolf Martin Schmitz was promised and granted compensation by E.ON SE for his work on the Executive Board in fiscal 2021 (see B.8.1 Remuneration for holding offices). He received €47,667 for holding an office on the Supervisory Board of E.ON SE. 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).

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. All remuneration components for the fiscal year in question are to be included in the calculation of the maximum remuneration. In reviewing compliance with the maximum remuneration for fiscal 2021, the 2021 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 2024. Accordingly, the amount of all remuneration components which were granted for fiscal 2021 can only be determined after the end of fiscal 2024. Regardless of this, based on the contractually agreed remuneration components and taking into consideration the maximum payout from the 2021 LTIP, it can already be ascertained at this juncture that the maximum remuneration established for fiscal 2021 will not be exceeded. The Remuneration Report for fiscal 2024 will provide information on the final review of compliance with the maximum remuneration for fiscal 2021.

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

The 16 December 2019 version of the German Corporate Governance Code 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. We follow this principle in all of the newly concluded employment contracts. In the event of a change of control, the Executive Board members Zvezdana Seeger and Dr. Michael Müller, who were appointed as of 1 November 2020, have neither special rights of termination nor claims to severance payments. The same has applied with regard to Dr. Markus Krebber since 1 May 2021. The change-of-control clause granted to Dr. Rolf Martin Schmitz when he became Chairman of the Executive Board in 2016 was not updated in his contract, which was coming to an end.

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

The following table presents the remuneration granted and due to the active members of the Executive Board in fiscal 2021 and 2020, 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 amount of bonus payments for 2021 and the 2018 SPP tranche are assigned to fiscal 2021, while the amount of bonus payments for 2020 and the 2017 SPP tranche are assigned to fiscal 2020.

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 which have been established for the respective fiscal year. Presentation in this manner allows for transparent, intelligible reporting, in which the 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 2021												Executive Board members who retired during the fiscal year			
	Dr. Markus Krebber				Dr. Michael Müller				Zvezdana Seeger				Dr. Rolf Martin Schmitz			
	2021		2020		2021		2020		2021		2020		2021		2020	
	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR
Base remuneration	1,100	21	800	19	650	34	108	38	650	35	108	38	387	11	1,160	22
Fringe benefits	25	0	45	1	31	2	5	2	19	1	3	1	7	0	21	0
Pension instalment	433	8	300	7	260	14	43	15	260	14	43	15	-	-	-	-
<b>Fixed remuneration</b>	<b>1,558</b>	<b>29</b>	<b>1,145</b>	<b>27</b>	<b>941</b>	<b>50</b>	<b>156</b>	<b>55</b>	<b>929</b>	<b>50</b>	<b>154</b>	<b>54</b>	<b>394</b>	<b>12</b>	<b>1,181</b>	<b>22</b>
Short-term performance-based remuneration	1,575	30	1,087	26	944	50	130	45	944	50	130	46	532	16	1,584	30
of which 2020 bonus	-	-	1,087	26	-	-	130	45	-	-	130	46	-	-	1,584	30
of which 2021 bonus	1,575	30	-	-	944	50	-	-	944	50	-	-	532	16	-	-
Share-based payment	2,200	41	1,975	47	-	-	-	-	-	-	-	-	2,500	73	2,500	47
of which 2017 SPP tranche	-	-	1,975	47	-	-	-	-	-	-	-	-	-	-	2,500	47
of which 2018 SPP tranche	2,200	41	-	-	-	-	-	-	-	-	-	-	2,500	73	-	-
<b>Variable remuneration</b>	<b>3,775</b>	<b>71</b>	<b>3,062</b>	<b>73</b>	<b>944</b>	<b>50</b>	<b>130</b>	<b>45</b>	<b>944</b>	<b>50</b>	<b>130</b>	<b>46</b>	<b>3,032</b>	<b>89</b>	<b>4,084</b>	<b>78</b>
<b>Total remuneration (TR)</b>	<b>5,333</b>	<b>100</b>	<b>4,207</b>	<b>100</b>	<b>1,885</b>	<b>100</b>	<b>286</b>	<b>100</b>	<b>1,873</b>	<b>100</b>	<b>284</b>	<b>100</b>	<b>3,426</b>	<b>100</b>	<b>5,265</b>	<b>100</b>
Pension cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	595	-
<b>Total remuneration including service cost</b>	<b>5,333</b>	-	<b>4,207</b>	-	<b>1,885</b>	-	<b>286</b>	-	<b>1,873</b>	-	<b>284</b>	-	<b>3,426</b>	-	<b>5,860</b>	-

