



# REMUNERATION REPORT

REMUNERATION REPORT OF DEUTZ AG PURSUANT TO SECTION 162 AKTG

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The remuneration report provides details of the remuneration granted and owed to former and current members of the Board of Management and Supervisory Board of DEUTZ AG in 2022. It meets the requirements of section 162 of the German Stock Corporation Act (AktG).

## I. REVIEW OF 2022 FROM A REMUNERATION PERSPECTIVE

In accordance with the provisions of the AktG, the remuneration report for 2021 prepared jointly by the Board of Management and Supervisory Board was presented for approval at the Annual General Meeting of DEUTZ AG on April 28, 2022, at which it was approved with 83.07 percent of the votes. The resolution did not result in any need to amend the 2021 remuneration report.

There were changes to the membership of the Board of Management in 2022. Dr. Ing. Frank Hiller left the Board of Management on February 13, 2022. Dr. Sebastian C. Schulte took over as Chairman of the Board of Management on February 13, 2022. Mr. Michael Wellenzohn left the Board of Management on September 6, 2022. Dr. Ing Petra Mayer and Mr. Timo Krutoff were appointed as new members of the Board of Management. Dr. Ing. Mayer has been responsible for production and purchasing since November 1, 2022. Mr. Krutoff took charge of finance, human resources, and information services and assumed the role of Labor Director on December 1, 2022. The Board of Management therefore has four members. All of the current Board of Management members are paid in accordance with the 2021 remuneration system.

There were also changes to the membership of the Supervisory Board in 2022. The Supervisory Board elected Dr. Dietmar Voggenreiter as its new chairman with effect from February 12, 2022 following the resignation of the previous chairman, Dr. Ing. Bernd Bohr, who remains an ordinary member of the Supervisory Board.

The remuneration report was jointly prepared by the Board of Management and Supervisory Board and was audited in form and content by the auditor. [See 'Auditor's report', p. 91.](#)

## II. REMUNERATION FOR BOARD OF MANAGEMENT MEMBERS

### A. GENERAL PRINCIPLES OF THE REMUNERATION SYSTEM

The Supervisory Board of DEUTZ AG revised the remuneration system for the members of the Board of Management in line with the German Act Implementing the Second Shareholder Rights' Directive (ARUG II) in 2021. The Annual General Meeting approved the revised system on April 29, 2021. The revised system incorporates the statutory requirements and the recommendations in the version of the German Corporate Governance Code (DCGK) dated April 28, 2022. It comprises non-performance-related and performance-related remuneration components and supports DEUTZ AG's long-term, sustainable development. The new remuneration system for the members of the Board of Management has applied since 2021.

The aim of the remuneration system is to support the achievement of DEUTZ's strategic objectives and ensure that the members of the Board of Management are paid appropriately. In line with the corporate strategy, the remuneration system incentivizes the Board of Management members to achieve profitable growth and sustainable value creation. Long-term variable remuneration is higher than short-term variable remuneration in order to underscore the particular importance of DEUTZ AG's long-term development. To this end, it includes a share-based element.

The Supervisory Board of DEUTZ AG is responsible for the remuneration system and for setting the remuneration of the individual members of the Board of Management. It is supported by the Human Resources Committee, which prepares recommendations on the Board of Management remuneration system and carries out the preparatory work for the decisions of the Supervisory Board and for the review of the appropriateness of the level of remuneration.

## B. REMUNERATION SYSTEM IN 2022

In 2022, the remuneration of the members of DEUTZ's Board of Management consisted of non-performance-related and performance-related remuneration components. The individual components of the remuneration system in 2022 are summarized in the following table:

Remuneration components	Support for long-term development	Structure in 2022
<b>Non-performance-related remuneration</b>		
Basic remuneration	Forms the basis for attracting and retaining highly qualified Board of Management members who develop and implement the strategy	▪ Fixed remuneration paid in monthly installments
Additional benefits		▪ Company car and insurance policies
Retirement pension		▪ Annual contribution to a benevolent fund
<b>Performance-related remuneration</b>		
Short-term variable remuneration (bonus/STI)	Rewards the degree to which the corporate strategy has been operationalized, including how forward-looking sustainability targets have been implemented during a year	<ul style="list-style-type: none"> <li>▪ Plan type: target bonus</li> <li>▪ Performance criteria:                             <ul style="list-style-type: none"> <li>– 30% revenue</li> <li>– 30% EBIT</li> <li>– 25% strategy target</li> <li>– 15% sustainability target</li> </ul> </li> <li>▪ Payment cap: 150% of target amount</li> <li>▪ Term: one year</li> </ul>
Long-term variable remuneration (LTI)	Incentivizes Board of Management members to contribute to the sustainable growth of DEUTZ AG and increase its value over the long term; brings the interests of investors and Board of Management members into line	<ul style="list-style-type: none"> <li>▪ Plan type: virtual performance share plan</li> <li>▪ Performance criteria:                             <ul style="list-style-type: none"> <li>– 50% relative total shareholder return (TSR) compared with DAXsubsector All Industrial Machinery</li> <li>– 50% return on capital employed (ROCE)</li> </ul> </li> <li>▪ Payment cap: 180% of target amount</li> <li>▪ Term: four years</li> </ul>
<b>Miscellaneous</b>		
Malus/clawback	Safeguards responsible corporate governance for the benefit of DEUTZ AG	▪ Option to reduce or claw back some or all of the variable remuneration in the event of a serious compliance violation
Special remuneration	Rewards special achievements in connection with exceptional (structural) events that were not factored into the strategic planning or that have a particularly strong impact on the Group	<ul style="list-style-type: none"> <li>▪ Option to grant special remuneration</li> <li>▪ Limited to half of the annual basic remuneration and also limited by the maximum amount of remuneration</li> </ul>
Maximum amount of remuneration	Limits remuneration to an amount that is high enough to motivate the members of the Board of Management but is not inappropriately high	<ul style="list-style-type: none"> <li>▪ Limit on the total remuneration granted for a year in accordance with section 87a (1) sentence 2 no. 1 AktG:                             <ul style="list-style-type: none"> <li>– Chairman of the Board of Management: €2,800,000</li> <li>– Ordinary members of the Board of Management: €1,900,000 each</li> </ul> </li> </ul>
Cap on severance pay	Avoids excessive severance payments that are not in the interests of DEUTZ AG	▪ Severance payments are limited to twice the amount of annual remuneration and may not exceed the remuneration due for the remaining term of the contract

## B.1. NON-PERFORMANCE-RELATED REMUNERATION

Non-performance-related remuneration is granted to the Board of Management members irrespective of their specific performance in relation to their targets and irrespective of the Company's performance. This remuneration comprises basic remuneration, additional benefits, and a retirement pension. The components of non-performance-related remuneration form the basis for attracting and retaining highly qualified Board of Management members who develop and implement the corporate strategy.

**Basic remuneration** The basic remuneration is a fixed amount that is granted irrespective of the actual performance of DEUTZ AG.

**Additional benefits** Each Board of Management member receives additional benefits in the form of non-monetary remuneration and other benefits. In 2022, the additional benefits for the members of the Board of Management comprised the provision of a company car that can also be used privately, the option of a driver for the car, and payment of insurance premiums for accident and D&O insurance policies.

**Retirement pension** The retirement pension for Board of Management members is structured as a defined contribution plan. For the Board of Management members, DEUTZ AG paid an amount into a reinsured benevolent fund in 2022 (pension expense). The amount for Mr. Krutoff's pension will be paid into the benevolent fund for the first time in 2023. When they retire, the Board of Management members are entitled to the capital promised to them; this payment is made by the benevolent fund.

Aspect	Details
Pension plan type	Defined contribution pension plan
Start of retirement	Standard retirement age is 65; earliest possible retirement age is 62 (provided that the statutory pension is also drawn)
Return	The return depends on the policyholder dividend arrangements of the insurer. There is no guaranteed return, i.e. there is no return over and above what is agreed in the policyholder dividend arrangements.
Payment options	An amount of capital is promised. In agreement with the Board of Management member, DEUTZ AG can agree a life-long annuity instead of a lump sum. This annuity is paid by the benevolent fund once there has been a pension trigger event.
Invalidity/death	Death before the start of retirement: the policy value is paid out. Benefits may also be paid in the form of a share of the valuation reserves. Death after the start of retirement (applies only if a life-long annuity has been arranged): payment of ten times the annual annuity guaranteed from the start of retirement. Guaranteed annuities that have already been paid are deducted from this amount.

