



# *Invitation*

TO THE ANNUAL  
GENERAL MEETING OF  
MTU AERO ENGINES AG

**Convenience Translation – the German version of this document is authoritative**

**MTU Aero Engines AG  
Munich**

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*Invitation to the  
Annual General Meeting  
of MTU Aero Engines AG*

We hereby invite the shareholders of our Company to attend the Annual General Meeting, which will be held on

**Thursday, May 11, 2023 at 10:00 a.m. CEST (8:00 a.m. UTC)**

For the purposes of the German Stock Corporation Act (AktG), the place of meeting is the Communications Center at the headquarters of MTU Aero Engines AG, Dachauer Strasse 665, 80995 Munich.

The entire proceedings of the Annual General Meeting, starting at 10 a.m. CEST on May 11, 2023, will be broadcast live via a portal (“InvestorPortal”) on the Company’s website at [www.mtu.de/hv](http://www.mtu.de/hv), which is reserved to shareholders. For interested non-shareholders a public link is made available at the above-mentioned website, to follow the Annual General Meeting up to the end of the speech delivered by the CEO.

The German legislator has placed the virtual general meeting as an equal format alongside the face-to-face meeting and designed it in such a way that it offers shareholders the same participation and ownership rights as the face-to-face annual general meeting. For MTU Aero Engines AG, the aspect of better accessibility for our international shareholders and the avoidance of the climate impact of a personal journey of several hundred people is important. As a technology company, we also consider the virtual annual general meeting to be a modern, convenient and shareholder-friendly format aligned with the global trend toward digitalization. In view of feedback received from shareholders in recent years who prefer live interaction, we have opted not to require questions to be submitted in advance.

For information on how to participate in the virtual Annual General Meeting and exercise voting rights, please see Section III, “Further information and notes on the 2023 Annual General Meeting”.

## I. Agenda

### 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the combined management report for the Company and the Group, and the report of the Supervisory Board including the explanatory report of the Executive Board on the statements pursuant to Sections 289a and 315a of the German Commercial Code (HGB), each for fiscal year 2022

The above-mentioned documents will be made available on the Company’s website at [www.mtu.de/hv](http://www.mtu.de/hv) as of the date on which the Annual General Meeting is convened.

According to the statutory requirements, no resolution is necessary in respect of this item of the agenda, because the Supervisory Board has already approved the annual financial statements and the consolidated financial statements.

### 2. Resolution on the appropriation of net profit

The Executive Board and Supervisory Board propose that the net profit generated by MTU Aero Engines AG for financial year 2022 in the amount of EUR 170,844,320.00 be appropriated as follows:

#### Appropriation of net profit

Payment of a dividend of EUR 3.20 per dividend-entitled non-par share:	Euro	170,844,320.00
Allocate to other revenue reserves:	Euro	0.00

Pursuant to Section 58 (4) sent. 2 German Stock Corporation Act (AktG), the dividend is payable on the third working day after the resolution is passed at the Annual General Meeting, i.e. on Tuesday, May 16, 2023.

Treasury shares held by the Company are not entitled to a dividend. The number of non-par shares entitled to a dividend may change prior to the date of the Annual General Meeting. In this case, an appropriately modified proposal for the appropriation of net profit will be presented to the Annual General Meeting which still allows a dividend of EUR 3.20 to be paid on each non-par share entitled to a dividend.

### 3. Resolution on the discharge of members of the Executive Board for fiscal year 2022

The Executive Board and Supervisory Board propose that discharge be granted to the members of the Executive Board for fiscal year 2022.

### 4. Resolution on the discharge of members of the Supervisory Board for fiscal year 2022

The Executive Board and Supervisory Board propose that discharge be granted to the members of the Supervisory Board for fiscal year 2022.

### 5. Resolution on the appointment of the auditor for fiscal year 2023

Following the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed to audit the annual and consolidated financial statements and review the half-year interim report for financial year 2023.

The Audit Committee has declared that its recommendation is free from undue influence by third parties as defined in Article 16 (2) subparagraph 3 of EU Regulation 537/2014, and that no restrictive clause within the meaning of Article 16 (6) of the aforementioned Regulation had been imposed regarding its choice.

For further information regarding this agenda item see Section II.1 “Further information on agenda item 5: Resolution on appointment of the auditor for financial year 2023”.

## 6. Resolution to amend Section 14 of the Articles of Association (Conducting a virtual annual general meeting)

Under Section 118a (1) sentence 1 German Stock Corporation Act (AktG) of the Act Introducing Virtual Shareholder Meetings of Stock Corporations and Amending Cooperative, Insolvency and Restructuring Law, legislators permanently enabled companies to hold virtual shareholder meetings, if permitted under their articles of association. The articles of association may provide or empower the executive board for a period not exceeding five years after the registration of the amendment of the articles of association to hold the shareholders meeting in a virtual format, i.e. without shareholders or their proxies being physically present at the location of the shareholders meeting.

This option is to be made use of. However, the legally possible authorization period for the Executive Board of up to five years shall not be fully utilized. The authorization shall be limited to two years and thereafter again be submitted to the Annual General Meeting for decision. This provides the shareholders with the opportunity to decide in a timely manner whether in their view this regulation has proven itself. During the two-year term of the authorization, the Executive Board will decide anew for each annual general meeting whether and under what conditions, if any, it should be convened as a virtual general meeting. In doing so, it will take into account the relevant specific circumstances of each individual case and make its decision according to its best judgement for the benefit of the Company and the shareholders as well as ensure the rights of the shareholders to the same full extent as at this year's Annual General Meeting. Depending on the circumstances in a given case, this may lead to a decision against a virtual general meeting, for example in cases of significant structural decisions (merger, profit and loss transfer and domination agreements, squeeze-out). When deciding on the format of the general meeting the Executive Board will take into account the agenda items and furthermore the objective of maximizing shareholder participation and will consider cost, public health and sustainability.

The Executive Board and Supervisory Board therefore propose to add a new Section 14 (3) to the Articles of Association as follows:

*„(3) The Executive Board is authorized to provide that the general meeting may be held without the physical presence of the shareholders or their proxies at the place of the general meeting (virtual general meeting) for a period of two years after the registration of this paragraph 3 in the commercial register of the Company.”*

## 7. Resolution on further amendments to Section 14 of the Articles of Association (Participation of members of the Supervisory Board in the General Meeting via video and audio transmission)

Pursuant to Section 118 (3) sentence 1 German Stock Corporation Act (AktG), Supervisory Board members are to attend the Annual General Meeting in person. The Articles of Association may however provide, in accordance with Section 118 (3) sentence 2 German Stock Corporation Act (AktG), that Supervisory Board members may in certain cases participate remotely via video and audio transmission. The Articles of Association are to be amended to allow this as an option.

The Executive Board and Supervisory Board propose to add a new Section 14 (4) to the Articles of Association as follows:

*„(4) Members of the Supervisory Board shall be permitted to participate in the General Meeting by means of video and audio transmission in cases where they are unable to participate in person or only at considerable expense due to legal or health restrictions or due to their place of employment or residence abroad, or if the General Meeting is held as a virtual General Meeting without the physical presence of the shareholders or their proxies at the place of the General Meeting.”*

## 8. Election of Supervisory Board members

Pursuant to Sections 95, 96 (1) and 101 German Stock Corporation Act (AktG) in conjunction with Sections 1 (1), 5 (1) and Section 7 (1) sentence 1, no. 1 German Codetermination Act (MitbestG) and Section 7 (1) of the Articles of Association, the Supervisory Board is composed of twelve members. Six members are elected by the Annual General Meeting (shareholder representatives) and six are elected in accordance with the provisions of the German Codetermination Act (MitbestG) (employee representatives).

The terms of office of Dr. Christine Bortenlänger, Univ. Prof. Dr. Marion A. Weissenberger-Eibl and Dr. Jürgen M. Geißinger end upon the conclusion of the Annual General Meeting on May 11, 2023.

Pursuant to Section 96 (2) sentence 1 German Stock Corporation Act (AktG), at least 30% of the seats on the supervisory board of a listed company that is subject to the German Codetermination Act (MitbestG) must be held by women and at least 30% by men. Given that an appeal has been lodged against overall compliance (i.e. applicable to the Supervisory Board as a whole), the quota must be met separately by both sides of the Supervisory Board: the shareholder representatives and the employee representatives. This means that there must be at least two women and two men among each set of representatives. The following proposal for a resolution respects these minimum percentages.

Following the corresponding proposal by the Nomination Committee, the Supervisory Board proposes the following candidates for election/re-election to the Supervisory Board:

**8.1** Dr. Christine Bortenlänger, Chief Executive of Deutsches Aktieninstitut e.V., Pullach i. Isartal

**8.2** Univ. Prof. Dr. Marion A. Weissenberger-Eibl, Director of the Fraunhofer Institute for Systems and Innovation Research ISI in Karlsruhe and holder of the Chair for Innovation and Technology Management at the Karlsruhe Institute of Technology, Karlsruhe

**8.3** Ute Wolf, independent consultant, Düsseldorf

The elected candidates will take up their duties as of the end of the Annual General Meeting on May 11, 2023.

The terms of office of the candidates Dr. Bortenlänger and Ms. Wolf end after the Annual General Meeting entrusted with granting discharge on the third financial year of service, not including the financial year in which they were appointed. The candidates are thus elected for respective four-year terms of office.

The term of office of candidate Univ. Prof. Dr. Marion A. Weissenberger-Eibl ends after the Annual General Meeting entrusted with granting discharge on the financial year of service following the financial year of commencement of the term of office. The candidate is thus elected for a two-year term of office.

The proposed terms of office of two and four years correspond to the expectations of international investors. The company is thus exercising the option provided for in the Articles of Association to elect Supervisory Board members for a shorter term of office than the maximum period of five years. It also ensures that the terms of office of the shareholder representatives do not run concurrently, thereby preserving know-how in the board across individual changes of office.