A total of €462,000 in remuneration (base remuneration of €193,000, fringe benefits of €3,000 and a prorated bonus of €266,000) was paid from 1 May 2021 until the end of the employment contract of Dr. Rolf Martin Schmitz on 30 June 2021.

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 accordance with their respective pension commitments, pension payments were made to Dr. Rolf Martin Schmitz (€278,000), Alwin Fitting (€320,000) and Dr. Rolf Pohlig (€223,000) in fiscal 2021. 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. It complies with all of the recommendations and proposals of the 16 December 2019 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 Supervisory Board. 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 Chair 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.

All Supervisory Board members met their self-imposed obligation to purchase RWE shares in relation to their remuneration for 2020.

### 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 2021 and 2020 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 to 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 to Supervisory Board members in office during the fiscal year	Fixed remuneration				Remuneration for committee offices				Remuneration for offices at subsidiaries*				Total remuneration (TR)			
	2021		2020		2021		2020		2021		2020		2021		2020	
	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR
<b>Supervisory Board members in office as of 31 Dec 2021</b>																
Dr. Werner Brandt, Chairman (since Apr 2013, Chairman since Apr 2016)	300	71	300	100	120	29	-	-	-	-	-	-	420	100	300	100
Ralf Sikorski, Deputy Chairman (since Jul 2014, Deputy Chairman since Sep 2021)	128	47	100	53	94	35	40	21	50	18	50	26	272	100	190	100
Michael Bochinsky (since Aug 2018)	100	58	100	71	71	42	40	29	-	-	-	-	171	100	140	100
Sandra Bossemeyer (since Apr 2016)	100	71	100	83	40	29	20	17	-	-	-	-	140	100	120	100
Dr. Hans Bünting (since Apr 2021)	68	69	-	-	30	31	-	-	-	-	-	-	98	100	-	-
Matthias Dürbaum (since Sep 2019)	100	68	100	83	46	32	20	17	-	-	-	-	146	100	120	100
Ute Gerbaulet (since Apr 2017)	100	79	100	100	27	21	-	-	-	-	-	-	127	100	100	100
Prof. Dr. Ing. Dr. Ing. E.h. Hans-Peter Keitel (since Apr 2013)	100	56	100	83	80	44	20	17	-	-	-	-	180	100	120	100
Mag. Dr. h.c. Monika Kircher (since Oct 2016)	100	63	100	71	60	38	40	29	-	-	-	-	160	100	140	100
Thomas Kufen** (since Oct 2021)	21	100	-	-	-	-	-	-	-	-	-	-	21	100	-	-
Reiner van Limbeck (since Sep 2021)	30	64	-	-	11	23	-	-	6	13	-	-	47	100	-	-
Harald Louis (since Apr 2016)	100	58	100	71	51	30	20	14	20	12	20	14	171	100	140	100
Dagmar Paasch (since Sep 2021)	30	47	-	-	28	44	-	-	6	9	-	-	64	100	-	-
Dr. Erhard Schipporeit (since Apr 2016)	100	45	100	56	120	55	80	44	-	-	-	-	220	100	180	100
Dirk Schumacher (since Sep 2021)	30	73	-	-	11	27	-	-	-	-	-	-	41	100	-	-
Ullrich Sierau (since Apr 2011)	100	63	100	71	60	38	40	29	-	-	-	-	160	100	140	100
Hauke Stars (since Apr 2021)	68	72	-	-	27	28	-	-	-	-	-	-	95	100	-	-
Helle Valentin (since Apr 2021)	68	72	-	-	27	28	-	-	-	-	-	-	95	100	-	-
Dr. Andreas Wagner (since Sep 2021)	30	100	-	-	-	-	-	-	-	-	-	-	30	100	-	-
Marion Weckes (since Apr 2016)	100	70	100	71	43	30	40	29	-	-	-	-	143	100	140	100