**Pension expense for Board of Management members** The pension expenses in 2022 are shown in the following table:

	Pension expense in 2022 (€ thousand)
Dr. Sebastian C. Schulte (Chairman of the Board of Management since February 13, 2022; ordinary member of the Board of Management from January 1, 2021 to February 12, 2022)	135
Dr. Ing. Petra Mayer (since November 1, 2022)	50
Dr. Ing. Markus Müller	50
Dr. Ing. Frank Hiller (until February 13, 2022)	150
Michael Wellenzohn (until September 6, 2022)	80

## B.2. PERFORMANCE-RELATED REMUNERATION

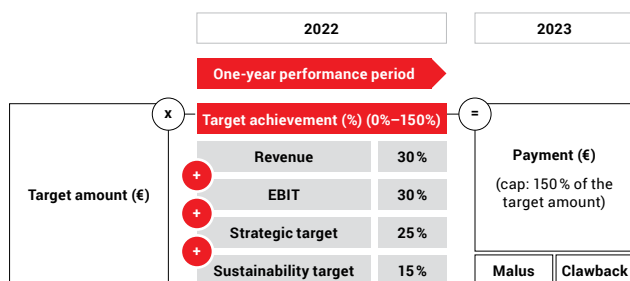
The following chapters describe the structure of the remuneration granted or owed in 2022. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full (i.e. the performance period has ended and the performance criteria have been met). Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

The structure of the LTI promised in 2022 (2022–2025) is also described. Remuneration promised is the remuneration that is promised to the Board of Management members for 2022, irrespective of the timing of payment (target remuneration).

### 2.1 SHORT-TERM VARIABLE REMUNERATION – BONUS (SHORT TERM INCENTIVE, STI)

The bonus contributes to the Company's long-term development by specifying how the corporate strategy is to be implemented operationally during a year and rewarding its implementation. Success is assessed on the basis of financial, strategic, and sustainability performance criteria. The financial targets revenue and EBIT underpin DEUTZ AG's growth strategy and its regional growth initiatives because together they incentivize the Board of Management members to contribute to profitable growth. The strategy target is based on the achievement of specific strategic initiatives, such as implementation of the E-DEUTZ strategy. The sustainability target reflects DEUTZ AG's social and environmental responsibility and is derived from the groupwide Taking Responsibility sustainability strategy, which forms part of the overall strategy.

## Short-term variable remuneration – bonus (STI)



The target amount is the starting point for the STI. The target amount is multiplied by the total target achievement rate to obtain the amount payable. Total target achievement for the STI is the weighted sum of the rates of target achievement for the four performance criteria revenue, EBIT, strategy target, and sustainability target. For 2022, the Supervisory Board specified a strategy target from the alternative drives category and a sustainability target from the supply chain and diversity categories.

The target values for the performance criteria are set by the Supervisory Board, and target achievement in respect of these values is determined by the Supervisory Board after the end of the performance period. If performance is below a threshold, target achievement for the relevant share of the STI is 0 percent. This may result in no STI being paid at all. Target achievement is limited to a maximum of 150 percent. Linear interpolation is applied between the aforementioned rates of target achievement.

**Revenue** Revenue is defined as the consolidated revenue calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. Revenue has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2022, and the resulting rate of target achievement for the revenue performance criterion are shown in the following table:

## STI 2022

	Revenue	Target achievement
Minimum threshold	€1,592 million	50 %
Target value	€1,792 million	100 %
Cap	€1,992 million	150 %
Actual value	€1,953.4 million	140.4 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 150 percent.

**EBIT** EBIT is defined as the consolidated earnings before interest and tax (EBIT) less income generated or expenses incurred that are outside the scope of the Company's ordinary business activities and are unlikely to recur (EBIT before exceptional items). It is calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. EBIT has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2022, and the resulting rate of target achievement for the EBIT performance criterion are shown in the following table:

## STI 2022

	EBIT	Target achievement
Minimum threshold	€42 million	50 %
Target value	€82 million	100 %
Cap	€122 million	150 %
Actual value	€89.4 million	109.3 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 150 percent.

**Strategy target and sustainability target** The strategy target for 2022 was selected from the alternative drives category and given a weighting of 25 percent. The sustainability target for 2022 was selected from the supply chain and diversity categories and given a weighting of 15 percent.

Ten individual targets were set for the strategy target and ten for the sustainability target. Examples of these individual targets, which are grouped into clusters, are shown in the following table:

**Strategy targets for 2022 in the alternative drives category, derived from the growth and internationalization strategy:**

Target cluster	Examples of individual targets
Hydrogen	Expand the hydrogen-capable test rigs; continue to develop a hydrogen engine; decide on the suppliers of the main and functional components for a hydrogen engine
E-DEUTZ	Complete customer applications; secure a customer order; refine the modular E-DEUTZ toolbox (DMBK)

**Sustainability targets for 2022 in the supply chain and diversity categories, derived from the sustainability strategy:**

Target cluster	Examples of individual targets
Supply chain	Develop a plan to establish logistics suppliers in accordance with sustainability criteria; assess suppliers using sustainability criteria
Diversity	Increase the proportion of women at upper management levels; take steps to strengthen diversity at DEUTZ

Target achievement for the strategy target and sustainability target is measured by the number of individual targets that were reached in the relevant category in 2022. The correlation between the number of targets reached and target achievement is shown in the following table along with the actual rate of target achievement in 2022:

**STI 2022**

	Number of individual targets reached in the categories for the strategy target and sustainability target	Target achievement
Minimum threshold	3	50%
Target value	5	100%
Cap	7	150%
Actual value: <b>strategy target</b>	8	150%
Actual value: <b>sustainability target</b>	10	150%

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the recommendation in G.11 DCGK, the Supervisory Board also has the option, in exceptional cases and where it is justifiable to do so, of taking extraordinary developments appropriately into account in the STI if such developments were not explicitly factored into the strategic planning and defined individual targets. As was also the case in 2021, the Supervisory Board did not exercise this option in 2022.

**Determination of the STI** The determined target achievement rates are multiplied by the relevant weightings for the performance criteria and then added up to give the total target achievement. This is multiplied by the target amount to obtain the amount payable, which is limited to 150 percent of the target amount.

The following table summarizes the target amount, total target achievement, and the resulting amount payable under the STI 2022 for each member of the Board of Management:

**STI 2022**

	Dr. Sebastian C. Schulte	Timo Krutoff	Dr. Ing. Petra Mayer	Dr. Ing. Markus Müller	Dr. Ing. Frank Hiller <sup>1</sup>	Michael Wellenzohn <sup>2</sup>
Target amount	€459 thousand	€25 thousand	€50 thousand	€300 thousand	€143 thousand	€200 thousand
Total target achievement	134.9%	134.9%	134.9%	134.9%	134.9%	134.9%
Amount payable	€618 thousand	€34 thousand	€67 thousand	€405 thousand	€192 thousand	€270 thousand

<sup>1</sup> Dr. Ing. Hiller stepped down from the Board of Management with effect from February 13, 2022; his Board of Management contract ended on April 30, 2022. In the reporting period, his remuneration was reduced pro rata to reflect the period up to the end of this contract.

<sup>2</sup> Mr. Wellenzohn stepped down from the Board of Management on September 6, 2022; his Board of Management contract remains in force beyond the end of the reporting period. In the reporting period, his remuneration was reduced pro rata to reflect his departure from the Board of Management.

## 2.2 LONG-TERM VARIABLE REMUNERATION (LONG-TERM INCENTIVE, LTI)

Long-term variable remuneration contributes to the Company's long-term development by rewarding implementation of the corporate strategy, its focus on sustainability, and the long-term increase in the value of DEUTZ AG on the basis of the original remuneration system that applied until 2020 and the new remuneration system that has applied to the Board of Management since 2021. Success is assessed using financial and share-based performance criteria derived from DEUTZ AG's strategy.

### 2.2.1 2021 – 2022 DEFERRAL (2020 BONUS) – GRANTED IN 2022

Of the bonus promised in the past, only 60 percent was paid following the determination of target achievement, while 20 percent was deferred for one year and another 20 percent for two years. These deferred amounts were then paid, provided that further performance targets (medium-term targets) were achieved. Consequently, the deferred portion of the 2020 bonus (deferred for two years) was granted in 2022.

The amounts payable under the 2020 bonus were determined on the basis of the total target achievement rate for the performance criteria. If total target achievement was below 75 percent, there was no entitlement to a bonus. If total target achievement was 75 percent (minimum threshold), the bonus was 50 percent. If total target achievement was 100 percent, the bonus was measured at 100 percent. And if total target achievement was 150 percent or higher (cap), the bonus was 150 percent. The bonus was interpolated on a linear basis between the minimum threshold and 100 percent target achievement and between 100 percent target achievement and the cap.

