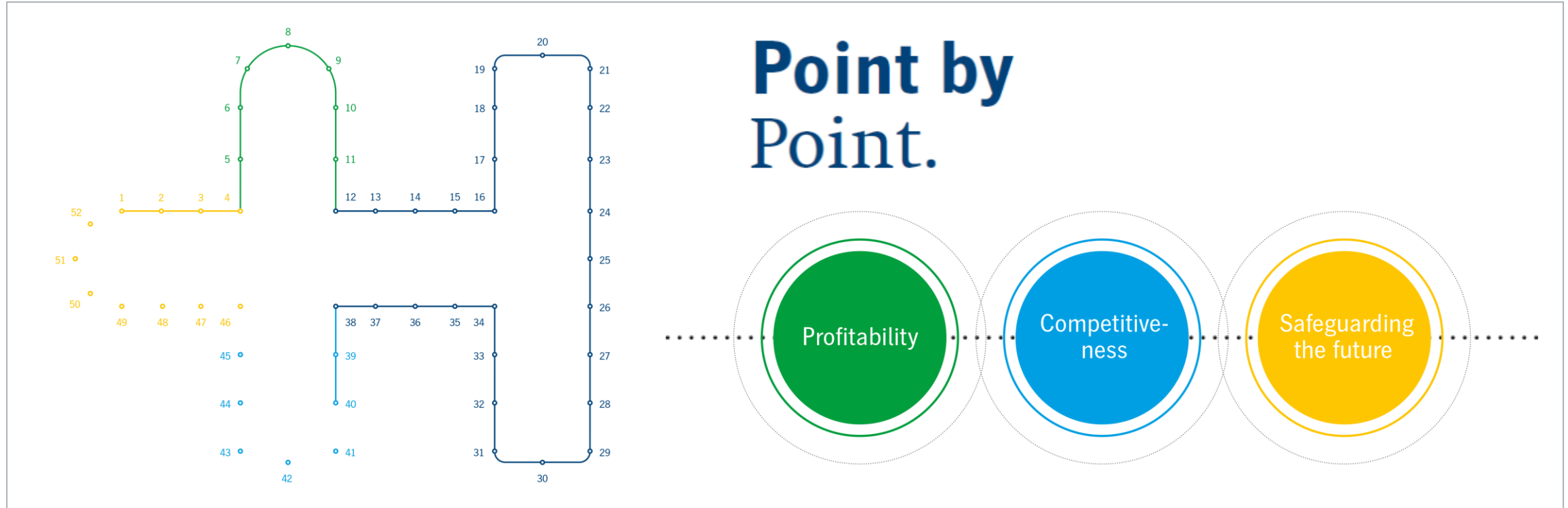




Fundamentals of the Remuneration System of the Management Board

Heidelberger Druckmaschinen AG

Disclaimer: This is a non-binding overview of the Management Board remuneration system of Heidelberger Druckmaschinen AG. This overview is provided to investors for information purposes only. More detailed information can be found in the invitation to the 2021 Annual General Meeting of Heidelberger Druckmaschinen AG. No responsibility is taken for the completeness and accuracy of this overview. Only the German version of the invitation of the Annual General Meeting of Heidelberger Druckmaschinen AG is legally binding.