These proposals comply with statutory requirements and with the objectives set by the Supervisory Board in accordance with the German Corporate Governance Code (GCGC) regarding the board's composition and the desired profile of skills and expertise of its members. The skills and expertise of Supervisory Board members can be viewed at [www.mtu.de/de/unternehmen/aufsichtsrat](http://www.mtu.de/de/unternehmen/aufsichtsrat). The Supervisory Board has assured itself that the candidates will be able to devote the required time to their duties as Supervisory Board members and should be considered independent in accordance with Recommendations C.6 and C.7 of the German Corporate Governance Code (GCGC). To the best knowledge of the Supervisory Board, there are no personal or business relations between the proposed candidates and the Company, other companies in the MTU group, the Company's governing bodies, or any shareholder directly or indirectly owning more than 10% of the voting shares in the Company, that a shareholder might regard as decisively affecting their objective judgment when making their voting decision.

Plans are to have shareholders decide by voting on the individual candidates at the Annual General Meeting.

The curricula vitae of the candidates and further information regarding appointment to the Company's Supervisory Board can be found after this agenda under Section II.2 "Further information on agenda item 8: Election of Supervisory Board members", and on the Company website: [www.mtu.de/hv](http://www.mtu.de/hv).

## 9. Resolution adopting the compensation report

In accordance with Section 162 German Stock Corporation Act (AktG), the Executive Board and Supervisory Board have prepared a compensation report outlining compensation paid to the Executive Board and Supervisory Board members in financial year 2022 and are submitting this report for shareholder approval at the Annual General Meeting, in accordance with Section 120a (4) German Stock Corporation Act (AktG).

The compensation report was reviewed by the auditor in line with Section 162 (3) German Stock Corporation Act (AktG) to determine whether the mandatory disclosures per Section 162 (1) and (2) German Stock Corporation Act (AktG) were made. The content reviewed by the auditors went beyond the scope of the statutory requirements. The auditor's note on the compensation report is attached to the compensation report.

The printed compensation report appears after the agenda in Section II.3, "Further information on agenda item 9: Resolution adopting the compensation report", and will be available on our website [www.mtu.de/hv](http://www.mtu.de/hv) from the time of convening of the Annual General Meeting.

The Executive Board and Supervisory Board propose that the compensation report prepared and audited per Section 162 German Stock Corporation Act (AktG) for financial year 2022 be adopted.

## II. Further information and reports concerning the agenda items

### 1. Further information on agenda item 5: Resolution on the appointment of the auditor for fiscal year 2023

At its meeting held October 26, 2022, the Supervisory Board resolved to propose to shareholders at the Annual General Meeting that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed as the new auditor of the Company’s annual and consolidated financial statements and for the review of the half-year interim report for financial year 2023. A multi-phase tender invitation preceded this proposal with a process of selection from among multiple providers conducted by the Audit Committee. Based on evaluations of candidates according to a set list of criteria, the Supervisory Board recommended the proposal of KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, as auditor of the annual and consolidated financial statements and for the review of the half-year interim report for financial year 2023.

### 2. Further information on agenda item 8: Election of Supervisory Board members

#### Regarding agenda item 8.1

#### Election of Dr. Christine Bortenlänger

Chief Executive, Deutsches Aktieninstitut e.V.

Born:	1966
Nationality:	German
Place of residence:	Pullach i. Isartal
Biography	
1986 – 1988	Training as bank clerk, Bayerische Vereinsbank AG, Munich
1988 – 1994	Degree in business administration Ludwig-Maximilian-University (LMU), Munich
1994 – 1996	Project manager of an international research project, conducted by the German Research Foundation concerning electronic markets
1996 – 1997	Head of project management for electronic commerce, Bayerische Landesbank, Munich
1997 – 1998	Senior consultant and project manager for strategy and organization, Dr. Seebauer & Partners, Munich
1998 – 2000	Deputy manager of the public Stock Exchange Munich
2000 – 2012	Member of the Management Board of Bayerische Börse AG and Managing Director of the public Stock Exchange, Munich
Since 9/2012	Chief Executive, Deutsches Aktieninstitut e.V., Frankfurt/Main

Mandates on the supervisory boards or comparable statutory oversight bodies of other domestic or international commercial enterprises.

- Covestro AG (listed)
- Covestro Deutschland AG (Covestro Group)
- TÜV Süd AG
- Siemens Energy AG (listed)
- Siemens Energy Management GmbH (Siemens Energy Group)

#### Specific knowledge and experience that the candidate can contribute to MTU as a member of the Supervisory Board

Dr. Bortenlänger, a member of the Company’s Audit Committee, has broad experience and in-depth knowledge by virtue of her educational and professional background concerning management, oversight, capital markets and regulation of listed companies. As a long-standing member of supervisory boards and audit committees at various listed companies, and in view of her professional experience, she is qualified as an independent expert in financial accounting and auditing. In particular, she has experience with internal control procedures such as risk and compliance management, the internal control system and internal audit, as well as sustainability reporting.

## Regarding agenda item 8.2

### Election of Univ. Prof. Dr. Marion A. Weissenberger-Eibl

Director of the Fraunhofer Institute for Systems and Innovation Research ISI in Karlsruhe and holder of the Chair for Innovation and Technology Management at Karlsruhe Institute of Technology

Born:	1966
Nationality:	German
Place of residence:	Karlsruhe
<b>Biography</b>	
1985 – 1987	Apprenticeship and education as garment tailoress (IHK)
1987 – 1991	Degree in garment technology (Dipl.-Ing., FH) from University of Applied Science, Sigmaringen
1991 – 1992	Deputy head of production ready-made products and knitwear, ESCADA AG, Munich
1992 – 1993	Head of product development and assistant head of logistics/production for LAUREL and CRISCA at ESCADA AG, Munich
1993 – 1997	Degree in business administration (Dipl.-Kffr.) Ludwig-Maximilians-University, Munich
1997 – 2003	Senior Consultant and Division Head, TCW Transfer-Centrum für Produktions-Logistik und Technologiemanagement GmbH & Co. KG, Munich
1997 – 2000	Scientific officer and research division head, Institute for Business Administration and Logistics, Technical University Munich
2000 – 2003	Assistant lecturer and research division head, Institute for Business Administration and Logistics, Technical University Munich
5/2003 – 6/2004	Postdoctoral habilitation qualification, Technical University Munich Associate professor, Technical University Munich, and deputy chair of Innovation Management at the University of Kassel
7/2004 – 12/2012	Chair for Innovation and Technology Management at the University of Kassel
Since 4/2007	Director of the Fraunhofer Institute for Systems and Innovation Research ISI
Since 1/2013	Chair of Innovation and Technology Management at Karlsruhe Institute of Technology (KIT)
Mandates on the supervisory boards or comparable statutory oversight bodies of other domestic or international commercial enterprises. HeidelbergCement AG (listed)	

### Specific knowledge and experience that the candidate can contribute to MTU as a member of the Supervisory Board

Due to her successful career as university lecturer and institute director for system and innovation research, as well as the executive functions in an industrial firm, Univ. Prof. Dr. Weissenberger-Eibl demonstrates outstanding competency in the areas of innovation, strategy and technology management and has a distinct understanding of the Company's strategy and strategic growth plans.

Her proven expertise in innovation research and extensive experience in supervising listed and unlisted companies, including their internal control procedures and sustainability/ESG reporting, make her particularly valuable for the Company's Supervisory Board activities. For example, she is Chair of the Sustainability and Innovation Committee of the Supervisory Board of HeidelbergCement AG/Heidelberg Materials, and had furthermore written her habilitation thesis in 2003 on the topic of „Corporate Development and Sustainability“. Overall, she has special expertise and knowledge in the areas of new technologies, digitalization and IT, sustainability, as well as many years of in-depth experience in cooperating with business, science and politics.



### Regarding agenda item 8.3

#### Election of Ute Wolf

Independent consultant

Former CFO, Evonik Industries AG

Born:	1968
Nationality:	German
Place of residence:	Düsseldorf
Biography	
1991	Degree in Mathematics, University of Jena
1991	Trainee, Deutsche Bank AG, Frankfurt/Main
1993	Stock Analyst, Deutsche Bank AG, Frankfurt/Main
1995	OTC Derivatives, Key Account Management, Deutsche Bank AG, Frankfurt/Main
1995	Team Leader, Risk Management and Financial Planning Deutsche Telekom AG, Bonn
2000	Head of Department Financial Management, Metro AG, Düsseldorf Member of the Management Board, Metro Finance BV, Venlo, Netherlands
2006	Head of the Central Finance Division RAG Aktiengesellschaft, Essen
2007	Head of the Central Finance Division Evonik Industries AG, Essen
2013 - March 2023	Chief Financial Officer, Evonik Industries AG, Essen
Mandates on the supervisory boards or comparable statutory oversight bodies of other domestic or international commercial enterprises. DWS Group GmbH & Co. KGaA (listed) Klöckner & Co. SE (listed)	

#### Specific knowledge and experience that the candidate can contribute to MTU as a member of the Supervisory Board

Ms. Wolf is Chair of the Audit Committee of Klöckner & Co. SE and also chairs the Risk and Audit Committee of DWS Group GmbH & Co. KGaA. Both due to these activities and as former Chief Financial Officer of Evonik Industries AG, she has many years of management experience, and, among other things, special knowledge and experience in applying accounting principles, implementing internal control and risk management systems and auditing financial statements. This also includes sustainability reporting and auditing. Ms. Wolf thus has all the prerequisites of an independent financial expert.

### 3. Further information on agenda item 9: Adoption of the compensation report

#### Compensation report

The compensation report describes the principles applied in determining the compensation for the Executive Board and Supervisory Board of MTU Aero Engines AG, and states the amount and composition of that compensation. The compensation report complies with the provisions of Section 162 of the German Stock Corporation Act (AktG).