For the total target achievement rate for the bonus in 2020, the EBIT margin before exceptional items (40 percent), average working capital (20 percent), revenue (20 percent), and strategic objectives (30 percent) were the relevant performance criteria. In 2020, the target values were 2.5 percent for the EBIT margin before exceptional items, 20.6 percent for average working capital, and approximately €1.6 billion for revenue. The strategic objectives for 2020 related to E-DEUTZ, the China strategy, and external alliances with other companies; they consisted of three targets in each of these areas. Target achievement for 2020 was 0 percent for the EBIT margin before exceptional items, 0 percent for average working capital, 0 percent for revenue, and 139.0 percent for the strategic objectives. This gives total target achievement of

41.7 percent for 2020. As total target achievement was below the minimum threshold, there was no entitlement to a bonus for 2020. Consequently, no bonus amounts were deferred from 2020 and no deferral amounts were granted or owed in 2022.

### 2.2.2 LTI (LTI 2019 – 2022)

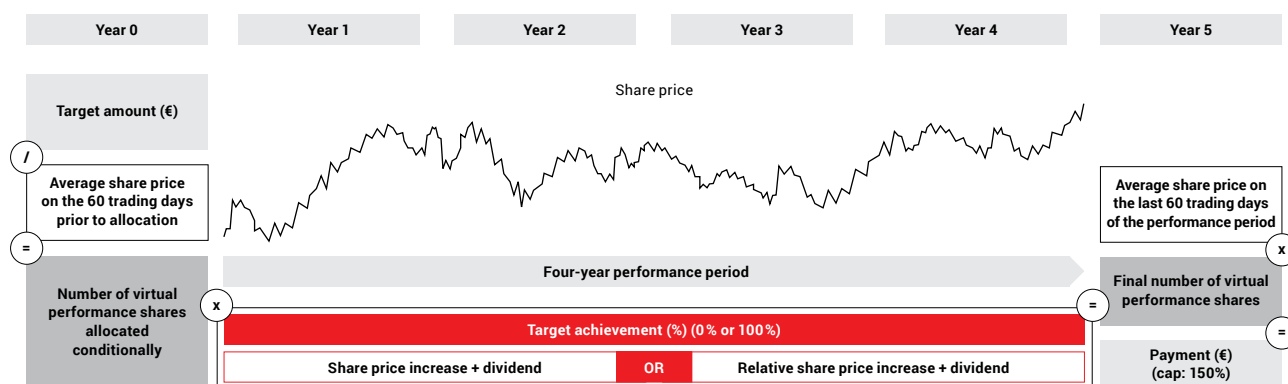
In 2022, the Board of Management members were granted remuneration in connection with the LTI promised in 2019. The LTI promised in 2019 was promised in the form of virtual performance shares. The target amount is the starting point for the allocation.

At the start of the four-year term, the target amount was divided by the average DEUTZ AG share price (arithmetic mean of the XETRA closing price during the last 60 trading days prior to the start of the performance period) in order to determine a number of virtual shares that are promised conditionally (**virtual performance shares, VPSs**). The start of the term was January 1, 2019 for Dr. Ing. Hiller and Mr. Wellenzohn. For Dr. Strecker, it was March 1, 2019. The target amount for Dr. Strecker was allocated in installments for the period from March 1, 2019 to December 31, 2019 because the allocation was brought in line with the financial year from 2020 onward. The average DEUTZ AG share price to be used was €6.33 for Dr. Ing. Hiller and Mr. Wellenzohn. For Dr. Strecker, it was €5.95. The number of VPSs promised to the Board of Management members for 2019 is shown in the following table:

**Number of virtual shares promised conditionally to each Board of Management member in 2019**

Board of Management member	Number of virtual shares promised conditionally in 2019
Dr. Ing. Frank Hiller (until February 2022)	31,615
Dr. Andreas Strecker (until February 2021)	21,009
Michael Wellenzohn (until September 2022)	26,083

### Long-term Incentive (2019 – 2022)





Entitlement to payment after expiry of the four-year performance period depends on whether one of the two performance criteria – share price increase or relative share price increase – has been met.

The LTI payment is limited to 150 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

**Share price increase** To calculate the increase in the share price during the performance period, the price of DEUTZ shares on the stock exchange (average closing price of DEUTZ AG shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period) is compared with the reference price (average closing price of DEUTZ AG shares in Xetra on the Frankfurt Stock Exchange during the 60 trading days prior to the allocation date). In this calculation of the share price increase, any gross dividends distributed up to the end of the vesting period are added to the market value of the DEUTZ shares.

The target value resulting in 100 percent target achievement and the actual value achieved in 2022 for the share price increase performance criterion are as follows:

#### LTI grant in 2022

	Share price increase in the period 2019 to 2022	Target achievement
Minimum threshold	< 30 %	0 %
Target value	>= 30 %	100 %
Actual value in 2022	-32.3 %	0 %

**Relative share price increase** To calculate the relative increase in the share price, the increase in the DEUTZ share price (see 'Share price increase performance criterion') is compared with share price performance on the MDAX.

The target value resulting in 100 percent target achievement and the actual value achieved in 2022 for the relative share price increase performance criterion are as follows:

#### LTI grant in 2022

	Difference between the increase in the DEUTZ share price and share price performance on the MDAX in the period 2019 to 2022	Target achievement
Minimum threshold	< 10 percentage points	0 %
Target value	>= 10 percentage points	100 %
Actual value in 2022	-37.2 %	0 %

Ex post changes to the performance criteria and target values for the performance criteria are not permitted.

**Determination of the LTI** After the end of the performance period, it is determined whether entitlement to payment arose during the performance period. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs in the event of entitlement to payment is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 150 percent of the target amount.

The following table summarizes various items of information, including the target amount, total target achievement, and the resulting amount payable for the LTI 2019 – 2022 for each member of the Board of Management to whom the LTI 2019 – 2022 was granted:

#### LTI 2019 – 2022<sup>1</sup>

	Dr. Ing. Frank Hiller	Michael Wellenzohn
Target amount	€200 thousand	€165 thousand
Allocation price	€6.33	€6.33
Number of VPSs	31,615	26,083
Total target achievement	0%	0%
Final number of virtual shares	0	0
Closing price (including dividend)	€4.28	€4.28
Amount payable	€0 thousand	€0 thousand

<sup>1</sup> For Dr. Andreas Strecker, the term of the LTI 2019 – 2022 began on March 1, 2019 and ends on February 28, 2023. Consequently, it will not be possible to disclose target achievement and the amount payable until the 2023 remuneration report.

As the LTI 2018 – 2021 for Dr. Strecker also ended in 2022, the parameters for the LTI 2018 – 2021 that are relevant to the grant to Dr. Strecker are set out below. The underlying logic for the LTI, as described in this chapter 2.2.2, also applies to the LTI 2018 – 2021 with regard to all parameters (i. e. plan type, performance period, performance criteria, and determination of amount

payable). Furthermore, the target values for the performance criteria of the LTI 2018 – 2021 are the same as the target values described in this chapter for the LTI 2019 – 2022. Between March 1, 2018 and February 28, 2022, the increase in the DEUTZ share price was minus 14.9 percent and the difference between the increase in the DEUTZ share price and share price performance on the MDAX (relative share price performance) was minus 43.3 percent. Dr. Strecker's target achievement for the LTI 2018 – 2021 was therefore 0 percent.

### LTI 2018 – 2021

Dr. Andreas Strecker	
Target amount	€150 thousand
Allocation price	€7.58
Number of VPSs	19,789
Total target achievement	0%
Final number of virtual shares	0
Closing price (including dividend)	€6.45
Amount payable	€0 thousand

### 2.2.3 LTI (ALLOCATION IN 2022)

The LTI promised in 2022 is promised in the form of annual tranches of VPSs. The target amount is the starting point for the promised LTI and totals between 63 percent and 69 percent of the Board of Management members' basic remuneration.

