

also immediately report any findings and events that arise during the audit of the financial statements and consolidated financial statements that have a significant bearing on the work of the Supervisory Board. Moreover, the auditor informs the Supervisory Board, or points out in the audit report, any circumstances that are inconsistent with the Compliance Statement issued by the Executive Board and Supervisory Board under the Corporate Governance Code.

#### **Insurance for members of the Supervisory Board and the Executive Board of DMG MORI**

The group has taken out D&O insurance policies (management liability insurance) and legal expenses insurance policies for members of the Supervisory Board, Executive Board members and Managing Directors. The D&O insurance contains the deductible provided for in the code or in the pertinent statutory provisions.

#### **Shareholdings of the Executive Board and Supervisory Board members**

Only one of the members of the Supervisory Board holds a significant indirect interest in DMG MORI AKTIENGESELLSCHAFT. Dr. Eng. Masahiko Mori holds shares in DMG MORI COMPANY LIMITED (Tokyo, Japan). DMG MORI COMPANY LIMITED indirectly holds an 87.37% interest in the share capital of DMG MORI AKTIENGESELLSCHAFT. Thus, Dr. Eng. Masahiko Mori is holding an indirect equity interest in DMG MORI AKTIENGESELLSCHAFT.

Pursuant to Section 19 MMVO (German Market Abuse Regulations), members of the Supervisory Board and Executive Board, as well as other individuals subject to reporting requirements, must notify both the company and the Federal Financial Supervisory Authority whenever they buy or sell, inter alia, of shares or other securities of the company. The company is then required to publish the notification without delay. The relevant notifications made by DMG MORI AKTIENGESELLSCHAFT are available on the company's website anytime.

## **Remuneration Report**

The remuneration system and remuneration of the Supervisory Board and the Executive Board for financial year 2022 are presented in the following. The annual preparation of the remuneration report according to Section 162 of the German Stock Corporation Act (AktG) is the responsibility of the Executive Board and the Supervisory Board. In accordance with Section 162 (1) sentence 2 no. 1 AktG, remuneration is reported in the financial year in which the activity on which the remuneration is based was completed in full.

#### **Approval of the remuneration report by the Annual General Meeting 2022**

At the Annual General Meeting on 6 May 2022, the compensation report for fiscal year 2021, prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG), was approved by 99.88%. There were no aspects to be considered with regard to the compensation system or its implementation in the compensation report.

#### **Remuneration of the Supervisory Board**

The Supervisory Board's remuneration is determined by the Annual General Meeting and governed by Section 12 of the Articles of Association of DMG MORI AKTIENGESELLSCHAFT. The remuneration system for the Supervisory Board was approved by the Annual General Meeting 2021 in accordance with Section 113 of the German Stock Corporation Act (AktG).

The components of the Supervisory Board remuneration include the fixed remuneration that each member of the Supervisory Board receives, compensation for committee work as well as attendance fees for meetings.

In financial year 2022, the fixed remuneration entitlement of each individual Supervisory Board member amounted to € 60,000. The chairperson is entitled the 2.5-fold amount (€ 150,000). The Chairman of the Supervisory Board Dr. Eng. Masahiko Mori as well as James V. Nudo and Irene Bader have been waiving their complete Supervisory Board remuneration. The vice chairperson is entitled to the 1.5-fold amount (€ 90,000). The entitlement from the base remuneration amounted to € 630,000 in total (previous year: € 630,000).

The remuneration entitlements for committee work totaled € 252,000 (previous year: € 252,000) and took into consideration the work performed in the Finance and Audit Committee, in the Personnel, Nomination and Remuneration Committee and in the Committee for Transactions with Related Parties. The individual committee members were entitled to € 18,000. The committee chairpersons received an additional fixed remuneration of € 18,000.

The members of the Supervisory Board and its committees receive an attendance fee of € 1,500 for each Supervisory Board and committee meeting they attend as a member.