#### Principles of the compensation system for members of the Executive Board

At the proposal of the Personnel Committee of MTU Aero Engines AG, the Supervisory Board decides on a system of compensation for the members of the Executive Board, including the material contractual elements such as the total amount of the compensation and its breakdown into non-performance-related and performance-related components. The Personnel Committee regularly reviews the appropriateness and alignment with the market of the Executive Board compensation. For this, it uses the expertise of independent external compensation experts with regard to both the compensation system and the structure of the target direct compensation compared with relevant stock market segments.

The management compensation system, which was modified in 2021 to take account of the second Shareholder Rights' Directive (ARUG II) and the German Corporate Governance Code (GCGC) and approved by the Annual General Meeting on April 21, 2021 (agenda item 7) has been applied unchanged since 2021. The continuation of the previously mentioned compensation system takes account of the resolution passed at the Annual General Meeting in 2022 on the approval of the compensation report with an approval rate of 76.9%.

In addition to taking into account the achievement of the financial performance targets (adjusted EBIT and free cash flow), payment of the short-term incentive (STI) includes the achievement of non-financial performance targets, i.e., environmental, social and governance (ESG) targets. Disbursement of the long-term performance-related component, the Restricted Stock Plan (RSP or LTI - Long-Term Incentive), is based on the multi-year achievement of the performance targets adjusted EBIT and relative total shareholder return (TSR), which are both given equal weighting.

This is designed to focus the management on the sustainable success of the company, its investors and society.

#### Principles of total compensation

##### Structure of the compensation system (total target direct compensation)

Non-performance-related components	~ 39%	Fixed compensation	Contractually agreed fixed compensation, paid in 12 equal installments
	~ 1%	Fringe benefits	- Taxable reimbursements of expenses - Cash equivalent of payments in kind - Insurance premiums
Performance-related components		Short-term incentive (STI) (performance-related component excluding long-term incentive)	Financial performance criteria: Adjusted EBIT and free cash flow Cap 0-200% Non-financial ESG targets are taken into account via a multiplier (0.8-1.2).
	~ 60%	Restricted Stock Plan (RSP) (performance-related component as long-term incentive)	~ 40% of variable compensation  ~ 60% of variable compensation  Financial performance criteria (multi-year approach): Adjusted EBIT and relative Total Shareholder Return Cap 0-200% Effectively granted as MTU shares (4-year holding period)

### Non-performance-related components

Non-performance-related compensation, which normally makes up around 40% of the target direct compensation, is paid on a monthly basis and consists of fixed compensation and fringe benefits. The fringe benefits comprises taxable reimbursements of expenses such as insurance premiums, including any taxes thereon, and the cash equivalent of payments in kind such as the provision of company cars for business and private purposes.

### Performance-related components

Performance-related compensation makes up around 60% of the target direct compensation; it consists of a short-term incentive (STI) and the Restricted Stock Plan (RSP / LTI).

### Short-term incentive (STI)

Performance-related compensation is paid in the form of a short-term incentive (STI). It normally comprises approximately 40% of the performance-related components. Its effective calculation depends on the degree of target achievement for two equally weighted key performance indicators at Group level – adjusted EBIT and free cash flow.

Adjusted EBIT is calculated by adjusting the operating earnings indicator EBIT for the following special items: In connection with the acquisition of 100% of the shares in MTU by Kohlberg Kravis Roberts & Co. Ltd. (KKR) in 2004 from what was then DaimlerChrysler AG, assets, liabilities and contingent liabilities were identified pursuant to IFRS 3 and initially measured at fair value. When calculating adjusted EBIT, an adjustment is made for the special items relating to subsequent measurement of these balance sheet items as “effects from purchase price allocation.”

In connection with the increase in the stake in the V2500 program in 2012, a program asset (other assets) was acquired. When calculating the adjusted EBIT, an adjustment is made for the special items resulting from this program asset, which is accounted for as successive reduction revenue over its estimated economic life as “effects from an increase in the IAE-V2500 stake.”

In addition, an adjustment is made for material special items resulting from extraordinary effects such as impairment losses, also especially in the reporting period in connection with Russia’s war of aggression in Ukraine, as well as accrued restructuring expenses and material changes in the consolidated group.

MTU determines its free cash flow by combining its cash flow from operating activities with its cash flow from investing activities and eliminating components of the latter (non-recurring cash flows) that lie outside the operational management of the core business. MTU identifies the following as non-recurring items to be adjusted: payments for the acquisition of shares in engine programs, payments in connection with interest-bearing loans and financial assets held the purposes of liquidity management, and net cash inflows in connection with the acquisition and divestment of material Group companies.

The performance targets adjusted EBIT and free cash flow to be achieved in the respective fiscal year to ensure full payment of the STI component of the target direct compensation are set annually in advance by the Supervisory Board, taking the operational business plan into account. The target achievement levels for both performance targets are calculated on this basis, the arithmetic mean of which corresponds to the STI target achievement level. The entry threshold for the STI target achievement level was set at 80%, which, if achieved, corresponds to payment of 50% of the STI component. There is no STI entitlement below this entry threshold. Similarly, the maximum payment is capped at 200%, which is payable if the maximum STI target achievement of 120% is reached. Between the entry threshold, the 100% level and maximum STI target achievement, the payment percentage is interpolated on a straight line in each case.

The non-financial performance targets of relevance for the STI comprise ESG targets from the areas of environmental management, compliance, social commitment, growth & resilience, product stewardship & quality, innovation, attractiveness as an employer, employees & diversity as well as responsible procurement and digital issues. The ESG targets, their level and the target achievement ranges are also set annually by the Supervisory Board, taking corporate planning into account. The corresponding ESG multiplier is derived from the achievement of the ESG targets and takes the form of a scaled increase or reduction in the STI payment of up to 20% - ESG multiplier between 0.800 and 1.200.

If the term of office of a new Executive Board member starts during a fiscal year, the entitlement to the STI is granted on a pro rata temporis basis.

### **Restricted Stock Plan (RSP)/Long-term incentive (LTI)**

For the long-term performance-related compensation component Restricted Stock Plan (RSP or LTI - long-term incentive), payment is calculated from target achievement over a three-year performance period, comprising the fiscal year in which the payment is granted and the two preceding years. The arithmetic mean of the achievement of the average adjusted EBIT target and the average relative total shareholder return (TSR) of MTU shares relative to the STOXX Europe Total Market Aerospace & Defense index (reference index) – TSR target achievement – is calculated for the performance period (performance criteria).

Achievement of the adjusted EBIT target is calculated for each year in the performance period using the same method as is used to determine the STI payment percentage.

Achievement of the TSR target for each year in the performance period is derived by comparing the average performance of shares in MTU and the reference index in the 30 trading days immediately prior to the end of the fiscal year or the end of the preceding fiscal years. The entry threshold for the TSR target component has been set at a relative performance versus the reference index of -10 percentage points. This corresponds to a payment of 50%. The maximum TSR target achievement is outperformance of the index by +10 percentage points, corresponding to an LTI payment level of 200%. Analogously to the STI, the TSR target achievement level is interpolated on a straight line between the entry threshold, and a relative performance of zero and maximum target achievement.

The RSP/LTI payment percentage for the three-year performance period is calculated as the arithmetic mean of the multi-year achievement of the adjusted EBIT target or the related adjusted EBIT payment percentage and the TSR target achievement or the associated TSR payment percentage. The RSP/LTI payment percentage is based on a scale of between 0% to 200% corresponding to the RSP/LTI compensation components granted to the individual Executive Board member.

If the term of office of a new Executive Board member starts during a fiscal year, the entitlement to the RSP/LTI is granted on a pro rata temporis basis. When calculating the overall target achievement for fiscal years in which the new member did not serve on the Executive Board or only served for part of the year, target achievement for the two performance criteria (adjusted EBIT and TSR) is set at 100%. For those years in which the individual served a full year on the Executive Board, the actual target achievement for the year is used.

If an RSP / LTI is granted for the reporting period, settlement takes the form of a taxable cash payment, which is earmarked in full for the purchase of MTU shares; these are subject to a four-year lock-up period.

### **Further rules on compensation**

All Executive Board members appointed prior to fiscal year 2021 received direct defined benefit pension commitments. The structure of these commitments is outlined below in the section “Rules when terminating the contracts of Executive Board members.” Instead of such defined benefit entitlements, in the future, newly appointed Executive Board members will receive an annual pension allowance as a contribution to a pension plan.

Further, the compensation system for the Executive Board contains penalty and claw-back rules. This enables the Supervisory Board, at its discretion, to reduce performance-related components that have not been paid out (penalty clause) or claim reimbursement of performance-related components that have already been paid (claw-back clause). The penalty and claw-back clauses take effect in cases of serious breaches of contract (Code of Conduct or compliance guidelines) and retrospective adjustment of performance-related compensation components that have been determined and/or paid on the basis of inaccurate consolidated financial statements if the amended consolidated financial statements would have resulted in a lower payment.

The share ownership guidelines require the CEO and the other members of the Executive Board to acquire shares in MTU equivalent to 300% (CEO) and 200% (other Executive Board members) respectively of their gross annual basic salary within four years. Shares acquired through the RSP are included. All Executive Board members fulfilled this individual obligation in the reporting period. The shares held in compliance with the share ownership guidelines are subject to a two-year lock-up period when a member leaves the Executive Board.

Under Section 87a (2) sentence 2 of the German Stock Corporation Act (AktG), in specific exceptional circumstances (e.g. in the event of a serious financial or economic crisis), the Supervisory Board may temporarily depart from the defined compensation system if this is in the long-term interests of MTU. General unfavorable market developments explicitly do not constitute specific exceptional circumstances permitting temporary departure from the compensation system. Departure from the compensation system is only possible on the basis of a corresponding resolution by the Supervisory Board, based on a proposal by the Personnel Committee, after careful examination of its necessity. Even in such cases, the compensation must still be geared to the long-term and sustainable development of MTU and reflect the success of the company and the performance of the Executive Board.

