

## LEGAL DISCLOSURES

### Remuneration Report – Management Board and Supervisory Board<sup>1)</sup>

- In the reporting year: Review and redesign of multi-year variable compensation and adjustment of the obligation for personal investment in shares
- Compensation structure for the Management Board will continue to comply with statutory requirements (German Stock Corporation Act) and requirements of the German Corporate Governance Code in the future

The Supervisory Board discussed the appropriateness of Management Board compensation and the structure of the compensation system as scheduled during the year under review. This was also done in connection with the agreement and review of agreements on objectives with Management Board members. With the introduction of the compensation system in place since financial year 2012/2013, the procedure and the benchmarks for measuring the variable compensation elements were defined and, in respect of the multi-year variable compensation elements, adjusted to reflect the requirements of the revolving credit facility and its financial covenants. In the reporting year, the multi-year variable compensation was reviewed and redesigned. The aim was to increase variability by redesigning expected values, but also to enable higher payout potential while reinforcing the idea of shareholder value. These changes also influence the compensation system as a whole. Specifically:

The **OVERALL STRUCTURE AND AMOUNT OF COMPENSATION OF THE MANAGEMENT BOARD** are determined at the recommendation of the Personnel Matters Committee by the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft and reviewed at regular intervals. In each case, Management Board compensation (not including fringe benefits or service cost) amounts to a maximum of 370 percent (previously: 280 percent) of fixed annual compensation, divided into 100 percent for fixed annual compensation and a maximum of 270 percent (previously: 180 percent) for the variable compensation elements, i.e. a maximum of 90 percent for the one-year variable compensation, as before, and 180 percent (previously: 90 percent) for the multi-year variable compensation.

The **COMPENSATION OF THE MANAGEMENT BOARD** consists firstly of fixed annual compensation paid in equal installments at the end of each month, one-year variable compensation and multi-year variable compensation, which is calculated on the achievement of certain three-year objectives using defined parameters, and secondly of fringe benefits and company pension benefits.

The **ONE-YEAR VARIABLE COMPENSATION** is dependent on the Group's success in the respective financial year, the benchmarks for which are currently defined as EBIT and free cash flow according to IFRS. In addition, each member of the Management Board receives a personal, performance-based bonus that is determined by the Supervisory Board at the recommendation of the Personnel Matters Committee, taking into account their particular duties and responsibilities in addition to any individual objectives agreed. If objectives are achieved in full, the personal annual bonus can amount to up to 30 percent of the fixed annual compensation; the Company bonus can also account for up to 30 percent or if objectives are exceeded 60 percent of the fixed annual compensation. With respect to their personal annual bonuses for the year under review, the Supervisory Board and the Management Board had again agreed to give priority to the annual financial objectives. Until further notice – starting with financial year 2012/2013 – the 30 percent of the personal bonus will be added on to the Company bonus subordinate to the financial objectives on which it is based. The one-year variable compensation is paid out at the end of the month in which the Annual General Meeting resolves on the appropriation of the net result.

The **MULTI-YEAR VARIABLE COMPENSATION** was reviewed and redesigned in the reporting year. From this reporting year, the multi-year variable compensation is determined according to two benchmarks: earnings before taxes according to the IFRS consolidated income statement (EBT) and total shareholder return (TSR). The targets for these two benchmarks, the respective thresholds and the maximum overfulfillment, are all defined at the beginning of the relevant three-year period (performance period). Half the multi-year variable compensation is attributable to each benchmark, i. e. 45 percent of the fixed annual compensation in the event of 100 percent fulfillment of the targets for each of the relevant benchmarks. Overfulfillment of a benchmark is recognized and can at most result in a doubling of the attributable multi-year variable target compensation. Accordingly, multi-year variable compensation