At the start of the four-year term, the target amount is divided by the average DEUTZ AG share price (arithmetic mean of the XETRA closing price during the last 60 trading days prior to the start of the performance period) in order to determine a number of VPSs

that are promised conditionally. For 2022, the average DEUTZ AG share price was €6.80. The number of VPSs promised to the Board of Management members for 2022 is shown in the following table:

Board of Management member	Promised LTI amount (target amount)	Number of virtual shares allocated conditionally in 2022
Dr. Sebastian C. Schulte (Chairman of the Board of Management since February 13, 2022; ordinary member of the Board of Management from January 1, 2021 to February 12, 2022)	€561 thousand	82,618
Timo Krutoff (since December 1, 2022)	€31 thousand	4,537
Dr. Ing. Petra Mayer (since November 1, 2022)	€62 thousand	9,075
Dr. Ing. Markus Müller	€370 thousand	54,448
Dr. Ing. Frank Hiller (until February 13, 2022) <sup>1</sup>	€174 thousand	25,605
Michael Wellenzohn (until September 6, 2022) <sup>2</sup>	€243 thousand	35,808

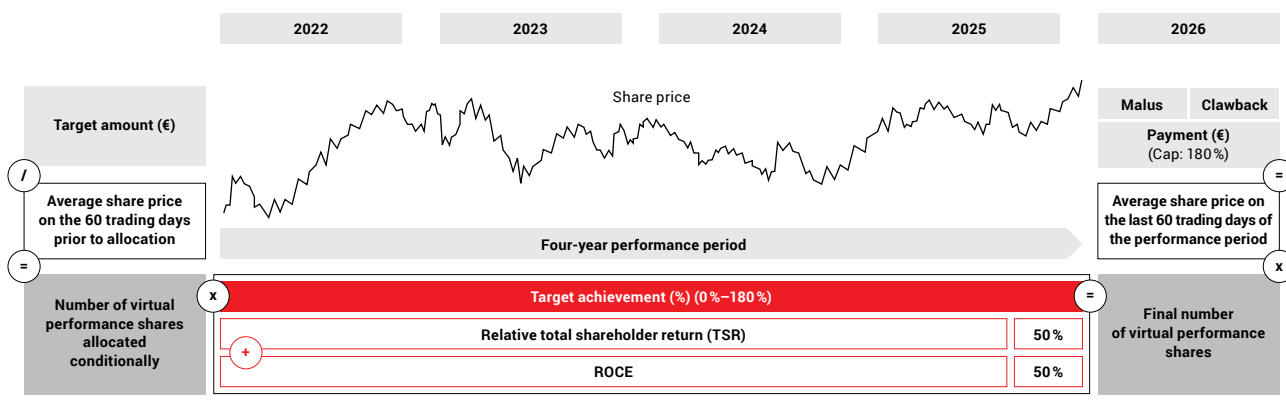
<sup>1</sup> Dr. Ing. Hiller stepped down from the Board of Management with effect from February 13, 2022; his Board of Management contract ended on April 30, 2022. In the reporting period, his remuneration was reduced pro rata to reflect the period up to the end of this contract.

<sup>2</sup> Mr. Wellenzohn stepped down from the Board of Management on September 6, 2022; his Board of Management contract remains in force beyond the end of the reporting period. In the reporting period, his remuneration was reduced pro rata to reflect his departure from the Board of Management.

The final number of VPSs depends on the aggregated rates of target achievement for the performance criteria return on capital employed (ROCE) and relative total shareholder return (relative TSR).

Target achievement for relative TSR is determined after the end of the performance period on the basis of DEUTZ AG's percentile ranking within a TSR peer group. The target value for the ROCE performance criterion is set by the Supervisory Board. Target

### Long-term Incentive (2022 – 2025)



achievement for ROCE is determined once the relevant consolidated financial statements for the final year of the performance period have been approved by the Supervisory Board.

The LTI payment is limited to 180 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

**Relative total shareholder return** Relative TSR compares DEUTZ's TSR performance against that of a specific peer group and has a weighting of 50 percent. TSR performance is calculated by comparing the share price (plus the dividend paid) at the end of the performance period with the value at the start of the performance period. The TSR peer group comprises companies in the DAXsubsector All Industrial Machinery.

Some of the companies in this peer group are therefore different from those in the peer group used to check whether the Board of Management's remuneration is typical in comparison with that in similar companies. The composition of the peer group for assessing how remuneration compares with that of other companies is based on stock-corporation law criteria, such as sector, size, and country. The composition of the TSR peer group has been given a greater sectoral focus, which means that companies that are larger or smaller than DEUTZ are also included. Some companies in the TSR peer group would therefore not meet the stock-corporation law criteria regarding size that are applied in the comparison of Board of Management remuneration with that in similar companies. The Supervisory Board believes that a peer group with a greater sectoral focus is better suited to evaluating DEUTZ's performance relative to relevant competitors and the overall sector than the peer group used to compare Board of Management remuneration with that in similar companies.

As at December 2022, the TSR peer group comprised the following companies:

Aumann AG, Datron AG, DMG MORI AG, Dürr AG, Francotyp-Postalia Holding AG, Heidelberger Druckmaschinen AG, Jungheinrich AG, KHD Humboldt Wedag International AG, KHD Humboldt Wedag Vermögensverwaltungs-AG, KION GROUP AG, Knorr-Bremse AG, Koenig & Bauer AG, Kronos AG, KSB SE & Co. KGaA, Maschinenfabrik Berthold Hermle AG, Masterflex SE, NORMA Group SE, PITTLER Maschinenfabrik AG, SAF-Holland SE, SCHUMAG AG, Stabilus SE, Wacker Neuson SE, WashTec AG.

TSR performance is determined for each company in the peer group and for DEUTZ after the end of the performance period. The individual values are then ranked and given a percentile ranking in which the 0th percentile ranking represents the lowest TSR performance and the 100th percentile ranking represents the highest TSR performance.

Target achievement for relative TSR is determined after the end of the performance period on the basis of DEUTZ AG's percentile ranking as follows:

#### LTI allocation in 2022

	DEUTZ's percentile ranking for TSR	Target achievement
Minimum threshold	25th	0%
Target value	50th	100%
Cap	75th	180%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 180 percent.

**Return on capital employed** ROCE is the ratio of EBIT before exceptional items (consolidated earnings before interest and tax less income generated or expenses incurred that are outside the scope of the Company's ordinary business activities and are unlikely to recur, based on the consolidated financial statements) to capital employed and has a weighting of 50 percent. The relevant figure for the assessment of target achievement for the 2022 tranche is ROCE for the final year of the performance period, i.e. ROCE in 2025.

The threshold for ROCE equates to DEUTZ AG's weighted average cost of capital (WACC). If ROCE is below the WACC, target achievement is 0 percent. There is thus no entitlement to the payment of a bonus unless the return on capital employed exceeds the costs.

The minimum threshold, the target value corresponding to 100 percent target achievement, and the cap including the resulting target achievement for ROCE in 2025 are as follows:

#### LTI allocation in 2022

	ROCE	Target achievement
Minimum threshold	7.6%	50%
Target value	10.0%	100%
Cap	15.0%	180%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 180 percent.

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the recommendation in G.11 DCGK, however, for the LTI, the

Supervisory Board has the option, in exceptional cases and where it is justifiable to do so, of taking extraordinary developments appropriately into account in respect of measurement variables, targets, and the determination of target achievement. The Supervisory Board did not exercise this option in 2022.

**Determination of the LTI** After the end of the performance period, the final number of VPSs is determined by multiplying the number of VPSs that are promised conditionally by the weighted total target achievement. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 180 percent of the target amount.

## 2.3 OVERVIEW OF THE VARIABLE REMUNERATION GRANTED AND OWED IN 2022

The following table summarizes the short-term and long-term variable remuneration resulting from the performance criteria that was granted or owed for 2022:

	Dr. Sebastian C. Schulte	Timo Krutoff	Dr. Ing. Petra Mayer	Dr. Ing. Markus Müller	Dr. Ing. Frank Hiller	Dr. Andreas Strecker	Michael Wellenzohn
<b>STI 2022</b>							
Target amount	€459 thousand	€25 thousand	€50 thousand	€300 thousand	€143 thousand <sup>1</sup>	–	€200 thousand <sup>2</sup>
Total target achievement	134.9 %	134.9 %	134.9 %	134.9 %	134.9 %	–	134.9 %
<b>Amount payable</b>	<b>€618 thousand</b>	<b>€34 thousand</b>	<b>€67 thousand</b>	<b>€405 thousand</b>	<b>€192 thousand</b>	<b>–</b>	<b>€270 thousand</b>
<b>LTI 2018 – 2021</b>							
Target amount	–	–	–	–	–	€150 thousand	–
Allocation price	–	–	–	–	–	€7.58	–
Number of virtual shares	–	–	–	–	–	19,789	–
Total target achievement	–	–	–	–	–	0 %	–
Final number of virtual shares	–	–	–	–	–	0	–
Closing price	–	–	–	–	–	€6.45	–
<b>Amount payable</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>€0 thousand</b>	<b>–</b>
<b>LTI 2019 – 2022</b>							
Target amount	–	–	–	–	€200 thousand	€125 thousand	€165 thousand
Allocation price	–	–	–	–	€6.33	€5.95	€6.33
Number of virtual shares	–	–	–	–	31,615	21,009	26,083
Total target achievement	–	–	–	–	0 %	– <sup>3</sup>	0 %
Final number of virtual shares	–	–	–	–	0	– <sup>3</sup>	0
Closing price	–	–	–	–	€4.28	– <sup>3</sup>	€4.28
<b>Amount payable</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>€0 thousand</b>	<b>–<sup>3</sup></b>	<b>€0 thousand</b>
<b>Variable remuneration granted and owed (total)</b>	<b>€618 thousand</b>	<b>€34 thousand</b>	<b>€67 thousand</b>	<b>€405 thousand</b>	<b>€192 thousand</b>	<b>€0 thousand</b>	<b>€270 thousand</b>

<sup>1</sup> Dr. Ing. Hiller stepped down from the Board of Management with effect from February 13, 2022; his Board of Management contract ended on April 30, 2022. In the reporting period, his remuneration was reduced pro rata to reflect the period up to the end of this contract.