Remuneration granted and due to Supervisory Board members in office during the fiscal year	Fixed remuneration				Remuneration for committee offices				Remuneration for offices at subsidiaries*				Total remuneration (TR)			
	2021		2020		2021		2020		2021		2020		2021		2020	
	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR	€ '000	% of TR
<b>Supervisory Board members who retired during the fiscal year</b>																
Martin Bröker (until Sep 2021)	71	100	100	100	-	-	-	-	-	-	-	-	71	100	100	100
Frank Bsirske (until Sep 2021)	141	71	200	100	57	29	-	-	-	-	-	-	198	100	200	100
Anja Dubbert (until Sep 2021)	71	72	100	83	28	28	20	17	-	-	-	-	99	100	120	100
Dagmar Mühlenfeld (until Apr 2021)	32	71	100	83	13	29	20	17	-	-	-	-	45	100	120	100
Peter Ottmann (until Apr 2021)	32	71	100	83	13	29	20	17	-	-	-	-	45	100	120	100
Günther Scharztz (until Sep 2021)	75	71	100	83	30	29	20	17	-	-	-	-	105	100	120	100
Dr. Wolfgang Schüssel (until Apr 2021)	32	55	100	83	26	45	20	17	-	-	-	-	58	100	120	100
Leonhard Zubrowski (until Sep 2021)	71	48	100	67	57	38	20	13	21	14	30	20	149	100	150	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.

\*\* Remuneration for offices at a subsidiary (RWE Power) in a dual role for 14 days = €767.12.

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

The following presentation 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 full-time 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 workforce of the RWE Group in Germany (excluding trainees and suspended employment relationships) is used as a basis for the presentation of average employee remuneration, as the majority of the workforce is employed in Germany.

<b>Comparative presentation of remuneration</b> (€ '000)	2021	yoy Δ in %	2020	yoy Δ in %	2019	yoy Δ in %	2018	yoy Δ in %	2017
<b>Executive Board members in office as of 31 Dec 2021</b>									
Dr. Markus Krebber (CEO)	5,333	27	4,207	53	2,750	40	1,964	5	1,871
Dr. Markus Krebber (CEO)	1,885	559	286		-		-		-
Zvezdana Seeger (Chief HR Officer/Labour Director)	1,873	560	284		-		-		-
<b>Executive Board members who retired during the fiscal year</b>									
Dr. Rolf Martin Schmitz	4,167	-29	5,860	16	5,057	63	3,102	10	2,819
<b>Former Executive Board members*</b>									
Uwe Tigges (until Apr 2017)			-		-		-	-100	555
Alwin Fitting (until Mar 2013)	320	0	320	1	317	1	315	-1	317
Dr. Rolf Pohlig (until Dec 2012)	223	0	223	-2	227	8	210	-1	212
<b>Supervisory Board members in office as of 31 Dec 2021</b>									
Dr. Werner Brandt, Chairman (since Apr 2013, Chairman since Apr 2016)	420	40	300	0	300	0	300	-50	600
Ralf Sikorski, Deputy Chairman (since Jul 2014, Deputy Chairman since Sep 2021)	272	43	190	0	190	0	190	0	190
Michael Bochinsky (since Aug 2018)	171	22	140	0	140	137	59	-	-
Sandra Bossemeyer (since Apr 2016)	140	17	120	0	120	0	120	0	120
Dr. Hans Bunting (since Apr 2021)	98	-	-	-	-	-	-	-	-
Matthias Dürbaum (since Sep 2019)	146	22	120	344	27	-	-	-	-
Ute Gerbaulet (since Apr 2017)	127	27	100	0	100	0	100	47	68
Prof. Dr. Ing. Dr. Ing. E.h. Hans-Peter Keitel (since Apr 2013)	180	50	120	0	120	0	120	0	120
Mag. Dr. h.c. Monika Kircher (since 10/2016)	160	14	140	8	130	30	100	0	100