<sup>1)</sup> This remuneration report also forms part of the corporate governance report

can amount to 90 percent of the fixed annual compensation for each benchmark and to 180 percent of the fixed annual compensation in total. Both benchmarks are associated with an objective fulfillment threshold that must be reached in order for the multi-year variable compensation for the benchmark in question to be paid out. However, overfulfillment of a benchmark can only increase the multi-year variable compensation if the other benchmark reaches at least the threshold. The first benchmark (Group earnings before taxes) is based on the five-year planning adopted by the Supervisory Board. The attributable multi-year variable compensation is determined after the end of the performance period by comparing the actual earnings before taxes of the three financial years within the performance period according to the IFRS income statement with the expected earnings before taxes for these three financial years. The averages of the actual and the expected earnings before taxes are compared in order to calculate and identify the actual achievement of objectives. The basis for target measurement for the second benchmark (total shareholder return) is the long-term expected return (Heidelberg share price increases) during the performance period (period of three financial years). The baseline value for each performance period is determined at the beginning of the first financial year of the performance period. For this purpose, the arithmetical average price (closing prices) of the Company's share in XETRA trading at the Frankfurt Stock Exchange over the 60 trading days immediately preceding the start of the three-year performance period is measured. The fixed baseline value is then compared with the arithmetical average price (closing prices) of the share over the 60 trading days immediately preceding the end of the performance period. If the Company pays dividends to the shareholders during the performance period, these dividends are translated in terms of the share price immediately preceding the end of the performance period. The achievement of objectives is checked and ascertained at the end of each three-year period. The multi-year variable compensation is paid out at the end of the month in which the Annual General Meeting – after the end of the final financial year of the three-year period – resolves on the appropriation of the net result.

For both one-year variable compensation and multi-year variable compensation, achievement of the relevant threshold results in a payout amounting to 25 percent of the sum that would be payable in the event of 100 percent objective fulfillment. If the objective attainment lies between the threshold and the defined objective, the payout is determined by linear interpolation. If overfulfillment is to be recognized, the amount of the payout is either determined as a percentage according to the degree of overfulfillment or – if a maximum recognizable value for overfulfillment has been defined – by linear interpolation between the objective and the maximum recognizable value.

In the event of a member joining or leaving within an ongoing performance period, that member has a pro rata temporis claim to any multi-year variable compensation determined after the end of the performance period. In the event of a member leaving, pro rata temporis multi-year variable compensation is calculated for the performance periods still ongoing at this time on the basis of the determination of goals as of the exit date, which is then frozen.

The Management Board members' personal investment was also increased compared to the status quo in the year under review. During the period of appointment to the Management Board, each Management Board member must use the one-year and multi-year variable compensation to establish and hold a portfolio of shares in the Company in the value of their current fixed annual compensation. Shares in the Company already held by the respective Management Board member are counted towards this value. There is no obligation to acquire shares using other compensation or private wealth. The Company is entitled to invest 10 percent of the one-year variable compensation and 10 percent of the multi-year variable compensation (before deduction of taxes and contributions) in the form of shares in the Company. A bank or financial service provider is commissioned to acquire the shares; the Company bears the costs of processing and custody. The Company's entitlement to invest variable compensation to build the share investment portfolio in the form of shares ends when the respective Management Board member leaves office. The respective Management Board member may only sell shares from the personal investment share portfolio during their term in office if the minimum value of the fixed annual compensation is complied with and statutory or regulatory restrictions do not prohibit the sale.