<sup>2</sup> Mr. Wellenzohn stepped down from the Board of Management on September 6, 2022; his Board of Management contract remains in force beyond the end of the reporting period. In the reporting period, his remuneration was reduced pro rata to reflect his departure from the Board of Management.

<sup>3</sup> For Dr. Andreas Strecker, the term of the LTI 2019–2022 began on March 1, 2019 and ends on February 28, 2023. Consequently, it will not be possible to disclose target achievement and the amount payable until the 2023 remuneration report.

## 2.4 MISCELLANEOUS

**Malus and clawback** The short-term variable remuneration and the virtual performance shares are subject to malus and clawback conditions. This means that if, as proved by the Company, a Board of Management member is in serious violation of applicable law, his or her statutory obligations, or the obligations in his or her employment contract, the Supervisory Board is entitled to withhold some of the variable remuneration that has not yet been paid (malus) and to claw back variable remuneration that has already been paid. The Supervisory Board decides on this at its professional discretion. The Supervisory Board did not withhold or claw back any variable remuneration components in 2022.

**Special remuneration** In exceptional cases, the Supervisory Board can, at its professional discretion, grant a special bonus to Board of Management members in accordance with the recommendation in G.11 DCGK. The Supervisory Board must both identify and provide grounds for such exceptions. The special bonus is limited in two ways. Firstly, it is limited in relative terms to half of the Board of Management member's annual basic remuneration. Secondly, it is limited by the maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG, which represents the absolute upper limit on total remuneration. No such special bonus has been granted in the past ten years, and this was again the case in 2022.

**Adherence to the maximum remuneration limit** As well as limiting the variable remuneration components, the Supervisory Board has specified a maximum amount of remuneration for each member of the Board of Management pursuant to section 87a (1) sentence 2 no. 1 AktG that limits the remuneration to be paid that was granted for a particular year. This maximum remuneration encompasses the basic remuneration, additional benefits, retirement pension, payments under the STI and LTI, and any special bonuses. The following maximum remuneration amounts for the members of the DEUTZ Board of Management are lower than the maximum remuneration amounts specified in the 2021 remuneration system and therefore meet the requirements of this system.

### Maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG

#### Board of Management member

Dr. Sebastian C. Schulte (Chairman of the Board of Management since February 13, 2022; ordinary member of the Board of Management from January 1, 2021 to February 12, 2022)	€2,777 thousand
Timo Krutloff (since December 1, 2022)	€1,746 thousand
Dr. Ing. Petra Mayer (since November 1, 2022)	€1,746 thousand
Dr. Ing. Markus Müller	€1,746 thousand
Dr. Ing. Frank Hiller (until February 13, 2022)	€2,482 thousand
Michael Wellenzohn (until September 6, 2022)	€1,767 thousand

For 2022, the maximum remuneration limit was adhered to in respect of the basic remuneration, additional benefits, retirement pension, and payments under the STI without having to reduce any component. Because the amount payable for the multi-year variable remuneration will not be known until the third year after the end of the reporting year owing to the four-year performance period, it will not be possible to report conclusively on adherence to the maximum remuneration limit for 2022 until the remuneration report for 2025.

**Benefits in the event of early termination of Board of Management membership** If the employment contract or the appointment of a Board of Management member is terminated prematurely without good cause pursuant to section 626 of the German Civil Code (BGB), the Board of Management member receives a severance payment equivalent to the total remuneration that the Company is likely to owe him or her for the period until the original termination date of the contract of employment up to a maximum of two years (cap on severance pay).

Dr. Ing. Hiller stepped down from the Board of Management with effect from February 13, 2022. In connection with his departure, Dr. Ing. Hiller will receive a compensation payment in settlement of his contractual entitlements relating to the remuneration to which he is still entitled owing to early termination. Overall, this payment is below the cap on severance pay. The severance payment for his basic remuneration and additional benefits for 2022 to 2024 was paid in full in 2022. The portion of the compensation payment for the variable remuneration will not become due until the end of the performance periods for the relevant STI and LTI tranches. A final target achievement of 145 percent was agreed for the compensation payment for the STI and LTI tranches. The portion of the compensation payment for the LTI largely depends on the performance of the DEUTZ share price during the relevant performance periods, which means that the final value of this variable component of the compensation payment cannot be determined until 2027 after the end of the performance period for the final LTI tranche promised. Based on this agreement, the compensation payment for Dr. Ing. Hiller is expected to amount to €1.5 million pro rata for 2022, €2.4 million for 2023, and €0.8 million pro rata for 2024. Furthermore, an amount of €320 thousand will be paid into the benevolent fund under the occupational pension plan agreed with Dr. Ing. Hiller, divided into payments for the years 2022 to 2024.

In connection with his early departure from the Board of Management with effect from September 6, 2022, Mr. Wellenzohn will also receive a compensation payment in settlement of his contractual entitlements. As part of the termination of his contract, a compensation payment was agreed with Mr. Wellenzohn that covers the likely total pay owned for a period of ten months. The severance payment for his basic remuneration will be paid pro rata in the relevant financial year. Moreover, the portion of the compensation payment for the variable remuneration will not become due until the end of the performance periods for the relevant STI and LTI tranches. The portion of the compensation payment for the pro rata STI 2022 and the pro rata LTI 2022 tranche is calculated on the basis of actual target achievement and is therefore variable. Target achievement for the pro rata STI 2022 is 134.9 percent. Target achievement of 100 percent was agreed for the portion of the compensation payment for the pro rata STI 2023 and the pro rata LTI 2023 tranche. Moreover, the portion of the compensation payment for the LTI depends on the performance of the DEUTZ share price during the relevant performance periods, which means that the final value of this variable component of the compensation payment cannot be determined until 2026 after the end of the performance period for the final LTI tranche promised. Based on this agreement, the compensation payment for Mr. Wellenzohn is expected to amount to €0.4 million pro rata for 2022 and €0.6 million pro rata for 2023.

## C. AMOUNT OF BOARD OF MANAGEMENT REMUNERATION IN 2022

### C.1. REMUNERATION FOR BOARD OF MANAGEMENT MEMBERS WHO WERE CURRENT MEMBERS IN THE REPORTING YEAR

**Remuneration promised and remuneration granted and owed in 2022** The remuneration that was promised to the members of the Board of Management and the remuneration that was granted and owed in 2022 pursuant to section 162 (1) sentence 1 AktG is shown in the following tables.

**Promised remuneration:** Remuneration promised is the remuneration that is promised to the Board of Management members for 2022, irrespective of the timing of payment (target remuneration).

In respect of the remuneration components in 2022, 'promised' specifically refers to the following:

#### Remuneration promised in 2022

##### Remuneration components

Basic remuneration

Additional benefits

Pension expense

STI 2022 (granted in 2022)

LTI 2022 – 2025 (to be granted in 2025)

**Granted and owed:** Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2022, 'granted and owed' specifically refers to the following:

#### Remuneration granted and owed in 2022 (section 162 (1) sentence 1 AktG)<sup>1</sup>

##### Remuneration components

Basic remuneration

Additional benefits

STI 2022 (promised in 2022)

LTI 2019 – 2022 (promised in 2019)

Miscellaneous (severance payments for Dr. Ing. Hiller and Mr. Wellenzohn)

<sup>1</sup> Pension expenses for a year are not deemed remuneration granted and owed pursuant to section 162 (1) no. 1 AktG because the work to which the remuneration is related has not yet been performed in full.