A.07   REMUNERATION GRANTED AND PAYABLE TO THE SUPERVISORY BOARD							
in €	Base remuneration	Committee remuneration: Finance and Audit Committee (F&A)	Committee remuneration: Personnel, Nomination and Remuneration Committee (PNR)	Committee remuneration: Committee for Transactions with Related Parties (TRP)	Base remuneration and committee remuneration total	Meeting attendance fees	Total remuneration
<b>Dr. Eng. Masahiko Mori<sup>1)</sup></b> Chairman of the Supervisory Board Chairman PNR	-	-	-	-	-	-	0
<b>Ulrich Hocker<sup>2)</sup></b> Deputy chairman SB Chairman TRP	90,000	0	18,000	36,000	144,000	15,000	159,000
<b>Irene Bader<sup>3)</sup></b>	-	-	-	-	-	-	0
<b>Prof. Dr.-Ing. Berend Denkena<sup>4)</sup></b>	60,000	0	0	18,000	78,000	12,000	90,000
<b>Prof. Dr. Annette Köhler</b> Chairwoman F&A	60,000	36,000	0	0	96,000	13,500	109,500
<b>James Victor Nudo<sup>5)</sup></b>	-	-	-	-	-	-	0
<b>Mario Krainhöfner<sup>6) 7)</sup></b> 1 <sup>st</sup> Deputy chairman SB	90,000	0	18,000	0	108,000	9,000	117,000
<b>Stefan Stetter<sup>8)</sup></b> Deputy chairman SB	90,000	18,000	0	18,000	126,000	21,000	147,000
<b>Tanja Fondel<sup>9) 10)</sup></b>	60,000	0	18,000	0	78,000	10,500	88,500
<b>Dietmar Jansen<sup>6) 10)</sup></b>	60,000	18,000	0	0	78,000	12,000	90,000
<b>Larissa Schikowski<sup>11)</sup></b>	60,000	0	18,000	0	78,000	10,500	88,500
<b>Michaela Schroll<sup>6) 12)</sup></b>	60,000	18,000	0	18,000	96,000	18,000	114,000
<b>Total amount</b>	<b>630,000</b>	<b>90,000</b>	<b>72,000</b>	<b>90,000</b>	<b>882,000</b>	<b>121,500</b>	<b>1,003,500<sup>13)</sup></b>

1) Dr. Eng. Masahiko Mori is also a member of the F&A, Nomination and Mediation Committees. Dr. Eng. Masahiko Mori waives his Supervisory Board remuneration in full.

Thus, Dr. Eng. Masahiko Mori has not received any Supervisory Board remuneration for 2022.

2) Ulrich Hocker is also a member of the PNR as well as of the Nomination and the Mediation Committee.

3) Irene Bader waives her Supervisory Board remuneration in full.

Thus, Irene Bader has not received any Supervisory Board remuneration for 2022.

4) Prof. Dr.-Ing. Berend Denkena is a member of the TRP.

5) James Victor Nudo is a member of the F&A, PNR and Nomination Committee. James Victor Nudo waives his Supervisory Board remuneration in full. Thus, James Victor Nudo has not received any Supervisory Board remuneration for 2022.

6) These employees' representatives transfer the majority of their remuneration for Supervisory Board duties to the Hans-Böckler-Stiftung, Düsseldorf, Germany.

7) Mario Krainhöfner is a member of the PNR and Mediation Committees.

8) Stefan Stetter is a member of the F&A and TRP Committees.

9) Tanja Fondel is a member of the PNR and the Mediation Committee.

10) Dietmar Jansen is a member of the F&A.

11) Larissa Schikowski is a member of the PNR and transfers part of her Supervisory Board remuneration to various charitable institutions.

12) Michaela Schroll is a member of the F&A and TRP Committees.

13) The total amount corresponds to the expenses of DMG MORI AKTIENGESELLSCHAFT for 2022.

In financial year 2022, the total remuneration paid to the Supervisory Board amounted to € 1,003,500 (previous year: € 930,000). The total base remuneration and committee remuneration amounted to € 882,000 (previous year: € 819,000). The meeting attendance fees amounted to € 121,500 (previous year: € 111,000).

As the remuneration of the members of the Supervisory Board is not composed of variable but exclusively of fixed components, it is not necessary to determine a maximum total remuneration for the members of the Supervisory Board.

In the reporting year, no loans and advances were granted to members of the Supervisory Board of DMG MORI AKTIENGESELLSCHAFT.

### Comparison of annual change in Supervisory Board remuneration

The table A.08 shows a comparison of the percentage change in the remuneration of the Supervisory Board members with the earnings development (EAT) of DMG MORI AKTIENGESELLSCHAFT and the average remuneration of the employees on a full-time basis compared to the previous year.