Fundamentals of the Remuneration System of the Management Board



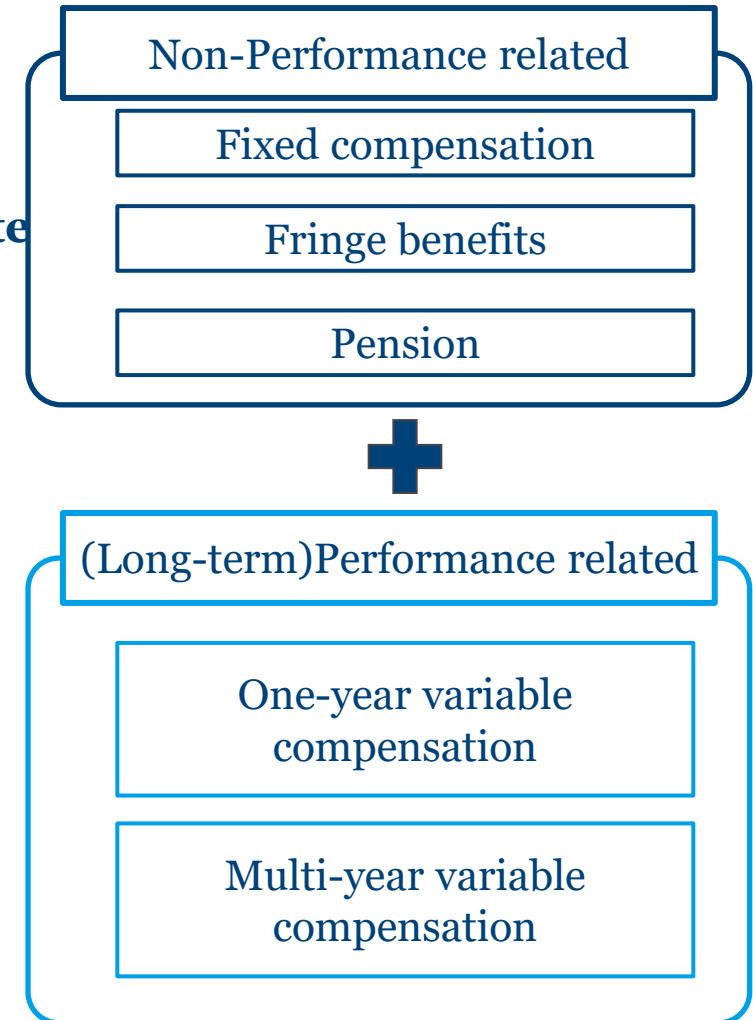
Reasons for change:

- **Increase** consideration of the **shareholder perspective**
- Incentive for successful implementation of **transformation program**
- Attention to new legal requirements (ARUG II and the **German Corporate Governance Code (GCGC)**)

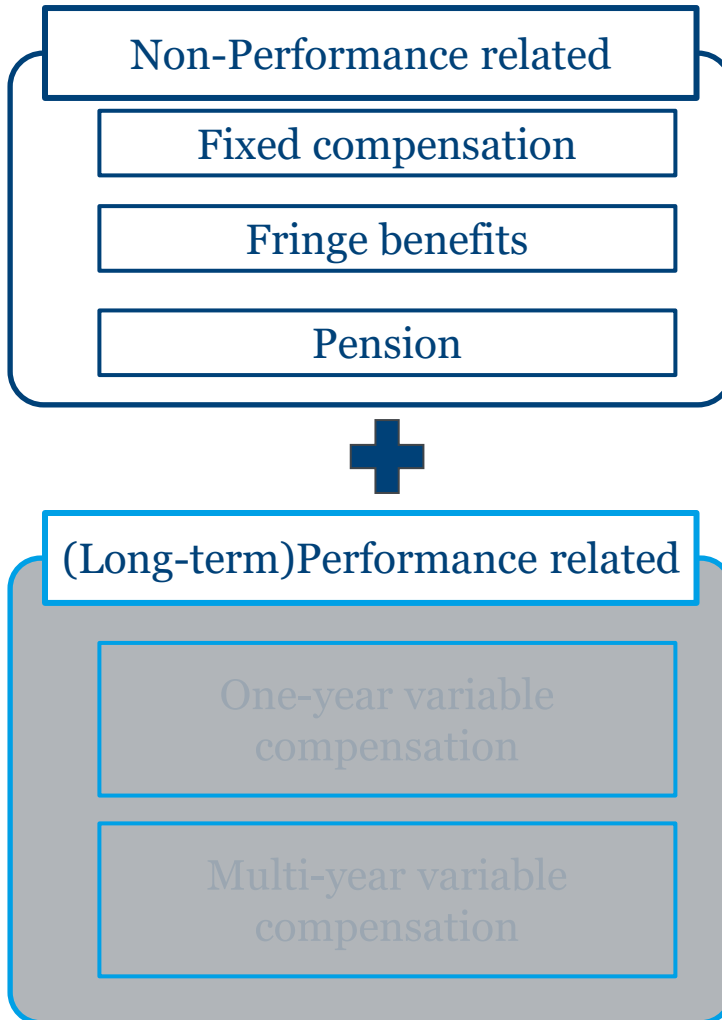
Guidelines for the design are:

- **Clear**, simple, comprehensible system
- Closer link to the **corporate strategy**
- **Sustainability component** in the Short Term Incentive as well as in the Long Term Incentive
- **Attractiveness** through additional introduction of virtual shares as leverage for performance
- Simplification of the **pension plan**

Changes primarily concern the **performance-related variable remuneration**.