**Benefits granted to individual members of the Management Board<sup>1)</sup>**

|   | Rainer Hundsdörfer<br>Chief Executive Officer <sup>2)</sup> |                        |                    |                    | Dirk Kaliebe<br>Chief Financial Officer<br>and Head of Financial Services |                        |                    |                    |
|---|---|------------------------|--------------------|--------------------|---|------------------------|--------------------|--------------------|
|   | 2017/2018<br>Objective                                      | 2016/2017<br>Objective | 2017/2018<br>(Min) | 2017/2018<br>(Max) | 2017/2018<br>Objective  | 2016/2017<br>Objective | 2017/2018<br>(Min) | 2017/2018<br>(Max) |
| Fixed compensation <sup>4)</sup>                          | 650   | 247                    | 650                | 650                | 402   | 396                    | 402                | 402                |
| Fringe benefits   | 26  | 7                      | 26                 | 26                 | 18  | 16                     | 18                 | 18                 |
| <b>Total</b>  | <b>676</b>  | <b>254</b>             | <b>676</b>         | <b>676</b>         | <b>420</b>  | <b>412</b>             | <b>420</b>         | <b>420</b>         |
| One-year variable compensation                            | 585   | 223                    | 0                  | 585                | 362   | 356                    | 0                  | 362                |
| Multi-year variable compensation                          | 526   | 464                    | 0                  | 1,170              | 325   | 360                    | 0                  | 723                |
| 2016/2017 tranche <sup>5)</sup>                           | -   | 464                    | -                  | -                  | -   | 360                    | -                  | -                  |
| 2017/2018 tranche <sup>5)</sup>                           | 526 <sup>6)</sup>   | -                      | 0                  | 1,170              | 325 <sup>6)</sup>   | -                      | 0                  | 723                |
| <b>Total fixed and variable<br/>compensation elements</b> | <b>1,787</b>  | <b>941</b>             | <b>676</b>         | <b>2,431</b>       | <b>1,107</b>  | <b>1,128</b>           | <b>420</b>         | <b>1,505</b>       |
| Service cost  | 228   | 90                     | 228                | 228                | 141   | 137                    | 141                | 141                |
| <b>Total compensation</b>                                 | <b>2,015</b>  | <b>1,031</b>           | <b>904</b>         | <b>2,659</b>       | <b>1,248</b>  | <b>1,265</b>           | <b>561</b>         | <b>1,646</b>       |

|   | Prof. Dr. Ulrich Hermann<br>Member of the Board<br>Head of Digital Business and Services <sup>3)</sup> |                        |                    |                    | Stephan Plenz<br>Member of the Board<br>Head of Digital Technology |                        |                    |                    |
|---|--|------------------------|--------------------|--------------------|--|------------------------|--------------------|--------------------|
|   | 2017/2018<br>Objective   | 2016/2017<br>Objective | 2017/2018<br>(Min) | 2017/2018<br>(Max) | 2017/2018<br>Objective   | 2016/2017<br>Objective | 2017/2018<br>(Min) | 2017/2018<br>(Max) |
| Fixed compensation <sup>4)</sup>                          | 400  | 152                    | 400                | 400                | 402  | 396                    | 402                | 402                |
| Fringe benefits   | 25   | 8                      | 25                 | 25                 | 17   | 16                     | 17                 | 17                 |
| <b>Total</b>  | <b>425</b>   | <b>160</b>             | <b>425</b>         | <b>425</b>         | <b>419</b>   | <b>412</b>             | <b>419</b>         | <b>419</b>         |
| One-year variable compensation                            | 360  | 137                    | 0                  | 360                | 362  | 356                    | 0                  | 362                |
| Multi-year variable compensation                          | 324  | 286                    | 0                  | 720                | 325  | 360                    | 0                  | 723                |
| 2016/2017 tranche <sup>5)</sup>                           | -  | 286                    | -                  | -                  | -  | 360                    | -                  | -                  |
| 2017/2018 tranche <sup>5)</sup>                           | 324 <sup>6)</sup>  | -                      | 0                  | 720                | 325 <sup>6)</sup>  | -                      | 0                  | 723                |
| <b>Total fixed and variable<br/>compensation elements</b> | <b>1,109</b>   | <b>583</b>             | <b>425</b>         | <b>1,505</b>       | <b>1,106</b>   | <b>1,128</b>           | <b>419</b>         | <b>1,504</b>       |
| Service cost  | 140  | 61                     | 140                | 140                | 141  | 137                    | 141                | 141                |
| <b>Total compensation</b>                                 | <b>1,249</b>   | <b>644</b>             | <b>565</b>         | <b>1,645</b>       | <b>1,247</b>   | <b>1,265</b>           | <b>560</b>         | <b>1,645</b>       |

<sup>1)</sup> In accordance with section 4.2.5 (3) of the German Corporate Governance Code (DCGK) in the version published on April 24, 2017

<sup>2)</sup> Chief Executive Officer, member of the Management Board and Chief Human Resources Officer since November 14, 2016