The following tables show the remuneration promised to the members of the Board of Management in 2022 (target remuneration):

### Target remuneration

	Dr. Sebastian C. Schulte, Chairman of the Board of Management (since February 13, 2022; ordinary member from January 1, 2021 to February 12, 2022)				Timo Krutoff, ordinary member of the Board of Management (since December 1, 2022)			
	2022		2021		2022		2021	
	(€ thousand)	(%) <sup>1</sup>	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	818	41.1	580	43.9	48	44.2	–	–
+ Additional benefits	19	1.0	21	1.6	1	0.9	–	–
<b>= Total non-performance-related remuneration</b>	<b>837</b>	<b>42.0</b>	<b>601</b>	<b>45.5</b>	<b>49</b>	<b>45.1</b>	<b>–</b>	<b>–</b>
+ One-year variable remuneration (total)	459	23.0	300	22.7	25	22.9	–	–
STI 2021	–	–	300	22.7	–	–	–	–
STI 2022	459	23.0	–	–	25	22.9	–	–
+ Multi-year variable remuneration (total)	561	28.2	370	19.8	31	28.2	–	–
LTI 2021 – 2024	–	–	370	28.0	–	–	–	–
LTI 2022 – 2025	561	28.2	–	–	31	28.2	–	–
<b>= Total performance-related remuneration</b>	<b>1,020</b>	<b>51.2</b>	<b>670</b>	<b>50.7</b>	<b>56</b>	<b>51.1</b>	<b>–</b>	<b>–</b>
+ Expense for occupational pension scheme	135	6.8	50	3.8	4	3.8	–	–
<b>= Total remuneration</b>	<b>1,992</b>	<b>100.0</b>	<b>1,321</b>	<b>100.0</b>	<b>109</b>	<b>100.0</b>	<b>–</b>	<b>–</b>

<sup>1</sup> Rounding differences may mean that the percentages indicated for the remuneration components do not add up to 100 percent.

### Target remuneration

	Dr. Ing. Petra Mayer, ordinary member of the Board of Management (since November 1, 2022)				Dr. Ing. Markus Müller, ordinary member of the Board of Management			
	2022		2021		2022		2021	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	97	44.2	–	–	580	43.9	459	24.5
+ Additional benefits	2	0.9	–	–	20	1.5	19	1.8
<b>= Total non-performance-related remuneration</b>	<b>99</b>	<b>45.1</b>	<b>–</b>	<b>–</b>	<b>600</b>	<b>45.5</b>	<b>478</b>	<b>45.1</b>
+ One-year variable remuneration (total)	50	22.9	–	–	300	22.7	238	12.7
STI 2021	–	–	–	–	–	–	238	22.4
STI 2022	50	22.9	–	–	300	22.7	–	–
+ Multi-year variable remuneration (total)	62	28.2	–	–	370	28.0	294	15.7
LTI 2021 – 2024	–	–	–	–	–	–	294	27.7
LTI 2022 – 2025	62	28.2	–	–	370	28.0	–	–
<b>= Total performance-related remuneration</b>	<b>112</b>	<b>51.1</b>	<b>–</b>	<b>–</b>	<b>670</b>	<b>50.8</b>	<b>532</b>	<b>50.2</b>
+ Expense for occupational pension scheme	8	3.8	–	–	50	3.8	50	4.7
<b>= Total remuneration</b>	<b>219</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>1,320</b>	<b>100.0</b>	<b>1,060</b>	<b>100.0</b>



Target remuneration

	Dr. Ing. Frank Hiller, Chairman of the Board of Management (until February 13, 2022)				Michael Wellenzohn, ordinary member of the Board of Management (until September 6, 2022)			
	2022 <sup>1</sup>		2021		2022 <sup>2</sup>		2021	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	250	40.0	750	40.1	387	43.0	580	42.8
+ Additional benefits	9	1.4	22	1.2	16	1.7	30	2.2
<b>= Total non-performance-related remuneration</b>	<b>259</b>	<b>41.4</b>	<b>772</b>	<b>41.2</b>	<b>402</b>	<b>44.8</b>	<b>610</b>	<b>45.0</b>
+ One-year variable remuneration (total)	143	22.8	428	22.9	200	22.2	300	22.1
STI 2021	-	-	428	22.9	-	-	300	22.1
STI 2022	143	22.8	-	-	200	22.2	-	-
+ Multi-year variable remuneration (total)	174	27.8	522	27.9	243	27.1	365	26.9
LTI 2021 – 2024	-	-	522	27.9	-	-	365	26.9
LTI 2022 – 2025	174	27.8	-	-	243	27.1	-	-
<b>= Total performance-related remuneration</b>	<b>317</b>	<b>50.6</b>	<b>950</b>	<b>50.7</b>	<b>443</b>	<b>49.3</b>	<b>665</b>	<b>49.1</b>
+ Expense for occupational pension scheme	50	8.0	150	8.0	53	5.9	80	5.9
<b>= Total remuneration</b>	<b>626</b>	<b>100.0</b>	<b>1,872</b>	<b>100.0</b>	<b>899</b>	<b>100.0</b>	<b>1,355</b>	<b>100.0</b>

<sup>1</sup> Dr. Ing. Hiller stepped down from the Board of Management with effect from February 13, 2022; his Board of Management contract ended on April 30, 2022. In the reporting period, his remuneration was reduced pro rata to reflect the period up to the end of this contract.

<sup>2</sup> Mr. Wellenzohn stepped down from the Board of Management on September 6, 2022; his Board of Management contract remains in force beyond the end of the reporting period. In the reporting period, his remuneration was reduced pro rata to reflect his departure from the Board of Management.

The following tables show the remuneration granted and owed to the members of the Board of Management in 2022 pursuant to section 162 (1) sentence 1 AktG:

Remuneration granted and owed

	Dr. Sebastian C. Schulte, Chairman of the Board of Management (since February 13, 2022; ordinary member from January 1, 2021 to February 12, 2022)				Timo Krutoff, ordinary member of the Board of Management (since December 1, 2022)			
	2022		2021		2022		2021	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	818	56.2	580	55.9	48	58.2	-	-
+ Additional benefits	19	1.3	21	2.0	1	1.2	-	-
<b>= Total non-performance-related remuneration</b>	<b>837</b>	<b>57.5</b>	<b>601</b>	<b>57.9</b>	<b>49</b>	<b>59.4</b>	<b>-</b>	<b>-</b>
+ One-year variable remuneration (total)	618	42.5	436	42.1	34	40.6	-	-
STI 2021	-	-	436	42.1	-	-	-	-
STI 2022	618	42.5	-	-	34	40.6	-	-
+ Multi-year variable remuneration (total)	-	-	-	-	-	-	-	-
2020 – 2021 deferral (STI 2019)	-	-	-	-	-	-	-	-
LTI 2018 – 2021	-	-	-	-	-	-	-	-
LTI 2019 – 2022	-	-	-	-	-	-	-	-
<b>= Total performance-related remuneration</b>	<b>618</b>	<b>42.5</b>	<b>436</b>	<b>42.1</b>	<b>34</b>	<b>40.6</b>	<b>-</b>	<b>-</b>
+ Miscellaneous <sup>1</sup>	-	-	-	-	-	-	-	-
<b>= Total remuneration</b>	<b>1,455</b>	<b>100.0</b>	<b>1,037</b>	<b>100.0</b>	<b>83</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Miscellaneous remuneration comprises any remuneration not covered by the other remuneration components, e.g. severance payments or compensation for a non-compete period.



Remuneration granted and owed

	Dr. Ing. Petra Mayer, ordinary member of the Board of Management (since November 1, 2022)				Dr. Ing. Markus Müller, ordinary member of the Board of Management			
	2022		2021		2022		2021	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	97	58.2	–	–	580	57.7	459	55.8
+ Additional benefits	2	1.2	–	–	20	2.0	19	2.3
<b>= Total non-performance-related remuneration</b>	<b>99</b>	<b>59.4</b>	<b>–</b>	<b>–</b>	<b>600</b>	<b>59.7</b>	<b>478</b>	<b>58.1</b>
+ One-year variable remuneration (total)	67	40.6	–	–	405	40.3	345	41.9
STI 2021	–	–	–	–	–	–	345	41.9
STI 2022	67	40.6	–	–	405	40.3	–	–
+ Multi-year variable remuneration (total)	–	–	–	–	–	–	–	–
2020 – 2021 deferral (STI 2019)	–	–	–	–	–	–	–	–
LTI 2018 – 2021	–	–	–	–	–	–	–	–
LTI 2019 – 2022	–	–	–	–	–	–	–	–
<b>= Total performance-related remuneration</b>	<b>67</b>	<b>40.6</b>	<b>–</b>	<b>–</b>	<b>405</b>	<b>40.3</b>	<b>345</b>	<b>41.9</b>
+ Miscellaneous <sup>1</sup>	–	–	–	–	–	–	–	–
<b>= Total remuneration</b>	<b>166</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>1,005</b>	<b>100.0</b>	<b>823</b>	<b>100.0</b>

<sup>1</sup> Miscellaneous remuneration comprises any remuneration not covered by the other remuneration components, e.g. severance payments or compensation for a non-compete period.