<b>Comparative presentation of remuneration</b> (€ '000)	2021	yoy Δ in %	2020	yoy Δ in %	2019	yoy Δ in %	2018	yoy Δ in %	2017
Thomas Kufen (since Oct 2021)	21	-	-	-	-	-	-	-	-
Reiner van Limbeck (since Sep 2021)	47	-	-	-	-	-	-	-	-
Harald Louis (since Apr 2016)	171	22	140	0	140	0	140	-13	160
Dagmar Paasch (since Sep 2021)	64	-	-	-	-	-	-	-	-
Dr. Erhard Schipporeit (since Apr 2016)	220	22	180	-54	395	-18	480	167	180
Dirk Schumacher (since Sep 2021)	41	-	-	-	-	-	-	-	-
Ullrich Sierau (since Apr 2011)	160	14	140	0	140	0	140	0	140
Hauke Stars (since Apr 2021)	95	-	-	-	-	-	-	-	-
Helle Valentin (since Apr 2021)	95	-	-	-	-	-	-	-	-
Dr. Andreas Wagner (since Sep 2021)	30	-	-	-	-	-	-	-	-
Marion Weckes (since Apr 2016)	143	2	140	0	140	0	140	0	140
<b>Supervisory Board members who retired during the fiscal year</b>									
Martin Bröker (until Sep 2021)	71	-29	100	0	100	203	33	-	-
Frank Bsirske (until Sep 2021)	198	-1	200	-42	343	-14	400	0	400
Anja Dubbert (until Sep 2021)	99	-17	120	344	27	-	-	-	-
Dagmar Mühlendorf (until Apr 2021)	45	-63	120	0	120	0	120	0	120
Peter Ottmann (until Apr 2021)	45	-63	120	0	120	0	120	0	120
Günther Schartz (until Sep 2021)	105	-13	120	0	120	0	120	0	120
Dr. Wolfgang Schüssel (until Apr 2021)	58	-52	120	-4	125	-11	140	0	140
Leonhard Zubrowski (until Sep 2021)	149	-1	150	0	150	0	150	0	150

<b>Comparative presentation of remuneration</b> (€ '000)	2021	yoy Δ in %	2020	yoy Δ in %	2019	yoy Δ in %	2018	yoy Δ in %	2017
<b>Employees</b>									
Average remuneration of the RWE Group's total workforce in Germany in '000 based on full time equivalent	116	13	103	1	102	18	87	4	84
<b>Earnings trend**</b>									
Adjusted EBIT (€ million) (RWE Group as per IFRS)	2,185	23	1,771	40	1,267	105	619	-83	3,646
Adjusted net income (€ million) (RWE Group as per IFRS)	1,569	29	1,213	-	-	-	-	-	1,232
Net profit (€ million) (RWE Aktiengesellschaft as per the German Commercial Code)	1,108	191	580	13	514	9	472	-67	1,412

\* No payments have been made to former Executive Board members Peter Terium, Bernhard Günther, Leonhard Birnbaum or Jürgen Grossmann in the last five years.

\*\* Adjusted net income was not reported for fiscal 2018 or 2019. Moreover, comparability of figures from various fiscal years is curtailed in some cases as a result of adjustments to reporting.



Essen, 9 March 2022

RWE Aktiengesellschaft

On behalf of the Supervisory Board

Dr. Werner Brandt

On behalf of the Executive Board

Dr. Markus Krebber

Dr. Michael Müller

Zvezdana Seeger

## Auditor's Report

To RWE Aktiengesellschaft, Essen

We have audited the remuneration report of RWE Aktiengesellschaft, Essen, for the financial year from January 1, 2021 to December 31, 2021 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: 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, 2021 to December 31, 2021, 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, March 9, 2021

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Markus Dittmann  
Wirtschaftsprüfer  
(German Public Auditor)

Aissata Touré  
Wirtschaftsprüferin  
(German Public Auditor)