<sup>3)</sup> Member of the Management Board since November 14, 2016

<sup>4)</sup> The monthly fixed compensation of Dirk Kaliebe and Stephan Plenz was each increased by 3 percentage points from October 1, 2016

<sup>5)</sup> Term: 3 years

<sup>6)</sup> In financial year 2017/2018, this includes the fair value as of the grant date of the multi-year share-based cash compensation from financial year 2017/2018 as follows:  
Rainer Hundsdörfer: € 234 thousand; Dirk Kaliebe: € 144 thousand; Prof. Dr. Ulrich Hermann: € 144 thousand; Stephan Plenz: € 144 thousand

**Allocation<sup>1)</sup>**

| Figures in € thousands                                      | <b>Rainer Hundsdörfer</b><br>Chief Executive Officer <sup>2)</sup> |            | <b>Dirk Kaliebe</b><br>Chief Financial Officer<br>and Head of<br>Financial Services |              | <b>Prof. Dr. Ulrich Hermann</b><br>Member of the Board<br>Head of Digital Business<br>and Services <sup>3)</sup> |            | <b>Stephan Plenz</b><br>Member of the Board<br>Head of Digital Technology |              |
|---|--|------------|---|--------------|--|------------|---|--------------|
|   | 2017/2018  | 2016/2017  | 2017/2018   | 2016/2017    | 2017/2018  | 2016/2017  | 2017/2018   | 2016/2017    |
| Fixed compensation <sup>4)</sup>                            | 650  | 247        | 402   | 396          | 400  | 152        | 402   | 396          |
| Fringe benefits   | 26   | 7          | 18  | 16           | 25   | 8          | 17  | 16           |
| <b>Total</b>  | <b>676</b>   | <b>254</b> | <b>420</b>  | <b>412</b>   | <b>425</b>   | <b>160</b> | <b>419</b>  | <b>412</b>   |
| One-year variable compensation                              | 585  | 223        | 362   | 356          | 360  | 137        | 362   | 356          |
| Multi-year variable compensation                            | -  | -          | 356   | 353          | -  | -          | 356   | 353          |
| 2014/2015 tranche <sup>5)</sup>                             | -  | -          | -   | 353          | -  | -          | -   | 353          |
| 2015/2016 tranche <sup>5)</sup>                             | -  | -          | 356   | -            | -  | -          | 356   | -            |
| <b>Total fixed and variable<br/>compensation components</b> | <b>1,261</b>   | <b>477</b> | <b>1,138</b>  | <b>1,121</b> | <b>785</b>   | <b>297</b> | <b>1,137</b>  | <b>1,121</b> |
| Service cost <sup>6)</sup>                                  | 228  | 90         | 141   | 137          | 140  | 61         | 141   | 137          |
| <b>Total compensation</b>                                   | <b>1,489</b>   | <b>567</b> | <b>1,279</b>  | <b>1,258</b> | <b>925</b>   | <b>358</b> | <b>1,278</b>  | <b>1,258</b> |
| of which:<br>agreed personal investment                     | 59   | 22         | 72  | 71           | 36   | 14         | 72  | 71           |

<sup>1)</sup> Compensation paid or yet to be paid to the members of the Management Board for the respective financial year

<sup>2)</sup> Chief Executive Officer, member of the Management Board and Chief Human Resources Officer since November 14, 2016

<sup>3)</sup> Member of the Management Board since November 14, 2016

<sup>4)</sup> The monthly fixed compensation of Dirk Kaliebe and Stephan Plenz was each increased by 3 percentage points from October 1, 2016

<sup>5)</sup> Term: 3 years

<sup>6)</sup> Not yet allocated in the financial year

There is a special rule for the three-year period 2017/2018 to 2019/2020. The amount resulting according to the previous rule from the objective already set for the first portion of the multi-year variable compensation of financial year 2017/2018 (2017/2018 tranche) and the related evaluation with regard to the (proportional) target compensation of no more than 30 percent of the fixed annual compensation is, in the event of the agreed achievement of objectives, counted towards this new rule and paid out after the end of the three-year period in financial year 2019/2020.