Fundamentals of the Remuneration System of the Management Board



Fixed remuneration

- Monthly payment in equal instalments

Fringe benefits

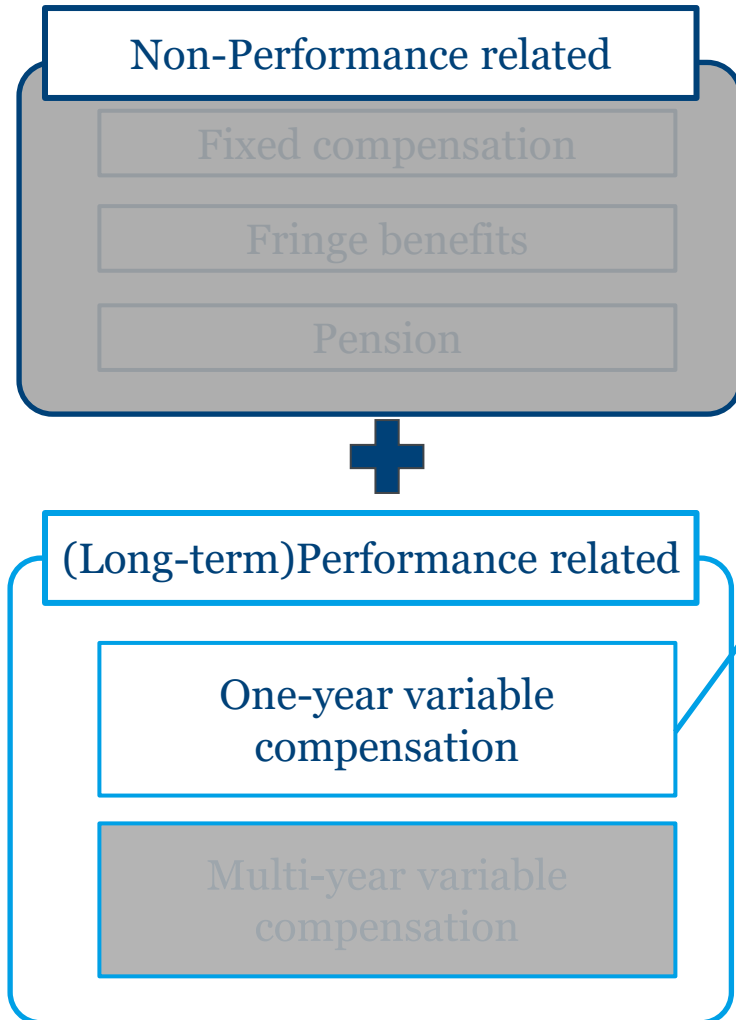
- Insurance (accident insurance, D&O insurance)
- Company car also for private use
- Relocation package, if applicable

Cap on contractual commitments: 15% of one-year fixed remuneration for members of the Management Board and 20% of one-year fixed remuneration for the Chairman of the Management Board

Pension

- Taxable contribution of 35% of the one-year fixed remuneration for personal use in form of an investment for purpose of pension provision

Fundamentals of the Remuneration System of the Management Board



Term: 1 year (business year); **Determination** of objectives by the Supervisory Board based on annual budget

Volume (target value): (new) 50% (previously 60%) of the one-year fixed remuneration, maximum 100% of the one-year fixed remuneration