Remuneration granted and owed

	Dr. Ing. Frank Hiller, Chairman of the Board of Management (until February 13, 2022)				Michael Wellenzohn, ordinary member of the Board of Management (until September 6, 2022)			
	2022 <sup>1</sup>		2021		2022 <sup>2</sup>		2021	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	250	9.5	750	51.6	387	38.7	580	53.5
+ Additional benefits	9	0.3	22	1.5	16	1.6	30	2.8
<b>= Total non-performance-related remuneration</b>	<b>259</b>	<b>9.9</b>	<b>772</b>	<b>53.1</b>	<b>402</b>	<b>40.2</b>	<b>610</b>	<b>56.3</b>
+ One-year variable remuneration (total)	192	7.3	622	42.8	270	27.0	436	40.3
STI 2021	–	–	622	42.8	–	–	436	40.3
STI 2022	192	7.3	–	–	270	27.0	–	–
+ Multi-year variable remuneration (total)	0	0.0	60	4.1	0	0.0	37	3.4
2020 – 2021 deferral (STI 2019)	–	–	60	4.1	–	–	37	3.4
LTI 2018 – 2021	–	–	0	0.0	–	–	0	0.0
LTI 2019 – 2022	0	0.0	–	–	0	0.0	–	–
<b>= Total performance-related remuneration</b>	<b>192</b>	<b>7.3</b>	<b>682</b>	<b>46.9</b>	<b>270</b>	<b>27.0</b>	<b>473</b>	<b>43.7</b>
+ Miscellaneous <sup>3</sup>	2,167	82.8	–	–	328	32.8	–	–
<b>= Total remuneration<sup>4</sup></b>	<b>2,618</b>	<b>100.0</b>	<b>1,454</b>	<b>100.0</b>	<b>1,000</b>	<b>100.0</b>	<b>1,083</b>	<b>100.0</b>

<sup>1</sup> Dr. Ing. Hiller stepped down from the Board of Management with effect from February 13, 2022; his Board of Management contract ended on April 30, 2022. In the reporting period, his basic remuneration, additional benefits, and the STI 2022 were reduced pro rata to reflect the period up to the end of this contract.

<sup>2</sup> Mr. Wellenzohn stepped down from the Board of Management on September 6, 2022; his Board of Management contract remains in force beyond the end of the reporting period. In the reporting period, his basic remuneration, additional benefits, and the STI 2022 were reduced pro rata to reflect his departure from the Board of Management.

<sup>3</sup> Miscellaneous remuneration comprises the compensation payment in settlement of Dr. Ing. Hiller's contractual entitlements in connection with his early departure and is entirely non-performance-related. Miscellaneous remuneration comprises the compensation payment in settlement of Mr. Wellenzohn's contractual entitlements in connection with his early departure and is made up of a fixed component of €193 thousand (19.3 percent of the total remuneration) and a variable component of €135 thousand (13.5 percent of the total remuneration). The variable component relates entirely to the compensation payment in settlement of the STI 2022. [See 'Benefits in the event of early termination of Board of Management membership', p. 82.](#)

<sup>4</sup> Of the total remuneration (including miscellaneous remuneration) of Dr. Ing. Frank Hiller, 92.7 percent is non-performance-related remuneration and 7.3 percent is performance-related remuneration. Of the total remuneration (including miscellaneous remuneration) of Michael Wellenzohn, 59.6 percent is non-performance-related remuneration and 40.4 percent is performance-related remuneration.

### Remuneration of the Board of Management members in 2022 pursuant to section 314 (1) no. 6a HGB

The total remuneration for the Board of Management of DEUTZ AG recognized in expenses for 2022 was €4,214 thousand (2021: €7,072 thousand). This consisted of short-term employee benefits of €4,359 thousand (2021: €5,268 thousand) and share-based long-term benefits as part of the long-term incentive plans amounting to minus €145 thousand (2021: €1,804 thousand).

Remuneration for former members of the Board of Management or their surviving dependants pursuant to section 314 (1) no. 6a HGB amounted to €6,845 thousand (2021: €1,101 thousand) for DEUTZ AG and the Group. This included benefits of €5,798 thousand (of which €2,027 thousand related to share-based long-term benefits) in connection with the early termination of the Board of Management employment contracts of Dr. Hiller and Mr. Wellenzohn in 2022. Provisions of €9,836 thousand (December 31, 2021: €10,247 thousand) have been recognized to cover pension obligations to former members of the Board of Management.

### Review of whether Board of Management remuneration is typical

The Supervisory Board regularly reviews the level of the Board of Management's remuneration in order to ensure that it is typical for the market and is competitive. This review involves checking and assessing factors such as whether the remuneration is typical in comparison with that of Board of Management members in similar companies and is typical in comparison with remuneration and employment conditions within DEUTZ. Companies are selected that are similar to DEUTZ, particularly in terms of the criteria country, sector, and size. Within DEUTZ, a comparison is made with the current situation and with the situation over time in respect of senior management and the workforce as a whole.

The remuneration of the Board of Management members was last reviewed in 2020 when the current remuneration system was being drawn up. It was found to be typical. Two peer groups were formed in order to assess whether the remuneration is typical in comparison with that in similar companies. The first peer group primarily consisted of German listed companies that were similar to DEUTZ in terms of sector, volume of revenue, and number of employees. The following companies were part of this peer group: Aumann AG, DMG MORI AG, ElringKlinger AG, Jungheinrich AG, KION GROUP AG, Knorr-Bremse AG, LEONI AG, Rolls-Royce Power Systems AG, Sulzer AG, VARTA AG, and Wacker Neuson SE. The SDAX was chosen as the second peer group because DEUTZ is listed on the SDAX.

## C.2. REMUNERATION OF FORMER MEMBERS OF THE BOARD OF MANAGEMENT

The remuneration that was granted and owed to the former members of the DEUTZ AG Board of Management pursuant to section 162 (1) no. 1 AktG amounted to €354 thousand in 2022. The remuneration granted and owed to Dr. Margarete Haase, who left in 2018, amounted to €56 thousand in 2022 and was entirely attributable to her fixed, non-performance-related retirement pension. Dr. Ing. Helmut Leube, who left in 2016, received a fixed, non-performance-related retirement pension of €79 thousand in 2022. The remuneration of the other former members, who stepped down from the DEUTZ AG Board of Management more than ten years ago, came to €219 thousand in 2022 and was entirely attributable to the granting of fixed, non-performance-related retirement pensions. The retirement pensions of former members of the Board of Management are granted entirely by the benevolent fund, not by DEUTZ AG.

## C.3. DISCLOSURES ON THE RELATIVE CHANGE IN THE REMUNERATION OF THE BOARD OF MANAGEMENT, THE REMUNERATION OF THE REST OF THE WORKFORCE, AND THE COMPANY'S EARNINGS PERFORMANCE

The following table shows the year-on-year change in the remuneration granted and owed to the Board of Management members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. The change in the remuneration granted and owed to the Board of Management members is based on the remuneration presented above (see section C. 'Amount of Board of Management remuneration in 2022', chapters 1 and 2, remuneration granted and owed). The earnings performance of the Company (DEUTZ AG) and of the Group (DEUTZ Group) is presented on the basis of EBIT, which is one of the main financial KPIs. The remuneration of the workforce shows the average remuneration of the Company's (DEUTZ AG's) salaried and non-salaried employees in Germany (excluding trainees, apprentices, and interns). To ensure comparability, the remuneration of part-time workers was extrapolated into remuneration for full-time equivalents.

The retirement pensions of the former members of the Board of Management Dr. Margarete Haase and Dr. Ing. Helmut Leube are paid by the benevolent fund, not by DEUTZ AG.

	2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018
<b>Board of Management remuneration</b>	Absolute value	Year-on-year change (%)			
Dr. Sebastian C. Schulte (Chairman of the Board of Management since February 13, 2022)	€1,455 thousand	40.3	- <sup>1</sup>	-	-
Timo Krutoff (since December 1, 2022)	€83 thousand	- <sup>2</sup>	-	-	-
Dr. Ing. Petra Mayer (since November 1, 2022)	€166 thousand	- <sup>2</sup>	-	-	-
Dr. Ing. Markus Müller	€1,005 thousand	22.0	- <sup>1</sup>	-	-
Dr. Ing. Frank Hiller (Chairman of the Board of Management until February 13, 2022)	€2,618 thousand	80.1	88.3	-47.2	-5.6
Michael Wellenzohn (until September 6, 2022)	€1,000 thousand	-7.7	75.6	-50.6	1.1
Dr. Margarete Haase (until April 30, 2018)	€56 thousand	1.0	1.0	1.0	-95.9
Dr. Ing. Helmut Leube (until December 31, 2016)	€79 thousand	1.0	1.0	1.0	141.0
<b>Earnings performance of DEUTZ</b>					
EBIT of DEUTZ AG	€74.1 million	104.1	131.7 <sup>3</sup>	-226.2	83.8
EBIT before exceptional items of the DEUTZ Group	€89.4 million	140.3	149.8	-194.8	-3.9
<b>Average remuneration of the DEUTZ AG workforce</b>					
Workforce		<b>3.5</b>	-0.2	3.5	2.1

<sup>1</sup> As Dr. Ing. Markus Müller and Dr. Sebastian C. Schulte only joined the Board of Management in 2021, a comparison with their 2020 remuneration is not possible.