The objective agreements for the multi-year variable compensation (three-year period) concluded at the beginning of financial year 2015/2016 (2015/2016 tranche) and at the beginning of financial year 2016/2017 (2016/2017 tranche) are still based on the previous rule and are accordingly ascertained and paid out on this basis. As a result, the multi-year variable compensation is scheduled to be ascertained and paid out on the basis of the previous rule for the last time at the end of financial year 2018/2019 – with the exception of the above transitional rule.

As such, the one-year variable compensation and the multi-year variable compensation alike provide an additional long-term performance incentive, increasingly gearing the compensation structure towards sustainable business development.

Rainer Hundsdörfer, Dirk Kaliebe, Prof. Dr. Ulrich Hermann and Stephan Plenz invested the portions of the one-year variable compensation paid for financial year 2016/2017 and Dirk Kaliebe and Stephan Plenz the corresponding portions of the multi-year variable compensation for financial years 2014/2015, 2015/2016 and 2016/2017 in shares of Heidelberger Druckmaschinen Aktiengesellschaft on August 11, 2017, in accordance with Article 19 of the Market Abuse Regulation (EU) No. 596/2014; the investment was reported to the German Federal Financial Supervisory Authority by all Management Board members and published on the Heidelberger Druckmaschinen Aktiengesellschaft website on August 11, 2017.

In the year under review, **FRINGE BENEFITS** primarily consist of the value of the private use of a company car to be determined according to fiscal guidelines.

**Compensation of the individual members of the Management Board (HGB)**

| Figures in € thousands  |                  | Non-performance-related elements |                 | Performance-related elements   | Long-term incentive components                 | Total compensation |
|---|------------------|----------------------------------|-----------------|--------------------------------|--|--------------------|
|   |                  | Fixed compensation <sup>1)</sup> | Fringe benefits | One-year variable compensation | Multi-year <sup>2)</sup> variable compensation |                    |
| Rainer Hundsdörfer <sup>3)</sup>                              | <b>2017/2018</b> | 650                              | 26              | 585                            | 429  | 1,690              |
|   | 2016/2017        | 247                              | 7               | 223                            | 74   | 551                |
| Dirk Kaliebe  | <b>2017/2018</b> | 402                              | 18              | 362                            | 385  | 1,167              |
|   | 2016/2017        | 396                              | 16              | 356                            | 356  | 1,124              |
| Prof. Dr. Ulrich Hermann <sup>4)</sup>                        | <b>2017/2018</b> | 400                              | 25              | 360                            | 264  | 1,049              |
|   | 2016/2017        | 152                              | 8               | 137                            | 46   | 343                |
| Stephan Plenz   | <b>2017/2018</b> | 402                              | 17              | 362                            | 385  | 1,166              |
|   | 2016/2017        | 396                              | 16              | 356                            | 356  | 1,124              |
| <b>Total</b>  | <b>2017/2018</b> | 1,854                            | 86              | 1,669                          | 1,463  | 5,072              |
|   | 2016/2017        | 1,191                            | 47              | 1,072                          | 832  | 3,142              |
| Members of the Management Board who left in the previous year | <b>2017/2018</b> | -                                | -               | -                              | -  | -                  |
|   | 2016/2017        | 586                              | 25              | 527                            | 527  | 1,665              |
| <b>Total</b>  | <b>2017/2018</b> | 1,854                            | 86              | 1,669                          | 1,463  | 5,072              |
|   | 2016/2017        | 1,777                            | 72              | 1,599                          | 1,359  | 4,807              |

<sup>1)</sup> The monthly fixed compensation of Dirk Kaliebe and Stephan Plenz was each increased by 3 percentage points from October 1, 2016

<sup>2)</sup> In financial year 2017/2018, this includes the fair value as of the grant date of the multi-year cash-settled share-based compensation from financial year 2017/2018 as follows: Rainer Hundsdörfer: € 234 thousand; Dirk Kaliebe: € 144 thousand; Prof. Dr. Ulrich Hermann: € 144 thousand; and Stephan Plenz: € 144 thousand; the expense of financial year 2017/2018 of € 437 thousand is allocated as follows: Rainer Hundsdörfer: € 153 thousand; Dirk Kaliebe: € 95 thousand; Prof. Dr. Ulrich Hermann: € 94 thousand; and Stephan Plenz: € 95 thousand