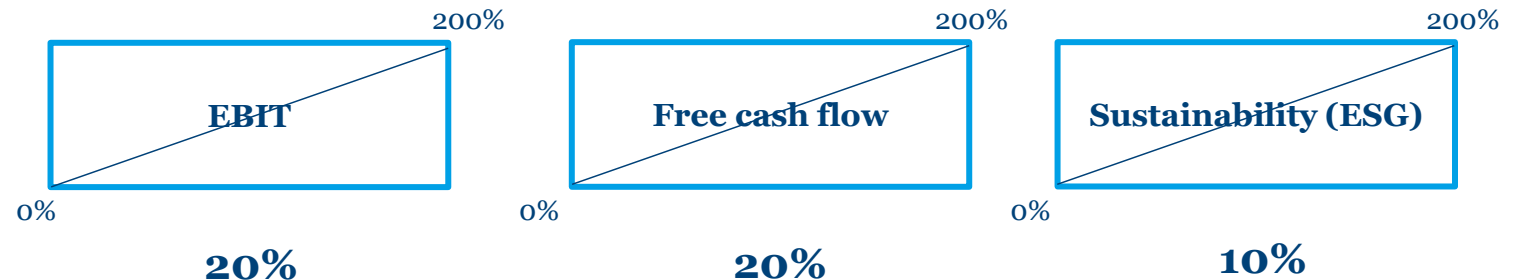
KPI/Breakdown into EBIT (20%) and FCF (20%) and ESG criteria (new) (10%)

Target value set at 100% target achievement, limits for cap (200%) and floor (0%, total loss if target is missed)

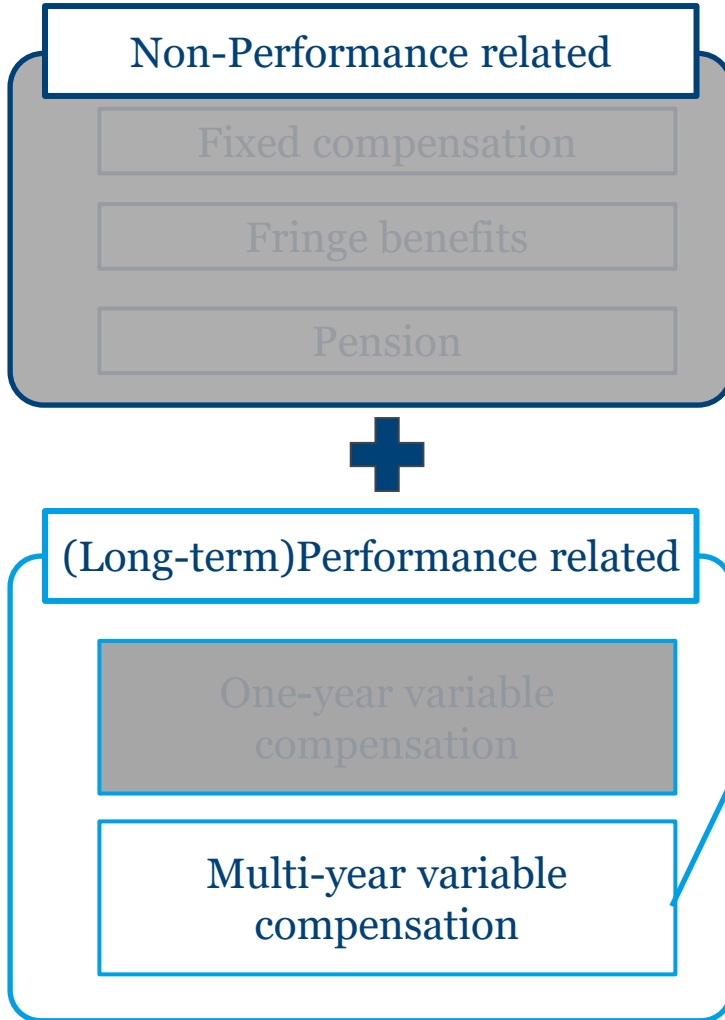
Option of individual performance-based component: temporarily waived component

Subject to adjustment (+/- 20%) target assessment by Supervisory Board

Malus & claw back provision



Fundamentals of the Remuneration System of the Management Board



Term: 3-year performance period for KPI + 1-year share holding period

Volume (target value): (new) 100% (previously 90%) of the one-year fixed remuneration in case of 100% target attainment, maximum of 200% of one-year fixed remuneration

Breakdown into EBT, rTSR (development of the Heidelberg share in relation to S-DAX performance) and ESG criteria (new)

