

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, 2016, 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 his/her 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 his/her 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 his/her 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. The maximum amount of the severance payment is capped at three times the total annual compensation.

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 articles of association of MTU Aero Engines AG, members of the Supervisory Board receive fixed annual compensation of €50,000, payable at 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 €10,000 and a further €20,000 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. The attendance fee is halved for meetings convened by the chair or deputy chair if they are conducted by means of telecommunication (telephone or video conference). Expenses incurred in connection with the exercise of their office are reimbursed, as is the value-added tax payable on compensation.

The members of the Supervisory Board do not receive any share-based compensation.

The following compensation was awarded to members of the Supervisory Board of MTU Aero Engines AG for the fiscal years 2019 and 2018:

[T40] Compensation of the Supervisory Board

Supervisory Board members	2019 ¹⁾				2018 ¹⁾			
	Fixed annual payment	Compensation for membership in committee	Attendance fees	Total compensation	Fixed annual payment	Compensation for membership in committee	Attendance fees	Total compensation
Klaus Eberhardt (Chairman of the Supervisory Board, Personnel Committee and Nomination Committee) ³⁾	150,000.00	50,000.00	28,500.00	228,500.00	150,000.00	50,000.00	27,000.00	227,000.00
Josef Mailer (Deputy Chairman of the Supervisory Board) ^{2) 3) 5)}	75,000.00	20,000.00	25,500.00	120,500.00	75,000.00	20,000.00	27,000.00	122,000.00
Dr. Joachim Rauhut (Audit Committee Chairman)	50,000.00	30,000.00	25,500.00	105,500.00	50,000.00	30,000.00	24,000.00	104,000.00
Roberto Armellini (since June 13, 2019) ^{2) 5)}	27,500.00	5,500.00	9,000.00	42,000.00				
Thomas Bauer (until April 11, 2018)					14,027.78		6,000.00	20,027.78
Michael Behé (until April 11, 2018) ⁵⁾					14,027.78		6,000.00	20,027.78
Dr. Wilhelm Bender (until April 11, 2018)					14,027.78		6,000.00	20,027.78
Dr. Christine Bortenlänger (since April 11, 2018)	50,000.00		15,000.00	65,000.00	36,111.11		12,000.00	48,111.11
Thomas Dautl	50,000.00		15,000.00	65,000.00	50,000.00		15,000.00	65,000.00
Dr.-Ing. Jürgen M. Geißinger ^{2) 4)}	50,000.00	20,000.00	15,000.00	85,000.00	50,000.00	20,000.00	18,000.00	88,000.00
Angelo Gross (since April 11, 2018) ⁵⁾	50,000.00		15,000.00	65,000.00	36,111.11		12,000.00	48,111.11
Anita Heimerl (since July 17, 2018) ⁵⁾	50,000.00		15,000.00	65,000.00	22,777.78		9,000.00	31,777.78
Dr. Martin Kimmich (until May 31, 2019) ^{2) 5)}	20,833.33	4,166.67	6,000.00	31,000.00	50,000.00	10,000.00	18,000.00	78,000.00
Heike Madan ^{3) 5)}	50,000.00	10,000.00	25,500.00	85,500.00	50,000.00	10,000.00	24,000.00	84,000.00
Prof. Dr.-Ing. Klaus Steffens	50,000.00		15,000.00	65,000.00	50,000.00		15,000.00	65,000.00
Prof. Dr. Marion A. Weissenberger-Eibl	50,000.00		15,000.00	65,000.00	50,000.00		15,000.00	65,000.00
Total	723,333.33	139,666.67	225,000.00	1,088,000.00	712,083.34	140,000.00	234,000.00	1,086,083.34

¹⁾ Amounts do not include VAT.

²⁾ Member of the Personnel Committee.

⁵⁾ 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.

³⁾ Member of the Audit Committee.

⁴⁾ Member of the Nomination Committee.