<sup>2</sup> As Dr. Ing. Petra Mayer and Mr. Timo Krutoff only joined the Board of Management in 2022, a comparison with their 2021 remuneration is not possible.

<sup>3</sup> The difference compared with the 2021 remuneration report is due to an adjustment to the EBIT of DEUTZ AG and the DEUTZ Group for 2021.

### III. REMUNERATION FOR SUPERVISORY BOARD MEMBERS

#### A. REMUNERATION SYSTEM IN 2022

The remuneration system for the members of the Supervisory Board, which is governed by section 15 of the Company's Statutes, was adopted by the Annual General Meeting on April 26, 2018 and approved by the AGM with 99.65 percent of the votes on April 29, 2021. The remuneration of the Supervisory Board is structured so as to help to attract highly qualified people to the Supervisory Board and ensure that they remain with the Company. This means that the Supervisory Board can advise the Board of Management on the development of strategy and monitor the work of the Board of Management.

The annual remuneration of the Supervisory Board members consists of fixed basic remuneration, fixed remuneration for committee membership, and attendance fees for participating in meetings of the Supervisory Board and its committees. The

basic remuneration and committee remuneration are paid annually after the end of the financial year, before the Annual General Meeting; the attendance fees are paid after each meeting attended.

Each ordinary member of the Supervisory Board is paid fixed basic remuneration of €40,000 each year. The chairperson of the Supervisory Board receives €80,000 and the deputy receives €60,000. Members of the Human Resources Committee and members of the Audit Committee receive an additional €12,000 per year, and members of the Nominations Committee and members of the Arbitration Committee receive an additional €8,000. The chairpersons of each committee receive double these amounts, and their deputies one-and-a-half times these amounts. In addition, each member is paid an attendance fee of €1,500 for each Supervisory Board meeting and committee meeting attended.

Furthermore, DEUTZ reimburses the members of the Supervisory Board for any VAT they incur in connection with the performance of their mandate and ensures that appropriate liability insurance is taken out (D&O insurance).

## B. REMUNERATION GRANTED AND OWED IN 2022

The remuneration granted and owed to the members of the Supervisory Board in 2022 is shown below. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Supervisory Board member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2022, 'granted and owed' specifically refers to the following:

### Remuneration granted and owed in 2022 (section 162 (1) sentence 2 no. 1 AktG)

#### Remuneration components

Fixed basic remuneration  
(promised for membership of the Supervisory Board in 2022)

Remuneration for committee membership  
(promised for membership of a committee in 2022)

Attendance fees  
(promised for attendance of meetings in 2022)

The remuneration granted and owed to all members of the Supervisory Board for 2022 totaled €1,053.0 thousand. The breakdown of the total remuneration by individual Supervisory Board member is shown in the following table:

	Fixed basic remuneration		Remuneration for committee membership		Attendance fee		Total remuneration
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)
Dr. Dietmar Voggenreiter (chairman since February 12, 2022)	75.4	44.3	60.2	35.4	34.5	20.3	170.1
Sabine Beutert <sup>1</sup> (deputy chairwoman since September 22, 2022)	45.5	48.8	25.2	27.0	22.5	24.1	93.2
Sophie Albrecht	40.0	55.2	16.0	22.1	16.5	22.8	72.5
Dr. Ing. Bernd Bohr (chairman until February 12, 2022; ordinary member since February 13, 2022)	44.6	67.7	7.8	11.9	13.5	20.5	65.9
Yavuz Büyükdag <sup>1</sup>	40.0	72.7	0.0	0.0	15.0	27.3	55.0
Dr. Fabian Dietrich <sup>1</sup>	40.0	72.7	0.0	0.0	15.0	27.3	55.0
Hans-Peter Finken <sup>1</sup>	40.0	72.7	0.0	0.0	15.0	27.3	55.0
Patricia Geibel-Conrad	40.0	47.1	24.0	28.2	21.0	24.7	85.0
Alois Ludwig	40.0	45.2	20.0	22.6	28.5	32.2	88.5
Dr. Ing. Rudolf Maier	40.0	72.7	0.0	0.0	15.0	27.3	55.0
Corinna Töpfer-Hartung <sup>1</sup> (deputy chairwoman until September 21, 2022; ordinary member since September 22, 2022)	54.5	47.9	30.8	27.1	28.5	25.1	113.8
Ali Yener <sup>1</sup>	40.0	63.5	8.0	12.7	15.0	23.8	63.0
<b>Total</b>	<b>540.0</b>		<b>192.0</b>		<b>240.0</b>		<b>972.0</b>

<sup>1</sup> Employee representative.

## C. DISCLOSURES ON THE RELATIVE CHANGE IN THE REMUNERATION OF THE SUPERVISORY BOARD, THE REMUNERATION OF THE REST OF THE WORKFORCE, AND THE COMPANY'S EARNINGS PERFORMANCE

The following table shows the year-on-year change in the remuneration granted and owed to the Supervisory Board members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. DEUTZ AG's earnings performance and the remuneration of its workforce are calculated in the same way as in the section on Board of Management remuneration.

	2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018
<b>Supervisory Board remuneration</b>	Absolute value	Year-on-year change (%)			
Dr. Dietmar Voggenreiter, (since April 30, 2019; chairman since February 12, 2022)	€170.1 thousand	236.8	9.8	40.0	-
Sabine Beutert <sup>1</sup> (deputy chairwoman since September 22, 2022)	€93.2 thousand	25.1	6.4	-4.1	3.2
Sophie Albrecht (since April 26, 2018)	€72.5 thousand	9.0	4.7	10.2	45.0
Dr. Ing. Bernd Bohr (since April 26, 2018; chairman from January 1, 2019 until February 12, 2022; ordinary member since February 13, 2022)	€65.9 thousand	-61.3	4.6	-2.7	368.0
Yavuz Büyükdag <sup>1</sup> (since April 26, 2018)	€55.0 thousand	8.9	9.8	-6.1	36.9
Dr. Fabian Dietrich <sup>1</sup> (since April 26, 2018)	€55.0 thousand	8.9	9.8	-6.1	36.9
Hans-Peter Finken <sup>1</sup>	€55.0 thousand	8.9	9.8	-6.1	2.2
Patricia Geibel-Conrad (since April 26, 2018)	€85.0 thousand	5.6	5.9	-3.8	43.2
Alois Ludwig	€88.5 thousand	22.9	-4.0	2.0	14.7
Dr. Ing. Rudolf Maier (since October 7, 2020)	€55.0 thousand	8.9	368.0	-	-
Corinna Töpfer-Hartung <sup>1</sup> (deputy chairwoman from April 26, 2018 until September 21, 2022; ordinary member since September 22, 2022)	€113.8 thousand	-5.6	5.2	-1.3	43.0
Ali Yener <sup>1</sup> (since April 26, 2018)	€63.0 thousand	5.0	14.3	-7.9	38.2
<b>Earnings performance of DEUTZ</b>					
EBIT of DEUTZ AG	€74.1 million	104.1	131.7 <sup>2</sup>	-226.2	83.8
EBIT before exceptional items of the DEUTZ Group	€89.4 million	140.3	149.8	-194.8	-3.9
<b>Average remuneration of the DEUTZ AG workforce</b>					
Workforce		3.5	-0.2	3.5	2.1

<sup>1</sup> Employee representative.

<sup>2</sup> The difference compared with the 2021 remuneration report is due to an adjustment to the EBIT of DEUTZ AG for 2021.

## AUDITOR'S REPORT

To DEUTZ AG, Köln

We have audited the remuneration report of DEUTZ AG, Köln, for the financial year from January 1 to December 31, 2022 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 DEUTZ AG 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 to December 31, 2022, 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 DEUTZ AG. 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.

Cologne, March 13, 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Harald Wimmer  
Wirtschaftsprüfer  
(German Public Auditor)

Clivia Döll  
Wirtschaftsprüferin  
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