The components of the compensation system where such departures are permitted in the circumstances outlined above are the performance criteria for the STI and RSP and their weighting, the ranges for possible achievement of the targets and the methods used to determine target achievement. Similarly, the Supervisory Board can temporarily grant additional compensation components or replace individual compensation components by other compensation components if the incentive effect of the compensation of the Executive Board cannot be achieved adequately by adjusting the existing compensation components.

In accordance with Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has set a maximum level of compensation for each member of the Executive Board. This comprises all fixed and variable components (fixed compensation, fringe benefits, pension arrangements, STI, and RSP/LTI). The maximum compensation caps the total compensation granted for a fiscal year, irrespective of the time of payment. It is €5.5 million for the Chairman of the Executive Board and €3.0 million for the other Executive Board members and thus unchanged from the previous year.

## Development of performance-related components

### Short-term incentive (STI)

The Supervisory Board set the following performance targets for the short-term incentive (STI) for the reporting period: adjusted EBIT of €560 million (actual: €655 million) and free cash flow (FCF) of €240 million (actual: €326 million). Consequently, the entry threshold for target achievement for the STI was exceeded in the reporting period and the payment percentage was therefore 200% (previous year: 200%). With regard to the performance targets set for 2022 at the end of 2021 and their review in early 2022 when the financial statements were prepared, the highly volatile macroeconomic situation and the sector-specific development have to be taken into account. The beginning of 2022 was clearly overshadowed by the pandemic-driven crisis and its impact on international supply chains. This was exacerbated by the development of energy prices, along with the related inflation and the expected impact on demand, as well as the geopolitical tension arising from Russia's threat to Ukraine, which escalated into an invasion by Russia in February.

As ESG targets for the reporting period, the Supervisory Board defined the areas of environmental management (criterion: ESG target "CO<sub>2</sub>", which is focused on reducing CO<sub>2</sub> emissions in the operation of the sites) and attractiveness as an employer and employees & diversity (criterion: "commitment and leadership"). A target range of 80 - 120% was set for each of these criteria. Both criteria are included with an equal weighting in the determination of the ESG multiplier.

Target achievement for the "CO<sub>2</sub>" criterion is still measured on the basis of MTU's Europe-wide climate protection strategy, the ecoRoadmap, which aims to achieve climate-neutral production and maintenance activity at MTU's sites or to systematically reduce their CO<sub>2</sub> emissions. The most important elements of this multi-faceted strategy are: higher energy efficiency, captive generation of sustainable energy at the site, procurement of low-emission energy sources such as green electricity, and emissions compensation. By setting specific climate goals, MTU wants to play a part in achieving the Paris climate targets.

The CO<sub>2</sub> criterion takes into account, as subcomponents, remaining CO<sub>2</sub> emissions as "maximum remaining CO<sub>2</sub> emissions" and "CO<sub>2</sub> abatement through sustainable measures." In view of the capacity-intensive requirements relating to the measurement and review of CO<sub>2</sub>, this criterion is determined for a 12-month performance period of December 1, 2021 through November 30, 2022. Consequently, the performance period differs from the reporting period. Target achievement for the subcomponent "CO<sub>2</sub> abatement through sustainable measures" is determined using the emission factors for baseline year 2019. Target achievement for the subcomponent "maximum remaining CO<sub>2</sub> emissions" is determined

on the basis of the emission factors valid during the reporting period. These two subcomponents are considered separately and, in particular, not cumulatively. Target achievement is measured cumulatively for MTU's European sites in Munich, Hanover, Ludwigsfelde and Rzeszów.

For the subcomponent "maximum remaining CO<sub>2</sub> emissions," the Supervisory Board defined 54 kt remaining CO<sub>2</sub> emissions as 100% target achievement in the reporting period. For the component "CO<sub>2</sub> abatement through sustainable measures," the Supervisory Board defined a reduction in CO<sub>2</sub> compared with the baseline year (2019) as the basis for 100% target achievement. Based on the assured data for the baseline year 2019, a calculated reduction of 1.75 kt CO<sub>2</sub> was defined by the Supervisory Board. Furthermore, the Supervisory Board has decided that the target achievement for the components of the ESG target "CO<sub>2</sub>" will be measured respectively within a range of 70% to 130% by means of linear interpolation. Target achievement for the ESG target "CO<sub>2</sub>" is derived as the arithmetic mean of the target achievement of the subcomponents, with a minimum CO<sub>2</sub> target achievement of 80% and a maximum target achievement of 120%.

Thanks to reduction of CO<sub>2</sub> emissions and the additional purchase of green power, the "maximum remaining CO<sub>2</sub> emissions" for the relevant performance period of the reporting period were just 44 kt CO<sub>2</sub>, which was 18.5% less than the target of 54 kt CO<sub>2</sub>. Therefore, the corresponding target achievement is 119%. Moreover, as a result of operational measures and investments in the reporting period and previous periods, a calculated reduction of 2.00 kt CO<sub>2</sub> was achieved in the performance period for the component "CO<sub>2</sub> abatement through sustainable measures". That was 14.5% above the target of 1.75 kt CO<sub>2</sub>, so the corresponding target achievement level is 115%. The arithmetic mean of the target achievement of each of the subcomponents gives a target achievement level of 117% for the ESG target "CO<sub>2</sub>" in the reporting period.

Achievement of the target for the "commitment & leadership" criterion is derived from employee feedback in the reporting period, based on employee surveys at MTU's German locations ("pulse checks"). For this purpose, the number of explicitly positive replies to defined questions on commitment & leadership are counted and expressed as a percentage of the total number of replies. As defined by the Supervisory Board, the total index value calculated in this way is weighted with a target achievement level of 80% for a score of 60%, 100% for a score of 75%, and 120% for a score of 90%.

The total index value for 2022 derived from the two pulse checks during the year was around 77%, so the target achievement level for the "commitment & leadership" criterion was 102%.

The target achievement levels of 117% for the ESG target "CO<sub>2</sub>" and 102% for the "commitment & leadership" target give an arithmetic mean of 109.5% and an ESG multiplier of 1.095.

In combination with the achievement of the financial targets of relevance for the STI, i.e., adjusted EBIT and free cash flow (payment percentage 200%), and the non-financial targets, i.e., reduction of emissions in the operation of the locations and "commitment & leadership" (ESG multiplier 1.095), the effective STI payment percentage for the reporting period is 219%.

#### **Restricted Stock Plan (RSP)/Long-term incentive (LTI)**

The value of the Restricted Stock Plan (RSP or LTI - long-term incentive) is based on the contractually agreed RSP grant value and the realized multi-year performance level. The latter is calculated for each Executive Board member in the reporting period as the arithmetic mean of the target achievement of the adjusted EBIT and the relative total shareholder return (TSR) measured against the STOXX® Europe Total Market Aerospace and Defense in the reporting period as well as the two previous years.

Achievement of the LTI performance targets developed as follows:

**Achievement of the LTI performance targets in 2022**

	2022	2021	2020
<b>Adjusted EBIT</b>			
Target level in € million	560	400	800
Actual level in € million	655	468	416
Adjusted EBIT performance (in % of target level)	116.96%	117.03%	51.95%
Achievement adjusted EBIT target in %	184.80%	185.15%	0.00%
<b>Three-year average of target achievement adjusted EBIT in %</b>	<b>123.32%</b>		
<b>Relative total shareholder return (TSR)</b>			
TSR performance MTU in %	17.25%	-15.15%	-17.37%
TSR performance reference index in %	18.47%	5.43%	-24.89%
Delta TSR in percentage points	-1.22%	-20.58%	7.52%
TSR target achievement in %	93.90%	0.00%	175.20%
<b>Three-year average of target achievement TSR in %</b>	<b>89.70%</b>		
Total target achievement (three-year average)	106.51%		

The performance-related compensation component RSP / LTI granted for the reporting period on the basis of multi-year target achievement is paid in the following year.

The next table shows the basis for determining the multi-year target achievement level for the performance-related components:

**Variable compensation payment percentages**

	2022	2021	2020 <sup>1)</sup>	2019 <sup>1)</sup>	2018 <sup>1)</sup>
STI	219.00	218.00		180.00	160.80
RSP / LTI	106.51	116.84	173.60	164.87	168.14
<b>Price of RSP shares purchased</b>					
Purchase price per share	N. N. <sup>2)</sup>	209.50	119.20	209.20	143.30

<sup>1)</sup> Payment percentage calculated on the basis of the compensation system applicable up to and including fiscal year 2020.

<sup>2)</sup> The RSP/LTI compensation components will only be paid out in 2023 so the purchase price per share will not be set until after preparation of this compensation report.

## Compensation of individual members of the Executive Board

In the year under review, Reiner Winkler asked the Supervisory Board to end his appointment to the Executive Board (CEO) prematurely as of December 31, 2022, without any termination payment. The Supervisory Board eventually accepted his request and appointed the Chief Operating Officer, Lars Wagner, as new CEO effective January 1, 2023. Further, the Supervisory Board appointed Dr. Silke Maurer as new Chief Operating Officer. Her appointment took effect, in compliance with Section 76 (3a) of the German Stock Corporation Act (AktG), on February 1, 2023.

### Compensation for the reporting period

The following table contains an individual breakdown of the compensation of each Executive Board member for the reporting period. The non-performance-related compensation is reported as compensation granted and corresponds to the amounts paid in the reporting period. The performance-related compensation is presented as compensation granted and owed and corresponds to the expected amount of performance-related compensation based on the audited consolidated financial statements for the reporting period.

