



*Convenience translation
The German version is decisive*

Annual General Meeting

MTU Aero Engines AG

on

21 April 2021

Further information on item 8 of the agenda:

Resolution on the confirmation of compensation and resolution on the compensation system for Supervisory Board members

Members of the Supervisory Board receive fixed annual compensation of EUR 50,000. In accordance with Recommendation G.17 of the German Corporate Governance Code (GCGC), the chair of the Supervisory Board and the chairs and members of Supervisory Board committees receive increased compensation on account of the additional time commitment. The chair of the Supervisory Board receives compensation of EUR 150,000.

Members of Supervisory Board committees receive additional fixed annual compensation for each committee position they hold. This compensation amounts to EUR 10,000. The chair of a Supervisory Board committee receives additional compensation of EUR 20,000. This does not include membership of the Mediation Committee, convened in accordance with Section 31 (3) German Codetermination Act (MitbestG), for which there is no additional compensation.

In addition, members of the Supervisory Board or a Supervisory Board committee receive for participation in a meeting of the Supervisory Board or Supervisory Board committee an attendance fee of EUR 3,000 per meeting to a maximum of EUR 3,000 per diem. The attendance fee is halved for meetings conducted by means of modern telecommunications (Section 11 (6) of the Articles of Association).

Supervisory Board members are covered by a directors and officers liability insurance policy for members of governing bodies. The insurance premiums are paid by the Company. The Company reimburses all members of the Supervisory Board for their expenses and value-added tax payable on compensation. There shall be no compensation-related agreements between the Company and the members of the Supervisory Board that go beyond the provisions in the Articles of Association. Compensation is payable after the end of the Annual General Meeting at which the annual financial statements for the past fiscal year are submitted for approval or which resolves upon their approval.

Unless otherwise specified at the time of election, the members of the Supervisory Board are appointed for a term of office that ends at the close of the Annual General Meeting entrusted with granting discharge on their fourth financial year of service, not including the financial year in which they were appointed. Subject to the relevant statutory provisions, members of the

Supervisory Board may be dismissed; or they may prematurely resign from office, by means of written declaration and with or without good cause, with effect from the end of the calendar month following the declaration. The chair of the Supervisory Board – or, in the event of the chair’s resignation, their deputy – may reduce or waive this period of notice. No further compensation is payable in the event of resignation; nor is there any provision for compensation after the term of office. Members of the Supervisory Board who have not been a member or chair of the Supervisory Board or of a Supervisory Board committee for a full fiscal year receive pro rata compensation for each month or part month of their term of office.

The compensation system for the Supervisory Board, which provides for fixed compensation only, reinforces the independence of the Supervisory Board and offers a counterbalance to the compensation system for the Executive Board, which mainly consists of variable components and is geared to the Company’s growth strategy. The compensation system for the Supervisory Board is therefore conducive to the long-term development of MTU.

The Supervisory Board regularly reviews whether the compensation paid to its members is commensurate with their duties and the Company’s present situation. For this purpose, the Supervisory Board has the option of conducting a horizontal market comparison and/or a vertical comparison with the compensation paid to the employees of the Company. The Supervisory Board may also consult an independent external expert. Due to the special nature of the Supervisory Board’s work, however, a vertical comparison with the compensation paid to Company employees is not, as a rule, performed for the purpose of reviewing the compensation paid to members of the Supervisory Board. Depending on the results of the comparative analysis and the evaluation of the results by the Supervisory Board, the Supervisory Board may, in concert with the Executive Board, submit a proposal to the Annual General Meeting regarding amendments to the compensation paid to members of the Supervisory Board. The Annual General Meeting shall pass a resolution on the compensation paid to Supervisory Board members (including the underlying compensation system) at least once every four years. The corresponding resolution may merely confirm the existing compensation system. Should the Annual General Meeting fail to approve the proposed compensation system, a revised compensation system shall be submitted no later than the following Annual General Meeting.

The methods used to establish, implement and review the compensation system are in compliance with the provisions on handling conflicts of interest as laid down in the Rules of Procedure for the Executive Board and the Supervisory Board. Every care is taken to ensure that external compensation experts are independent; confirmation of their independence shall be required.

The compensation paid to Supervisory Board members is governed by Section 12 of the Articles of Association, which reads as follows:

„§ Section 12 Compensation of members of the Supervisory Board

- (1) Members of the Supervisory Board shall receive a fixed annual compensation payable after the end of the financial year amounting to € 50,000.00 (in words: fifty thousand euros).*
- (2) The amount specified in paragraph 1 above is tripled in the case of the chairman of the Supervisory Board and multiplied by one-and-a-half in the case of the deputy chairman.*
- (3) In addition to the compensation stated in paragraph 1, members of the Supervisory Board who belong to a committee shall receive an additional € 10,000.00 (in words: ten thousand euros) and if they chair the committee, an additional € 20,000*

(in words: twenty thousand euros). This shall not apply to membership in the committee set up to perform the task named in Section 31 (3) of the German Codetermination Act of 1976, for which no additional compensation is paid.

- (4) Members of the Supervisory Board who only held office or performed the functions named in paragraph 2 for a fraction of the financial year shall receive a proportional amount of the due compensation for each month commenced.*
- (5) In addition to their fixed annual compensation, members of the Supervisory Board shall receive an attendance fee of € 3,000.00 (in words: three thousand euros) for each meeting of the Supervisory Board or of a committee to which they belong, subject to an upper limit of € 3,000.00 (in words: three thousand euros) per calendar day. If the provisions of Section 11 paragraph 6 have been invoked by the chairman or deputy chair of the Supervisory Board, and a meeting is held via modern telecommunications channels (telephone or video conference), participants shall receive one half of the attendance fee stated above.*
- (6) The Company shall reimburse the necessary outlays to members of the Supervisory Board upon presentation of documentation. The applicable VAT shall be reimbursed by the Company insofar as members of the Supervisory Board are entitled to invoice VAT separately and choose to exercise this right.*
- (7) The Company shall provide adequate insurance cover for members of the Supervisory Board; in particular, it shall take out a D&O insurance in favor of members of the Supervisory Board.“*