<sup>3)</sup> Chief Executive Officer, member of the Management Board and Chief Human Resources Officer since November 14, 2016

<sup>4)</sup> Member of the Management Board since November 14, 2016

The **BENEFITS TO MEMBERS OF THE MANAGEMENT BOARD WHO LEFT** are as follows: No members of the Management Board left in the reporting year. In the financial year 2016/2017, the term in office of Dr. Gerold Linzbach as Chief Executive Officer, member of the Management Board and Chief Human Resources Officer ended on November 13, 2016; his service agreement with Heidelberger Druckmaschinen Aktiengesellschaft ended on August 31, 2017. The term in office of Harald Weimer as a member of the Management Board ended on November 13, 2016; his service agreement with Heidelberger Druckmaschinen Aktiengesellschaft ended as agreed on March 31, 2017. Please see note 39 to the consolidated financial statements for further information on members of the Management Board who left in the past year.

**POST-EMPLOYMENT BENEFITS** for the members of the Management Board are as follows:

Rainer Hundsdörfer (Chief Executive Officer and Chief Human Resources Officer), Dirk Kaliebe, Prof. Dr. Ulrich Hermann and Stephan Plenz have each been appointed as

ordinary members of the Management Board for periods of three years. The pension agreement provides for a defined contribution for pension benefits that is essentially consistent with the defined contribution plan for executive staff (BVR). On July 1 of each year, the Company pays a corresponding contribution based on the relevant fixed compensation retroactively for the previous financial year into an investment fund. The fixed pension contribution is 35 percent of the corresponding fixed compensation.

The pension agreements for all members of the Management Board stipulate that the amount paid can rise depending on the earnings situations of the Company. The exact amount of the pension also depends on the investment success of the fund. The pension can be drawn as an early pension from the age of 60. In the event of a member of the Management Board leaving the Company, the pension will be paid from the age of 65 or 60 respectively, principally as a non-recurring payment of pension capital. In addition, the agreements also provide for disability and surviving dependents' benefits (60 percent of the disability

payment or the pension) contingent on the amount of the last fixed compensation. In deviation from the defined contribution plan for executive staff, the percentage in the event of a disability pension is based on the length of service on the Company's Management Board, with attributable time up to the age of 65 and a maximum pension percentage of 60 percent. If the contract of employment expires prior to the start of benefit payments, the claim to the accrued pension funds at that point in time remains valid. The other pension benefits (disability and surviving dependents' benefits) earned in accordance with section 2 of the German Company Pension Act (BetrAVG) remain valid on a pro rata temporis basis. In a departure from section 1b BetrAVG, the benefits of Rainer Hundsdörfer and Prof. Dr. Ulrich Hermann are vested immediately. Moreover, the statutory vesting periods have been met for Dirk Kaliebe and Stephan Plenz.

In terms of **EARLY TERMINATION BENEFITS**, all service agreements provide for the following uniform regulations in the event of the effective revocation of a Management Board member's appointment or a justifiable resignation by a member of the Management Board: The service agreement ends after the statutory notice period in accordance with section 622 (1), (2) of the German Civil Code (BGB). In event of the effective revocation of a Management Board member's appointment, the member receives a severance payment at the time of termination of the service agree-

ment in the amount of his or her previous total compensation under the service agreement for two years, but not exceeding the amount of the compensation for the originally agreed remainder of the service agreement. An entitlement to multi-year variable compensation determined, established and thus already vested at the date of departure is unaffected by the severance and transitional regulations and is paid immediately after departure or, with regard to the new multi-year variable compensation, as soon as the annual financial statements of the financial year in question have been prepared, but no later than the end of the first quarter of the financial year following the departure. This does not affect the right to extraordinary termination for cause in accordance with section 626 BGB. The severance payment is paid in quarterly installments in line with the originally agreed residual term, but in not more than eight quarterly installments. Other compensation received by a then former member of the Management Board, which this former member has agreed to disclose to the Company, must be offset in accordance with sections 326(2) sentence 2 and 615(2) BGB mutatis mutandis during the originally agreed residual term. If a member of the Management Board becomes unable to work due to disability, the benefits stipulated in the respective pension agreement will be paid. If no decision on reappointment is made by at least nine months before the end of the term in office and the Management Board member is not reappointed thereafter,