#### Total compensation granted and owed

	Reiner Winkler Chief Executive Officer	Peter Kameritsch Chief Financial Officer and Chief Information Officer	Michael Schreyögg Chief Program Officer	Lars Wagner Chief Operating Officer	Total
Members of the Executive Board	2022	2022	2022	2022	2022
in €					
Fixed compensation	999,996	600,000	600,000	600,000	2,799,996
Fringe benefits <sup>1)</sup>	21,352	9,624	28,024	13,906	72,906
<b>Total non-performance-related compensation</b>	<b>1,021,348</b>	<b>609,624</b>	<b>628,024</b>	<b>613,906</b>	<b>2,872,902</b>
<b>Proportion of non-performance-related compensation in %</b>	<b>27%</b>	<b>31%</b>	<b>32%</b>	<b>31%</b>	
STI <sup>2)</sup>	1,642,500	788,400	788,400	788,400	4,007,700
RSP / LTI <sup>2)</sup>	1,171,610	575,154	575,154	575,154	2,897,072
<b>Total performance-related compensation</b>	<b>2,814,110</b>	<b>1,363,554</b>	<b>1,363,554</b>	<b>1,363,554</b>	<b>6,904,772</b>
<b>Proportion of performance-related compensation in %</b>	<b>73%</b>	<b>69%</b>	<b>68%</b>	<b>69%</b>	
<b>Total compensation granted and owed</b>	<b>3,835,458</b>	<b>1,973,178</b>	<b>1,991,578</b>	<b>1,977,460</b>	<b>9,777,674</b>
Service cost (IAS 19)	257,809	149,132	133,115	320,096	860,152
<b>Total compensation</b>	<b>4,093,267</b>	<b>2,122,310</b>	<b>2,124,693</b>	<b>2,297,556</b>	<b>10,637,826</b>

<sup>1)</sup> Fringe benefits include charges to taxable income covering benefits in kind amounting to €62,877 and premiums for insurance policies taken out on behalf of members of the Executive Board amounting to €6,415 and membership contributions amounting to €3,613.

<sup>2)</sup> The performance-related compensation granted for the reporting period will be paid out in the following year, after adoption of the consolidated financial statements.



Members of the Executive Board did not receive any compensation for supervisory board and similar appointments at Group companies. The Group did not grant any loans to members of the Executive Board in the reporting period or the previous year. The compensation of the Executive Board did not have to be adjusted due to a penalty or claw-back ruling in either the reporting period or the previous year. Moreover, there was no need to temporarily depart from the defined compensation system due to specific exceptional circumstances. The agreed maximum compensation of €5.5 million for the CEO and €3.0 million for each of the other Executive Board members was not exceeded in any case.

Former Executive Board member Dr. Rainer Martens received a pension of €303,589 in the reporting period on the basis of the direct defined benefit commitment relating to his service on the Executive Board.

The table shows the change in the individual compensation of the Executive Board and Supervisory Board members, the earnings indicators for the company and the Group and the average compensation of the workforce. It should be noted that the compensation of the CEO and the other members of the Executive Board is composed to a large extent of performance-related components. Moreover, the review of the target direct compensation of Executive Board members is performed on a multi-year basis and not on a one-year basis, as is the case for the rest of the workforce. Further it is always benchmarked using a comparison within the relevant stock market segment; MTU has been included in the DAX segment since 2019.

#### Vertical comparison

	2022	Change 2022 vs. 2021	2021	Change 2021 vs. 2020	2020	Change 2020 vs. 2019	2019	Change 2019 vs. 2018	2018
<b>Compensation granted and owed to Executive Board members active in the reporting period</b>									
Reiner Winkler	3,835,458	11%	3,464,780	37%	2,532,607	-31%	3,648,813	20%	3,031,084
Peter Kameritsch	1,973,178	9%	1,812,449	31%	1,379,276	-28%	1,926,888	52%	1,270,636 <sup>1)</sup>
Michael Schreyögg	1,991,578	9%	1,830,669	31%	1,395,212	-28%	1,940,722	2%	1,894,915
Lars Wagner	1,977,460	9%	1,809,566	32%	1,374,109	-28%	1,919,319	52%	1,266,551 <sup>1)</sup>
<b>Earning indicators</b>									
Adjusted Group EBIT (IFRS)	655	40%	468	13%	416	-45%	757	13%	671
Net profit of MTU Aero Engines AG (German Commercial Code [HGB]) <sup>2)</sup>	267	35%	198	50%	132	64%	80	-69%	262
<b>Average compensation of the workforce</b>									
Employees in Germany <sup>3)</sup>	88,870	2%	87,118	8%	81,035	-7%	86,922	1%	85,820

<sup>1)</sup> Executive Board member since January 1, 2018.

<sup>2)</sup> Not relevant for compensation; does not provide a very meaningful insight into the economic development of MTU Group.

<sup>3)</sup> Includes the active workforce in Germany (permanent employees, including employees on parental leave working part-time) standardized to full-time equivalents (FTEs) based on the following compensation elements: performance-unrelated basic salary and, depending on employment group, collectively agreed one-time payments or performance-related variable compensation (profit-sharing bonus, bonuses I and II, STI and RSP/LTI).

## Vertical comparison

	Change 2022 vs. 2021	Change 2021 vs. 2020	Change 2020 vs. 2019	Change 2019 vs. 2018
<b>Compensation of former Executive Board members</b>				
Dr. Rainer Martens	34 %	- <sup>1)</sup>		
Dr. Stefan Weingartner	- 100% <sup>2)</sup>	- <sup>2)</sup>		
<b>Compensation granted and owed to present Supervisory Board members</b>				
Gordon Riske (Chairman of the Supervisory Board, Personnel Committee and Nomination Committee) (since May 5, 2022)	-			
Klaus Eberhardt (Chairman of the Supervisory Board, Personnel Committee and Nomination Committee) (Supervisory Board member until May 5, 2022)	- 47 %	- 6 %	9 %	1 %
Josef Mailer (Deputy Chairman of the Supervisory Board)	74 %	- 6 %	1 %	- 1 %
Dr. Joachim Rauhut (Chairman of the Audit Committee)	85 %	- 5 %	- 6 %	1 %
Roberto Armellini (Supervisory Board member between June 13, 2019 and July 31, 2022)	- 2 %	- 4 %	79 %	-
Dr. Christine Bortenlänger (member of the Audit Committee since April 22, 2021)	97 %	17 %	- 9 %	35 %
Thomas Dautl	67 %	3 %	- 9 %	0 %
Daniele Frijia (Supervisory Board member since August 17, 2022)	-			
Dr.-Ing. Jürgen M. Geißinger	49 %	2 %	2 %	- 3 %
Anita Heimerl	67 %	0 %	- 7 %	105 %
Heike Madan	81 %	- 6 %	- 7 %	2 %
Dr. Rainer Martens (Supervisory Board member since January 26, 2021)	77 %	-		
Univ. Prof. Dr. Marion A. Weissenberger-Eibl	67 %	3 %	- 9 %	0 %
Michael Winkelmann (Supervisory Board member since May 1, 2020)	67 %	48 %	-	

<sup>1)</sup> First-time payment in fiscal year 2021.

<sup>2)</sup> One-time payment in fiscal year 2021.

In view of the extensive operating activities of the national companies in the MTU Group, considerations on retaining earnings at national companies for business policy reasons, and the fact that MTU Aero Engines AG performs central tasks for the MTU Group, for example financing and its role as a tax group, the net profit of MTU Aero Engines AG calculated in accordance with the German Commercial Code (HGB) is not a good reflection of the performance of the MTU Group. Consequently, the net profit of MTU Aero Engines AG is not a suitable reference base for performance-related compensation components, which regularly take into account financial and non-financial targets for the Group. Therefore, the adjusted EBIT for the Group is included in the vertical comparison as an additional earnings indicator as it is used as the financial performance indicator for the performance-oriented compensation components of both the Executive Board and the entire workforce in Germany. In all compensation groups evaluated, the calculation of the annual changes in compensation excludes company pension schemes.

## Rules when terminating the contracts of members of the Executive Board

In the reporting period, the active members of the Executive Board were granted defined benefit commitments whose structure corresponds to that of pension commitments for members of governing bodies of peer-group companies. Executive Board members appointed from January 1, 2021 receive a pension allowance as a contribution to a pension plan, paid out annually in cash, instead of the pension commitment outlined above. This enables Executive Board members to take responsibility for building up their personal pension provision at their own discretion. Granting a pension allowance relieves MTU of the opportunities and risks related to defined benefit commitments.

### Defined benefit commitments for retirement and survivors' pensions

The active members of the Executive Board – provided they were appointed before fiscal year 2021 – earn company pension entitlements in the fiscal year in accordance with the “MTU Pension Capital” plan, which governs the post-employment benefits for members of the Executive Board of MTU Aero Engines AG. The benefit target is to provide a pension amounting to 60% of the basic salary after 15 years of service on the Executive Board.

When the previous plan was replaced, the benefits earned up until December 31, 2009, were transferred to the new plan as the initial transfer amount. This entitlement represents the benefits payable under the old plan at the age of 60, adjusted by the ratio of actual years of service with the Group to the number of years from joining the Group until the age of 60. The initial transfer amount corresponds to the pension equivalent converted into a one-time capital amount.

Once the initial transfer amount has been determined, a pension account is opened for each member of the Executive Board, to which further capital units are credited annually. The annual capital units are determined on the basis of the individual Executive Board member's contribution and an age-related factor. The age-related factor represents an interest rate of 6% p.a. until the age of 60. The contribution period is normally limited to 15 years of service on the Executive Board and ends at the age of 60. From the age of 61, the pension account earns interest at 4% p.a. until the pension is drawn (= bonus amount). The total of accrued capital units, plus the initial transfer amount and any bonus amounts credited, make up the pension capital available to finance post-employment benefits.

If benefits are payable because a member of the Executive Board becomes disabled or dies before reaching the fixed retirement age of 60, 50% of the benefits earnable up to the fixed age limit are added to the accrued balance on the pension account, taking into account the promised contribution period. The amount credited is based on the contribution paid at the time of exit.

