

RWE

**Goals regarding the composition
of the Supervisory Board and
skills matrix**

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Staffing a company's responsible corporate bodies appropriately is a key element of good corporate governance. Therefore, the Supervisory Board published specific goals with respect to its composition and established a skills matrix, which was adopted for the first time at the meeting of the Supervisory Board held on 12 December 2011. Since then, the Supervisory Board has constantly refined the skills matrix in line with the recommendations of the German Corporate Governance Code (GCGC) and adapted it most recently per a resolution passed on 9 December 2022.

When proposing candidates to the Annual General Meeting, the Supervisory Board considers the goals it has set for itself with regard to the composition of the Supervisory Board, while seeking to adhere to the skills matrix in terms of the Board as a whole. It discloses the implementation status by way of a qualification matrix in the Corporate Governance Declaration pursuant to Section 289f of the German Commercial Code.

Skills matrix

The guideline for filling positions on the Supervisory Board is ensuring its qualified monitoring and advice. The knowledge, expertise, and professional experience required for the Supervisory Board to perform successfully must be possessed by the members of the Supervisory Board as a collective, in line with its collegial nature.

With regard to the composition of the Supervisory Board as a whole, in addition to the various, mutually supplementary professional profiles, the following fields of expertise are deemed material, with at least one Supervisory Board member serving as a competent contact for each of them:

Field of expertise	Requires knowledge and experience in the area of
Energy sector	green electricity generation
	conventional electricity generation
	energy trading
Strategy	developing, evaluating and implementing company strategies
	M&A experience
Sustainability	sustainable corporate governance, in particular with respect to the ESG focal points established for RWE:
	• Environmental: climate change, innovation, biodiversity & recultivation, circular economy
	• Social: social responsibility, diversity, equality & inclusion, occupational health & safety
	• Governance & economics: sustainable financing, compliance & ethics
	sustainability reporting currently in accordance with Sections 289c and 315c of the German Commercial Code and in the future in accordance with the CSRD translated into national law
New technologies	new technologies, e.g. Power-to-X, hydrogen and other alternative energy sources
Digitisation	digital transformation
	cyber security
Leadership experience	running a (global) innovative industrial group
	running a global business unit
	running a large organisation (e.g. a labour union)
International experience	Years-long managerial or operational experience in companies with activities focussing on growth markets of importance to RWE

Accounting/Financial statement audits

auditing accounts and financial statements, applying accounting principles and internal control and risk-management systems including handling compliance incidents, experience with compliance-management systems and reporting including sustainability reporting

Financial expert in accounting: special knowledge and experience in applying accounting principles and internal control and risk-management systems including handling compliance incidents, experience with compliance management systems and reporting including sustainability reporting, all acquired through their own work in this field

Financial expert in financial statement audits: special knowledge and experience in auditing financial statements including auditing sustainability reports, all acquired through their own work in this field (not necessarily as a trained certified public accountant)

HR expertise

co-determination

Experience in special areas (e.g. talent management, leadership development, succession planning, (executive board) remuneration, employment conditions, restructuring, personnel development, labour conditions, labour relations, management models)

Familiarity with the public sector

Public sector competency, particularly at the political level (insofar as relevant to the energy sector):

- at the municipal level
- at the state level
- at the federal level
- at the EU level (in relation to other countries of special importance to the development of RWE's business)

Further main objectives regarding the composition of the Supervisory Board

Diversity

The basic goal in relation to the Supervisory Board's composition is to pay due regard to diversity above all in terms of the expertise and opinions of the Supervisory Board members, their professional and life experiences, internationalism, and appropriate gender representation. Sufficient diversity of these aspects on the Supervisory Board is a criterion for proposing candidates. We aim to maintain a female quota of at least 30% on the Supervisory Board. This target parameter complies with the statutory regulations of the German law on equal opportunities for women and men to fill executive positions in the private and public sectors.

Personality and integrity

Every Supervisory Board member should stand out by virtue of their

- integrity and ethical actions,
- personality and social skills,
- dedication, and
- receptiveness to innovative thinking and new ideas.

Time resources

Furthermore, every Supervisory Board member must see to it that they have enough time to exercise their Supervisory Board office with the required level of dedication and care. When taking new offices, the Supervisory Board members shall ensure that they comply with the legal cap on offices and the recommendations of the GCGC in order to prevent overboarding.

Independence

To ensure independent monitoring and advice of the Executive Board, the shareholder representatives on the Supervisory Board shall include an appropriate number of independent members. The shareholder representatives on the Supervisory Board believe this requirement is met if at least six of the shareholder representatives on the Supervisory Board are independent members. The Supervisory Board assesses independence based on GCGC criteria while taking particular account of whether the Supervisory Board member themselves or a close relative of theirs

- was a member of the company's Executive Board in the two years leading to their appointment,
- currently has material business relations with the company or a company dependent on it (e.g. as customer, supplier, lender or consultant) directly or as a shareholder or in a responsible role of a non-Group company or had such relations in the year leading to their appointment,
- is a close relative of an Executive Board member or
- has been on the Supervisory Board for more than 12 years.

Moreover, the Supervisory Board may not include more than two former Executive Board members. Individuals who sit on a corporate body or act as advisor to a major competitor of RWE may not sit on the Supervisory Board of RWE.

Tenure and age limit

As a rule, the tenure of a Supervisory Board member should not exceed a period of 12 years. The Supervisory Board will consider this tenure when proposing candidates to the Annual General Meeting. Candidates who exceed the standard tenure may be nominated if necessary to enable the Supervisory Board of RWE to draw on experience when performing its work and achieve other goals regarding its composition. This objective does not have any legal consequences for the eligibility of the employee representatives.

The Supervisory Board shall take account of an age limit of 72 years in its succession planning.

Selecting Supervisory Board members

The desired expertise that is missing or should be expanded on the Supervisory Board should be identified before restaffing a position. Candidates possessing this expertise should be identified.

While meeting these requirements, candidates for appointment as shareholder representatives on the Supervisory Board are selected by a vote taken on the Nomination Committee that is submitted to the Supervisory Board, which presents corresponding proposals to the Annual General Meeting. Only shareholder representatives are eligible to vote. Statutory co-determination requirements shall also be met by the relevant proposing and election bodies when selecting employee representatives on the Supervisory Board.

These requirements are also met accordingly when submitting proposals to a court in cases where Supervisory Board members are appointed by a court.

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