#### Pension of the individual members of the Management Board<sup>1)</sup>

| Figures in € thousands                 |                  | Accrued pension funds as of the end of the reporting period | Pension contribution during the reporting year <sup>2)</sup> | Defined benefit obligation | Service cost     |
|--|------------------|---|--|----------------------------|------------------|
| Rainer Hundsdörfer <sup>3)</sup>       | <b>2017/2018</b> | 315   | 228  | 317                        | 228              |
|  | 2016/2017        | 85  | 85 <sup>4)</sup>   | 90                         | 90 <sup>5)</sup> |
| Dirk Kaliebe                           | <b>2017/2018</b> | 1,611   | 141  | 1,862                      | 141              |
|  | 2016/2017        | 1,430   | 139  | 1,635                      | 137              |
| Prof. Dr. Ulrich Hermann <sup>6)</sup> | <b>2017/2018</b> | 194   | 140  | 224                        | 140              |
|  | 2016/2017        | 53  | 53 <sup>4)</sup>   | 61                         | 61 <sup>5)</sup> |
| Stephan Plenz                          | <b>2017/2018</b> | 1,525   | 141  | 1,750                      | 141              |
|  | 2016/2017        | 1,346   | 139  | 1,544                      | 137              |

<sup>1)</sup> The pension entitlement that can be achieved by the age of 65 (Rainer Hundsdörfer; Dirk Kaliebe; Prof. Dr. Ulrich Hermann and Stephan Plenz) is dependent on personal compensation development, the respective EBIT and the return achieved, and hence cannot be determined precisely in advance. If the pension option is utilized and the current assumptions continue to apply, the retirement pension resulting from the accrued pension funds is expected to be as follows: Rainer Hundsdörfer: approx. 7 percent, Prof. Dr. Ulrich Hermann: approx. 36 percent, Dirk Kaliebe: approx. 21 percent and Stephan Plenz: approx. 34 percent of the respective last fixed compensation

<sup>2)</sup> For Rainer Hundsdörfer, Dirk Kaliebe, Prof. Dr. Ulrich Hermann and Stephan Plenz, the pension contribution for the reporting year is calculated on the basis of the pensionable income on March 31, without taking into account the earnings-based contribution not yet determined

<sup>3)</sup> Chief Executive Officer, member of the Management Board and Chief Human Resources Officer since November 14, 2016

<sup>4)</sup> For the period November 14, 2016 to March 31, 2017

<sup>5)</sup> As the service cost amounts to €0 thousand, the addition to the defined benefit obligation for the period from November 14, 2016 to March 31, 2017, is shown here

<sup>6)</sup> Member of the Management Board since November 14, 2016



the Management Board member receives a severance payment in the amount of the fixed annual compensation (transitional payment). The entitlement to this fixed annual compensation arises at the time of termination of the service agreement. It does not arise if, when the decision on reappointment is made or by the time of termination of the service agreement, there is good cause for which the Management Board member is responsible that would give the Company a right to termination in accordance with section 626 BGB. The above rule applies accordingly to the payment and eligibility of other compensation.

The compensation of the members of the **SUPERVISORY BOARD** is governed by the Articles of Association and approved by the Annual General Meeting.