When an insured event occurs, the pension capital is generally granted as a one-time payment. At the request of the Executive Board member and subject to the Group's approval already granted, a lifelong annuity may be granted, based on interest of 6% on the pension capital and benefit increases of 1% p.a. Alternatively, at the request of the Executive Board member, the capital may be drawn in 10 installments, with a 4% increase in the capital balance. When an insured event occurs, the pension account is topped up to the level of benefit commitment under the previous plan (guaranteed capital). Pension benefits do not become payable until an insured event occurs (i.e., on reaching pensionable age, or in the event of disability or death), even if the insured party leaves the Executive Board. The pension entitlement is vested from inception.

Basic details of the above-mentioned commitments and benefits are shown in the following table:

#### Existing post-employment benefit entitlements

Members of the Executive Board in €	Initial transfer amount <sup>1)</sup>	Guaranteed capital <sup>2)</sup>	Annual contribution	End of contribution period	Annual pension amount <sup>3)</sup>
Reiner Winkler	1,625,140 <sup>4)</sup>	2,510,788	0	1.8.2021 <sup>5)</sup>	598,641
Peter Kameritsch	461,573	461,573	258,072	1.4.2029	303,253
Michael Schreyögg	365,627	365,627	275,975	1.8.2026	337,719
Lars Wagner	207,344	207,344	237,124 <sup>6)</sup>	1.1.2033	484,513

<sup>1)</sup> Credit for past service up to date of changeover to new system – Reiner Winkler: December 31, 2009; Michael Schreyögg: July 1, 2013; Peter Kameritsch and Lars Wagner: January 1, 2018.

<sup>2)</sup> Level of benefits to which the insured party would have been entitled under the previous pension plan.

<sup>3)</sup> All entitlements to company pension benefits (excluding the individual employee-funded capital account [“Pension Capital Aufbaukonto”]) taking into account the maximum contribution period. In addition, Peter Kameritsch and Lars Wagner are entitled to pension capital from deferred compensation of €772,675 at age 60 and €139,600 at age 62, respectively.

<sup>4)</sup> Under the previous pension plan, Reiner Winkler was promised that his years of service with former Group companies would count toward his pension. In connection with the transfer of his pension entitlements to the new plan, he was promised a special transfer amount of €575,065 in 2010.

<sup>5)</sup> As part of the contract extension in 2018, the contribution period was extended to the age of 60.

<sup>6)</sup> This contribution will change in 2022 in line with the adjustment to the fixed compensation adopted in the reporting period with effect from January 1, 2023.

The differences in the annual contributions to the pension accounts result from the remaining periods of service until the end of the respective maximum contribution period, the respective age-related factors, and the individual amounts of pensionable compensation.

The following table shows the service cost for the reporting period and the previous year, and the corresponding levels of provisions, recognized in accordance with IFRS for members of the Executive Board:

<b>Allocations to pension provisions and total amounts recognized</b>			
Members of the Executive Board	Year	Service cost (IFRSs)	Carrying amount of pension provisions as of Dec. 31 (IFRSs) <sup>1)</sup>
in €			
<b>Reiner Winkler</b>	<b>2022</b>	<b>257,809</b>	<b>11,453,200</b>
	2021	260,938	8,711,581
<b>Peter Kameritsch</b>	<b>2022</b>	<b>149,132</b>	<b>4,593,904</b>
	2021	379,670	4,275,046
<b>Michael Schreyögg</b>	<b>2022</b>	<b>133,115</b>	<b>5,300,916</b>
	2021	415,951	4,423,074
<b>Lars Wagner</b>	<b>2022</b>	<b>320,096</b>	<b>2,264,977</b>
	2021	469,147	2,254,645
<b>Total</b>	<b>2022</b>	<b>860,152</b>	<b>23,612,997</b>
<b>Total</b>	<b>2021</b>	<b>1,525,706</b>	<b>19,664,346</b>

<sup>1)</sup> Where appropriate, the provisions include obligations relating to claims arising from the individual employee-funded capital accounts ("Pension Capital Aufbaukonto") from previous service periods.

The defined benefit obligations for former members of the Executive Board, measured in accordance with International Financial Reporting Standards (IFRSs), amount to €9,542,940 (previous year: €14,446,429).

### **Severance payments on premature termination of contracts of service with members of the Executive Board**

If the appointment of an Executive Board member is terminated by MTU for cause and termination of the contract takes place with immediate effect, the STI or RSP/ LTI will not be paid for that fiscal year. If the contract of service is terminated by MTU or the Executive Board member subject to the period of notice, the Executive Board member is entitled to a pro-rata STI or RSP/ LTI payment for the remaining term of the contract.

If, before the end of the holding period for shares under the RSP, the Executive Board member's contract of service ends as a result of extraordinary termination by MTU for cause pursuant to Section 626 (1) of the German Civil Code (BGB) or due to the resignation of the Executive Board member without reaching mutual agreement, or if the appointment is revoked by the Supervisory Board for cause pursuant to Section 84 (3) of the German Stock Corporation Act (AktG) before the end of the holding period, or if the Executive Board member resigns before the end of the holding period, the Executive Board member must refund the (gross) value of the RSP that has been paid out.

## **Severance payments on premature termination of contracts of service with members of the Executive Board in the event of a change of control or changes of shareholders of MTU Aero Engines AG**

Under the contracts of service for members of the Executive Board in effect since January 1, 2021, a change of control is deemed to have occurred if a shareholder, alone or on the basis of the voting rights attributable to him or her pursuant to Section 22 of the German Securities Trading Act (WpHG), acquires the majority of the voting rights and this results in significant disadvantages for the Executive Board. Material disadvantages are, in particular, if the Executive Board member is removed, if the member's responsibilities and duties are significantly altered, or if the Executive Board member is asked to accept a reduction in employment benefits or to agree to premature termination of the respective contract of service. In such case, each member of the Executive Board shall have a special right of termination, which is to be exercised within a period of six months, with a period of notice of three months to the end of a month. If a member of the Executive Board makes use of the special right of termination, or if the Executive Board member's contract of service is terminated by mutual consent within nine months of the change of control, the Executive Board member receives a severance payment corresponding to the benefits still to be awarded up to the end of the contract term originally agreed. For the calculation of the severance payment, 100% target fulfillment is agreed for the variable compensation components.

Severance payments made to a member of the Executive Board as a result of early termination of their contract, including in the event of a change of control, are always limited to two years' total annual compensation (cap on termination benefits) or the compensation due for the remaining term of the contract, whichever is lower.

## **Compensation of the Supervisory Board**

The rules governing Supervisory Board compensation are laid down in the articles of association of MTU Aero Engines AG. The compensation is relative to the size of the Group and the duties and responsibilities of the Supervisory Board members.

Pursuant to Article 12 of the current articles of association of MTU Aero Engines AG, members of the Supervisory Board receive fixed annual compensation of €80,000, payable after the end of the fiscal year. The chair of the Supervisory Board receives three times and the deputy one-and-a-half times the amount of fixed compensation. In addition to this compensation, members serving on one of the Supervisory Board's committees receive an additional €20,000 for the fiscal year and a further €40,000 for the fiscal year if they chair a committee. Furthermore, members of the Supervisory Board receive an attendance fee of €3,000 per meeting of the Supervisory Board and its committees, limited to €3,000 per day. Expenses incurred in connection with the exercise of their office are reimbursed, as is any value-added tax payable on compensation. The members of the Supervisory Board do not receive any share-based compensation.

The following table contains an individualized breakdown of the compensation of each Supervisory Board member in the reporting period (figures exclude value-added tax). The fixed annual payment and compensation for committee membership are disclosed as compensation owed and comprise the compensation for the reporting period paid out at the start of the following year.

The attendance fees are disclosed as compensation granted and are the amounts paid to each member in the reporting period.

### Compensation granted and owed to the Supervisory Board for 2022

Supervisory Board members	Fixed annual payment		Compensation for membership in committee		Attendance fees		Total compensation	
	in €	in %	in €	in %	in €	in %	in €	in %
Gordon Riske (Chairman of the Supervisory Board, Personnel Committee and Nomination Committee) (since May 5, 2022) <sup>2)</sup>	157,333	67%	59,000	25%	18,000	8%	234,333	100%
Klaus Eberhardt (Chairman of the Supervisory Board, Personnel Committee and Nomination Committee) (until May 5, 2022) <sup>2)</sup>	83,333	67%	31,250	25%	9,000	7%	123,583	100%
Josef Mailer (Deputy Chairman of the Supervisory Board) <sup>1) 2) 4)</sup>	120,000	60%	40,000	20%	39,000	20%	199,000	100%
Dr. Joachim Rauhut (Chairman of the Audit Committee)	80,000	45%	60,000	34%	36,000	20%	176,000	100%
Roberto Armellini (until July 31, 2022) <sup>1) 4)</sup>	46,667	66%	11,667	17%	12,000	17%	70,333	100%
Dr. Christine Bortenlänger <sup>2)</sup>	80,000	59%	20,000	15%	36,000	26%	136,000	100%
Thomas Dautl	80,000	79%			21,000	21%	101,000	100%
Daniele Frijia (since August 17, 2022) <sup>1) 4)</sup>	29,778	60%	7,444	15%	12,000	24%	49,222	100%
Dr.-Ing. Jürgen M. Geißinger <sup>1) 3)</sup>	80,000	61%	30,000	23%	21,000	16%	131,000	100%
Anita Heimerl <sup>4)</sup>	80,000	79%			21,000	21%	101,000	100%
Heike Madan <sup>2) 4)</sup>	80,000	59%	20,000	15%	36,000	26%	136,000	100%
Dr. Rainer Martens	80,000	79%			21,000	21%	101,000	100%
Univ. Prof. Dr. Marion A. Weissenberger-Eibl	80,000	79%			21,000	21%	101,000	100%
Michael Winkelmann <sup>4)</sup>	80,000	79%			21,000	21%	101,000	100%
<b>Total</b>	<b>1,157,111</b>		<b>279,361</b>		<b>324,000</b>		<b>1,760,472</b>	

<sup>1)</sup> Member of the Personnel Committee.