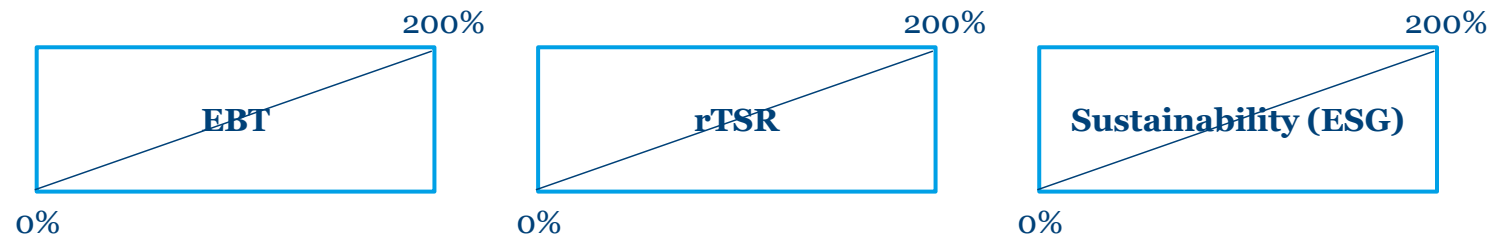
Determination of targets for 3 years by Supervisory Board

Target value set at 100% target achievement, limits for cap (200%) and floor (0%, total loss if target is missed)

Target value is converted into **number of virtual shares** to measure target achievement. Half of this amount will be converted into real shares after 3 years with minimum holding period 1 year.

Subject to adjustment (+/- 20%) target assessment by Supervisory Board

Malus & claw back provision





Further individual changes - pension

Old regulation:

*Previously, the Management Board member received **35% of a fixed annual remuneration** as a pension contribution credited to a **pension account**. This account bore interest and was converted into a **retirement pension** (option of pension or lump sum) including **survivors' benefits and disability benefits** upon the occurrence of the insured event.*

New regulation:

Instead of a pension account managed by the company, the **amount of 35% of a fixed annual remuneration** shall be **paid to** the Management Board member and to be spent **by him for a pension benefit scheme of his individual choice**.

Further individual changes - share investment & transitional allowance



Old regulations:

Equity invest:

*Up to now, Management Board members have had to invest a **maximum of 10% p.a. of their variable remuneration** in HDM shares up to a **volume of 1.0 of a year's fixed remuneration**.*

Transitional allowance:

*Until now, Management board members received a "**transitional payment**" if their **contract was not renewed within a certain period of time**.*

New regulations:

Equity invest:

From now on, members of the Management Board must invest a **maximum of 20% of their variable remuneration** in shares of the company up to a **total volume of one year's fixed remuneration**.

Transitional allowance:

The previous **transitional allowance no longer** applies.



Peer group considered evaluating appropriateness of remuneration

Unternehmen	Umsatz in Mio. EUR (GJ 2019)	Marktkapitalisierung in Mio. EUR (Durchschnitt GJ 2019)	Marktkapitalisierung in Mio. EUR (Stichtag 31.10.2020)	Mitarbeiter (GJ 2019)
DEUTZ	€ 1.841	€ 777	€ 533	4.876
DMG MORI	€ 2.722	€ 3.402	€ 3.196	7.245
Dürr	€ 3.922	€ 2.114	€ 1.707	16.043
GEA Group	€ 4.880	€ 4.475	€ 5.157	17.634
Koenig & Bauer	€ 1.219	€ 602	€ 293	5.637
Krones	€ 4.022	€ 2.087	€ 1.549	17.353
KUKA	€ 3.193	€ 1.904	€ 1.368	14.014
MTU Aero Engines	€ 4.628	€ 11.227	€ 7.773	10.660
Nordex	€ 3.285	€ 1.160	€ 1.312	6.467
NORMA Group	€ 1.105	€ 1.208	€ 849	6.523
OSRAM Licht	€ 3.464	€ 3.382	€ 4.740	24.685
SGL Carbon	€ 1.087	€ 746	€ 334	4.651
Vossloh	€ 916	€ 627	€ 551	3.531
Heidelberger Druckmaschinen	€ 2.524	€ 405	€ 146	11.851
3. Quartil	€ 3.922	€ 3.382	€ 3.196	16.043
Median	€ 3.193	€ 1.904	€ 1.368	7.245
1. Quartil	€ 1.219	€ 777	€ 551	5.637