Each member of the Supervisory Board receives fixed annual compensation of € 40,000.00. The Chairman of the Supervisory Board receives three times this amount, the Deputy Chairman twice this amount. The members of the Management Committee, the Audit Committee, and the Committee on Arranging Personnel Matters of the Management Board receive additional compensation for work on

these committees. Each committee member receives compensation of € 1,500.00 per meeting for participation in a meeting of these committees. The Chairman of the Audit Committee receives compensation of € 4,500.00 per meeting; the Chairman of the Management Committee and the Chairman of the Committee on Arranging Personnel Matters of the Management Board receive compensation of € 2,500.00 per meeting. The members of the Supervisory Board also receive an attendance fee of € 500.00 per meeting for attending a meeting of the Supervisory Board or one of its committees. Furthermore, the expenses incurred by members of the Supervisory Board and value added tax thereon will be reimbursed. In order to boost the Supervisory Board's role as a controlling body, compensation does not include a variable, performance-based component. The Supervisory Board currently consists of 12 members.

The members of the union and the Works Council have declared that they will transfer their Supervisory Board compensation to the Hans Böckler Foundation in accordance with the guidelines of IG Metall.

#### Compensation of the Supervisory Board (excluding VAT)

| Figures in €                           | 2017/2018                 |                 |                        |                | 2016/2017                 |                 |                        |                |
|--|---------------------------|-----------------|------------------------|----------------|---------------------------|-----------------|------------------------|----------------|
|  | Fixed annual compensation | Attendance fees | Committee compensation | Total          | Fixed annual compensation | Attendance fees | Committee compensation | Total          |
| Dr. Siegfried Jaschinski <sup>1)</sup> | 120,000                   | 5,000           | 7,500                  | 132,500        | 120,000                   | 6,500           | 8,000                  | 134,500        |
| Rainer Wagner <sup>2)</sup>            | 80,000                    | 5,000           | 12,000                 | 97,000         | 80,000                    | 6,500           | 10,500                 | 97,000         |
| Ralph Arns                             | 40,000                    | 2,000           | 0                      | 42,000         | 40,000                    | 3,000           | 0                      | 43,000         |
| Edwin Eichler <sup>3)</sup>            | 0                         | 0               | 0                      | 0              | 13,333                    | 1,000           | 0                      | 14,333         |
| Mirko Geiger                           | 40,000                    | 5,000           | 7,500                  | 52,500         | 40,000                    | 6,000           | 7,500                  | 53,500         |
| Karen Heumann                          | 40,000                    | 2,500           | 3,000                  | 45,500         | 40,000                    | 2,500           | 0                      | 42,500         |
| Oliver Jung <sup>4)</sup>              | 36,666                    | 2,500           | 0                      | 39,166         | 0                         | 0               | 0                      | 0              |
| Kirsten Lange                          | 40,000                    | 4,500           | 6,000                  | 50,500         | 40,000                    | 6,000           | 4,500                  | 50,500         |
| Dr. Herbert Meyer                      | 40,000                    | 5,000           | 22,500                 | 67,500         | 40,000                    | 6,000           | 22,500                 | 68,500         |
| Beate Schmitt                          | 40,000                    | 2,000           | 4,500                  | 46,500         | 40,000                    | 4,000           | 3,000                  | 47,000         |
| Prof. Dr.-Ing. Günther Schuh           | 92,611 <sup>5)</sup>      | 2,500           | 1,500                  | 96,611         | 95,417 <sup>5)</sup>      | 4,500           | 3,000                  | 102,917        |
| Christoph Woesler                      | 40,000                    | 2,000           | 0                      | 42,000         | 40,000                    | 3,000           | 0                      | 43,000         |
| Roman Zitzelsberger                    | 40,000                    | 2,000           | 0                      | 42,000         | 40,000                    | 2,000           | 0                      | 42,000         |
| <b>Total</b>                           | <b>649,277</b>            | <b>40,000</b>   | <b>64,500</b>          | <b>753,777</b> | <b>628,750</b>            | <b>51,000</b>   | <b>59,000</b>          | <b>738,750</b> |

<sup>1)</sup> Chairman of the Supervisory Board

<sup>2)</sup> Deputy Chairman of the Supervisory Board

<sup>3)</sup> Member of the Supervisory Board until July 31, 2016

<sup>4)</sup> Member of the Supervisory Board since May 23, 2017

<sup>5)</sup> of which: fixed compensation for membership in the Board of Directors of a foreign subsidiary: € 52,611 (previous year: € 55,417)