<sup>2)</sup> Member of the Audit Committee.

<sup>3)</sup> Member of the Nomination Committee.

<sup>4)</sup> These employee representatives have declared that they will donate their Supervisory Board compensation to the Hans-Böckler-Stiftung, in accordance with the guidelines of the Confederation of German Trade Unions.

### Perspective for fiscal year 2023

The compensation system for members of the Executive Board and Supervisory Board is to be retained unchanged in fiscal year 2023. The targets for the performance-related compensation components for the Executive Board for 2023 will be set in parallel with the preparation of the compensation report and the audited consolidated financial statements for 2022. In view of the sensitivity of the forecasts on which the targets are based, in keeping with the procedure used in the year under review and previous periods, they will be published in the compensation report 2023. These targets are naturally consistent with the forward-looking statements (Forecast) in the management report in the Annual Report 2022.

#### For the Executive Board

Lars Wagner  
Chief Executive Officer

Peter Kameritsch  
Chief Financial Officer &  
Chief Information Officer

#### For the Supervisory Board

Gordon Riske  
Chairman of the Supervisory Board

## Independent auditor's report

### To MTU Aero Engines AG, Munich

We have audited the attached remuneration report of MTU Aero Engines AG, Munich, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1 January 2022 to 31 December 2022 and the related disclosures.

### Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of MTU Aero Engines AG, Munich, are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits 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 and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and 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 and the related disclosures in order 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 entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1 January 2022 to 31 December 2022 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

### Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

### Limitation of liability

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” as issued by the IDW on 1 January 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, 21 March 2023

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Baur

Wirtschaftsprüfer  
[German Public Auditor]

Stummer-Jovanovic

Wirtschaftsprüfer  
[German Public Auditor]



### *III. Further information and notes on the 2023 Annual General Meeting*

#### **1. Total number of shares and voting rights**

At the time of convening the 2023 Annual General Meeting, the Company's capital stock consisted of 53,563,632 registered non-par shares, each representing one vote. At the time of meeting convocation, voting rights may be exercised in respect of 53,499,370 of these shares, as no voting rights may be exercised in respect of the 64,262 treasury shares held by the Company.

#### **2. Conditions for participating in the virtual Annual General Meeting and for exercising voting rights**

On the basis of Section 118a German Stock Corporation Act (AktG), the Company's Executive Board has decided, with Supervisory Board approval, to hold the Annual General Meeting as a virtual shareholders meeting, so that there is no physical attendance requirement for shareholders or their proxies.

The Annual General Meeting is held at the Communication Center at the headquarters of MTU Aero Engines AG, Dachauer Strasse 665, 80995 Munich, with a notary public present to record the meeting minutes.

The entire proceedings of the Annual General Meeting will be broadcast to shareholders in an audiovisual transmission via a password protected InvestorPortal on the Company's website at [www.mtu.de/hv](http://www.mtu.de/hv). Interested non-shareholders will be able to follow the Annual General Meeting up to the end of the speech delivered by the CEO via a public webcast available under the above-mentioned link. Physical attendance by shareholders or their proxies is not allowed (except for the Company's authorized proxies). Shareholders will have the opportunity to exercise their electronic voting rights by means of electronic media. They may also delegate these rights to a proxy or choose to participate in electronic postal vote, either directly or through the intermediary of a proxy. Shareholders also have the option of submitting a statement and objecting to resolutions of the Annual General Meeting via electronic communication.

In order to participate in the virtual Annual General Meeting and exercise their voting and other rights, shareholders must be listed in the Company's share register, and their requests to register their shareholding must be received by the Company at the latest by the end of **Thursday, May 4, 2023 (24:00 hours CEST)**.

Shareholders listed in the share register can register their shareholding in text form in German or English with MTU Aero Engines AG at the following address:

MTU Aero Engines AG  
c/o Computershare Operations Center  
80249 Munich

or by sending an e-mail to

[anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

or electronically by registering online at

[www.mtu.de/hv](http://www.mtu.de/hv)

For online registration on the website above, you will require the personal access data that is provided with your shareholders' documentation. Shareholders who have consented to receiving invitations via e-mail will receive information for accessing the InvestorPortal sent to the e-mail address they have provided. More detailed information on the registration procedure can be found in the shareholders' documentation sent to you and on the website mentioned above.

Professional agents and other persons specified in Section 135 German Stock Corporation Act (AktG) are not permitted to exercise voting rights for shares which they do not own and for which they are not listed in the share register as the holders, without the express authorization of the shareholder.

The shareholding listed in the share register on the date of the Annual General Meeting determines the entitlement to participate in the meeting and exercise voting rights. Please note that for administrative reasons, no share ownership changes will be recorded in the share register after the last day of registration up to and including the date of the Annual General Meeting, i.e. from Thursday May 4, 2023 (24:00 hours CEST) through and including Thursday, May 11, 2023 (24:00 hours CEST). Shares that have been registered for the purposes of the Annual General Meeting are not blocked. After registration, shareholders remain free to dispose of their shares as they wish, even during the above-mentioned period in which changes in share ownership are not immediately recorded.

Shareholders who are not recorded in the share register until 0:00 hours CEST on Thursday April 20, 2023 are not sent invitations, as provided by law. Such shareholders may however request to receive the invitation documents via the aforementioned communication channels. Such requests must be promptly made to allow sufficient time for the invitation to be sent out and registration to occur by the registration deadline.

### 3. Procedure for exercising voting rights by means of a postal vote

Shareholders listed in the share register have the option of exercising their voting rights by postal voting ballot. This option is also available to proxies such as banks, associations of shareholders and equivalent parties as defined in Section 135 German Stock Corporation Act (AktG).

In all cases, it is imperative that the shareholders are registered at the latest by Thursday, May 4, 2023 (24:00 hours CEST). Once registered, the shareholders have until Wednesday, May 10, 2023 (24:00 hours CEST), to submit postal votes or to modify or withdraw previously submitted postal votes in text form **by post or e-mail** to one of the addresses specified above in subsection 2 for registration.

Alternatively, the Company's **InvestorPortal** at [www.mtu.de/hv](http://www.mtu.de/hv) may be used to submit postal votes or to modify or withdraw previously submitted postal votes, in which case this may be done during the virtual Annual General Meeting on May 11, 2023, up to the time when the chair of the meeting announces the ending of voting.

Further details and forms for postal voting will be included in the information to shareholders enclosed with the invitation to the Annual General Meeting. The form for exercising voting rights by postal vote is available for download at [www.mtu.de/hv](http://www.mtu.de/hv).

### 4. Procedure for designating proxies

Shareholders listed in the share register may have their voting rights exercised by a proxy, an intermediary (e.g. a credit institution), a voting advisor or a shareholders' association. These proxies may only exercise voting rights at the Annual General Meeting by means of a postal vote or through granting power of attorney to the proxy appointed by the Company. The text form is required for the granting and revocation of the power of attorney and for proof of the proxy's authorization if such authorization is granted neither to a professional agent (e.g. a bank) nor to an association of shareholders or equivalent person or institution as defined in Section 135 (8) German Stock Corporation Act (AktG). Proof of the granted or revoked authorization can be submitted to the Company by the shareholder or proxy in text form by sending the appropriate documents to the postal address, e-mail address or website specified in subsection 2 above.

For the authorization of intermediaries (e.g. banks), associations of shareholders or equivalent persons or institutions as defined in Section 135 (8) German Stock Corporation Act (AktG) and for the revocation and proof of such authorization and revocation, the legal requirements, especially Section 135 German Stock Corporation Act (AktG), shall apply. Please also consider, where necessary, the rules issued in that respect by the professional agents (e.g. banks), associations of shareholders or other equivalent persons or institutions.

In all cases, it is imperative that the shareholder is registered at the latest by Thursday, May 4, 2023 (24:00 hours CEST). Once registered, the shareholder has until Wednesday, May 10, 2023 (24:00 hours CEST) to grant powers of attorney and send the necessary proof **by post or e-mail** to one of the addresses specified above in subsection 2 for registration.

Alternatively, the Company's **InvestorPortal** at [www.mtu.de/hv](http://www.mtu.de/hv) may be used to grant powers of attorney, in which case this may be done during the virtual Annual General Meeting on May 11, 2023, up to the time when the chair of the meeting announces the ending of voting.

Further details, including forms for granting powers of attorney, will be included in the information to shareholders enclosed with the invitation to the Annual General Meeting. The form for granting power of attorney is available for download at [www.mtu.de/hv](http://www.mtu.de/hv).

The proxy requires individual access data to use the InvestorPortal. The Company will provide the shareholder with the proxy's access data for forwarding to the proxy as soon as the Company has received proof of the proxy granted. If a proxy is granted via the InvestorPortal, the shareholder will receive the proxy's access data directly via the InvestorPortal.

Shareholders who wish to grant a proxy are requested to do so early enough so that the individual access data can be forwarded to the proxy in due time.

## 5. Procedure for voting by proxies appointed by the Company

Shareholders may choose to be represented by a Company-appointed proxy in order to exercise the voting rights. In this case, the shareholders must grant power of attorney to the proxy and provide written instructions on how they wish their voting rights to be exercised. These proxies are obligated to vote as instructed. Company-appointed proxies are not allowed to accept instructions to ask questions, table motions or raise objections at the meeting. Proxies such as banks, associations of shareholders and equivalent parties as defined in Section 135 German Stock Corporation Act (AktG) may also choose to grant power of attorney and issue instructions to a Company-appointed proxy.

In all cases, it is imperative that the shareholder are registered at the latest by Thursday, May 4, 2023 (24:00 hours CEST). Once registered, the shareholder has until Wednesday, May 10, 2023 (24:00 hours CEST), to grant powers of attorney and issue or modify instructions for a Company-appointed proxy and send the necessary proof by post or e-mail to one of the addresses specified above in subsection 2 for registration.

Alternatively, the Company's InvestorPortal at [www.mtu.de/hv](http://www.mtu.de/hv) may be used to grant powers of attorney, and to issue or modify instructions for a Company-appointed proxy, in which case this may be done during the virtual Annual General Meeting on May 11, 2023, up to the time when the chair of the meeting announces the ending of voting.

Further details, including forms for granting powers of attorney and issuing instructions to proxies, will be included in the information to shareholders enclosed with the invitation to the Annual General Meeting. The form for granting proxy is available for download at [www.mtu.de/hv](http://www.mtu.de/hv).

## 6. Further information on the exercising voting rights

If the exercise of voting rights by postal vote and/or powers of attorney and instructions are received by different means of transmission, the last declaration received shall be deemed to be the revocation of the preceding declarations. If postal votes and/or proxies and instructions are received by different means of transmission on the same day, they shall be considered in the following order: 1. electronically via the InvestorPortal, 2. by e-mail, 3. by letter.

Votes cast by postal vote or by proxy and instructions on agenda item 2 (resolution on the appropriation of net profit) shall remain valid even if the proposal on the appropriation of net profit is amended as a result of a change in the number of shares carrying dividend rights.

If an individual vote is held on an agenda item instead of a collective vote, the postal vote or instruction given on this agenda item shall apply accordingly to each item of the individual vote.

## 7. Requested additions to the agenda, motions/petitions, nominations, right to speak, right to submit motions, right to information

### a) Additions to the agenda requested by a minority pursuant to Section 122 (2) German Stock Corporation Act (AktG)

Shareholders whose shares together represent one twentieth of the capital stock or the proportionate amount of Euro 500,000 may call for items to be included in the agenda and published. Each new item must be accompanied by a reason or a draft resolution. Such requests must be received by the Company in writing at the postal address specified under subsection 7 b) at the latest on Monday, April 10, 2023 (24:00 hours CEST). The parties filing the request shall provide evidence that they have been shareholders for at least 90 days prior to the day of receipt of the request and that they will hold the shares until a decision has been rendered by the Executive Board.

### b) Shareholder motions and nominations per Sections 126 (1) and 127 German Stock Corporation Act (AktG)

Pursuant to Section 126 et seq. German Stock Corporation Act (AktG), the Executive Board will make shareholder motions and nominations accessible only if received by the Company by Wednesday, April 26, 2023 (24:00 hours CEST), on the condition that the persons submitting the motions and nominations are listed as shareholders in the share register. Shareholders' motions and questions as defined in Section 126 (1) German Stock Corporation Act (AktG) and nominations as defined in Section 127 German Stock Corporation Act (AktG) will be accepted only if they are sent directly to the Company at one of the following addresses:

Postal address

MTU Aero Engines AG  
Investor Relations  
Dachauer Strasse 665  
80995 Munich

or by sending an e-mail to

Hauptversammlung@mtu.de

Motions and nominations sent to any other address will not be taken into account. Shareholders' motions and nominations received in due time at one of the above addresses will be published without delay together with the name of the relevant shareholder, the reasons given, and any opinion expressed by management, on the Company's website at

[www.mtu.de/hv](http://www.mtu.de/hv)

and shall be deemed filed as of the point in time of their publishing. If the shareholder submitting a motion or nomination for election has not properly registered for the Annual General Meeting, the motion or election nomination may be excluded from the meeting proceedings.

### c) Submission of statements by shareholders prior to the Annual General Meeting

Shareholders duly registered for the Annual General Meeting or their proxies have the right to submit statements on the agenda items in text form by means of electronic communication prior to the Annual General Meeting. The statements should not exceed 10,000 characters (including spaces) and are to be sent exclusively electronically as a file in PDF format by e-mail to the following address:

Hauptversammlung@mtu.de

Any other form of transmission is excluded. Statements may be submitted in English as well as German, but will not be translated. When submitting a statement, please indicate the shareholder number at the same time.

Statement must be made available to the Company no later than five days before the Annual General Meeting, i.e. by Friday, 5 May 2023 (24:00 hours CEST), by the means described above. Submitted statements that meet the aforementioned requirements and are to be made available in accordance with the statutory provisions will be made available on the InvestorPortal no later than four days prior to the Annual General Meeting, i.e. no later than Saturday, 6 May 2023 (24:00 hours CEST), disclosing the name of the shareholder or his proxy.

Statements that are submitted too late or otherwise than via the aforementioned e-mail address, whose content is offensive or otherwise criminally relevant, or which do not relate to the Annual General Meeting, or which do not comply with the technical requirements, will not be made accessible. Further information will be made available on the Company's website at [www.mtu.de/hv](http://www.mtu.de/hv).

Any motions, election proposals, questions or objections against resolutions of the Annual General Meeting in the submitted statements will not be considered. These are to be submitted separately and exclusively by the means and in the form described in this convening notice.

#### d) Right to speak, right to make motion, right to information via electronic communication

Properly registered shareholders who are attending electronically are entitled to make speeches, submit motions and request information at the Annual General Meeting. The right to speak may only be exercised by means of video communication via the InvestorPortal. The speech may also include motions or election proposals pursuant to Section 118a (1) sentence 2 German Stock Corporation Act (AktG), as well as requests for information specified in Section 131 German Stock Corporation Act (AktG).

Pursuant to Section 131 German Stock Corporation Act (AktG), information may be demanded on the Company's affairs to the extent necessary to enable proper evaluation of the agenda items. The duty to provide information also extends to the Company's legal and business relations with affiliated companies and the business situation of the corporate group and of subsidiaries included in the consolidated financial statements. In the interest of an efficient conduct of the Annual General Meeting, the chairman of the meeting may reasonably limit the time allowed for the shareholders' right to speak and provide information.

For this year's virtual Annual General Meeting it is planned that shareholders are to submit demands for information pursuant to Section 118a (1) sentence 2 no. 4 German Stock Corporation Act (AktG) by means of electronic communication during the virtual Annual General Meeting. The right to information, including any clarifying or follow-up questions, may only be exercised via video communication as determined by the chairman of the meeting. Such a restriction to video communication by the chairman of the meeting is expected in the Annual General Meeting.

Speeches or requests for information must be registered via a corresponding button in the InvestorPortal, which is activated from the beginning of the Annual General Meeting. Before the shareholder is admitted to the Annual General Meeting, the functionality of the video communication will be tested. The shareholder will be given access to a virtual waiting room where she/he can continue to follow the Annual General Meeting until she/he is connected. The Company assumes no responsibility for the functioning of the video communication and reserves the right to reject speakers whose video communication does not function without interruption.

Further information on the procedure for requests to speak and on the conditions for the technical framework and the optimal functioning of video communication will be made available on the Company's website at [www.mtu.de/hv](http://www.mtu.de/hv). The chairman of the meeting will explain the procedure for requesting and speaking in more detail in the Annual General Meeting.

## 8. Objections to resolutions during the virtual Annual General Meeting

Shareholders or their proxies attending the meeting by electronic means may use electronic communication to raise objections to resolutions at the Annual General Meeting.

Objection may be raised exclusively via the InvestorPortal at [www.mtu.de/hv](http://www.mtu.de/hv) during the period from the opening of the Annual General Meeting up until its closure by the chair of the meeting.

## 9. Publications available on the Company's website

This invitation to the Annual General Meeting, the documents to be made available pursuant to Section 124a German Stock Corporation Act (AktG), shareholders' motions, detailed explanations of the above-mentioned shareholders' rights, and other information are available on the Company's website at [www.mtu.de/hv](http://www.mtu.de/hv).

Further information about the virtual Annual General Meeting will also be posted on such website.

To afford shareholders better preparation for the Annual General Meeting, the speeches of the CEO and the Supervisory Board chair will be posted on [www.mtu.de/hv](http://www.mtu.de/hv) ahead of the Annual General Meeting, probably one week in advance, accessible exclusively to shareholders and their proxies. There may be changes to the text of these speeches however as given on the day of the Annual General Meeting.

Voting results will be posted after the Annual General Meeting at [www.mtu.de/hv](http://www.mtu.de/hv).

## 10. Further information on voting per Table 3, Implementing Regulation (EU) 2018/1212

The resolutions regarding agenda items 2 - 8 are binding. The resolution regarding agenda item 9 is recommendatory in nature.

The possible voting options for agenda items 2 - 9 are yes (in favor), no (against) and abstain.

## 11. Stated times

Except as expressly stated otherwise, all times stated in this invitation to the Annual General Meeting indicate Central European Summer Time (CEST), applicable for Germany. Coordinated Universal Time (UTC) is Central European Summer Time (CEST) minus two hours.

## 12. Notes regarding data privacy

When you register to attend the Annual General Meeting or issue a power of attorney, we record personal data about yourself and/or your proxy. We need to do this in order to allow you to exercise your rights in connection with the Annual General Meeting. We may also be required to publish your name under certain circumstances, for instance if you request the addition of an item to the agenda or wish to make a counterproposal or submit a nomination.

If you appoint a proxy to exercise your rights at the Annual General Meeting on your behalf, you must inform that person that we will record their personal data. The proxy's personal data will only be recorded insofar as it is needed in the context of voting and/or assigning powers of attorney during the Annual General Meeting, including verifying their authorization to exercise these rights, especially voting rights.

MTU Aero Engines AG bears the responsibility for processing your data in accordance with the terms of the EU General Data Protection Regulation (GDPR) and in compliance with all other statutory requirements. More information about data privacy is provided online at [www.mtu.de/hv](http://www.mtu.de/hv). We will gladly send you this information as hardcopy on request.

Munich, March 2023

MTU Aero Engines AG

The Executive Board