A.08   COMPARISON OF ANNUAL CHANGE IN SUPERVISORY BOARD REMUNERATION	CHANGES 2021 AGAINST 2020 in %	CHANGES 2022 AGAINST 2021 in %
Dr. Eng. Masahiko Mori <sup>1)</sup>	-	-
Ulrich Hocker	+8.5 %	+8.2 %
Irene Bader <sup>2)</sup>	-	-
Prof. Dr.-Ing. Berend Denkena	+4.4 %	+13.2 %
Prof. Dr. Annette Köhler	+3.6 %	+4.3 %
James Victor Nudo <sup>3)</sup>	-	-
Mario Krainhöfner	+1.7 %	+8.3 %
Stefan Stetter	+5.2 %	+8.9 %
Tanja Fondel	+2.3 %	+9.3 %
Dietmar Jansen	+0.4 %	+5.3 %
Larissa Schikowski	+2.3 %	+9.3 %
Michaela Schroll	+6.6 %	+5.6 %
EAT (DMG MORI AG group) <sup>4)</sup>	+64 %	+79 %
EAT (DMG MORI AKTIENGESELLSCHAFT) <sup>5)</sup>	+8 %	+400 %
Average employee remuneration <sup>6)</sup>	+2 %	+3 %

1) Dr. Eng. Masahiko Mori has not received any Supervisory Board remuneration for 2022.

2) Irene Bader has not received any Supervisory Board remuneration for 2022.

3) James Victor Nudo has not received any Supervisory Board remuneration for 2022.

4) 2022: € 153.4 million / 2021: € 85.6 million / 2020: € 52.1 million

5) 2022: € 146.5 million (under HGB) / 2021: € 29.3 million (under HGB) / 2020: € 27.1 million (under HGB)

6) Employee remuneration in Germany in the respective financial year

## Executive Board remuneration

The remuneration system for the Executive Board is determined by the Supervisory Board. The Personnel, Nomination and Remuneration Committee develops recommendations for the Executive Board remuneration system, which the Supervisory Board also discusses and decides on in detail.

The Personnel, Nomination and Remuneration Committee regularly reviews the Executive Board's remuneration system and presents relevant proposals to the Supervisory Board. The remuneration system is resubmitted to the Annual General Meeting for approval after significant changes and in any case every four years.

The remuneration system for the Executive Board of DMG MORI AKTIENGESELLSCHAFT is geared to promoting the business strategy and the sustainable and long-term development of the company. This is achieved in compliance with the statutory requirements and in consideration of competitive aspects. The remuneration system was prepared by the Supervisory Board by resolution of 28 November 2019 on the legal basis of the Implementation of the Shareholders' Rights Directive (ARUG II) and approved by the 118<sup>th</sup> Annual General Meeting on 15 May 2020.

### Essential elements of the remuneration system

The system's fundamental structure abides by the following guiding principles:

- a) Extraordinary performances and successes should be rewarded adequately, while target shortfalls should entail a substantial reduction of the remuneration ("pay-for-performance-orientation").
- b) The collective performance of the Executive Board members should be promoted without constraining the entrepreneurial discretion of the individual members in their respective portfolio remits. Since important strategic goals can only be achieved in an interdisciplinary approach with the collaboration of all Executive Board members, short and long-term remuneration components result from different performance indicators to which the Executive Board members contribute.
- c) The remuneration system for the Executive Board members is consistently adaptable to the remuneration systems for the other management and staff levels within the group.
- d) The remuneration of the Executive Board members should conform with market standards and reflect the size, complexity and strategic direction as well as economic situation of the company.

This forms the basis on which Executive Board members are offered a competitive and market value remuneration

package that keeps within the regulatory requirements and promotes the sustainable work of the Executive Board. This is intended to secure the best possible candidates for the Executive Board of DMG MORI AKTIENGESELLSCHAFT, both now and in the future.

The remuneration system adopted by the Supervisory Board conforms with the current requirements under the German Stock Corporation Act and in all essential aspects with the recommendations made in the German Corporate Governance Code (DCGK), with the exception that the long-term remuneration component is not share-based. In consideration of the existing domination and profit transfer agreement between DMG MORI AKTIENGESELLSCHAFT and DMG MORI Europe Holding GmbH (until 9 September 2022: DMG MORI GmbH), a 100 % subsidiary of DMG MORI COMPANY LIMITED, on the one hand and the limited free float of the stock on the other hand, it was decided that a remuneration component that is paid in shares or a share-based remuneration component will not be implemented.

### Adequacy of the Executive Board remuneration

Following preparation by the Personnel, Nomination and Remuneration Committee, the Supervisory Board determines the amount of the total target remuneration for the upcoming financial year for each Executive Board member based on the remuneration system. The total target remuneration for each Executive Board member is the sum of base remuneration, the STI for 100 % target achievement, the LTI for 100 % target achievement and the pension contribution.

In addition to being reasonably proportionate to the duties and performances of the Executive Board members, this in particular gives consideration to the economic position, the market environment, the success and the future prospects of the company. The Supervisory Board pays particular attention to assuring that the total target remuneration conforms with market standards. Market conformity is assessed on the basis of the following points:

External benchmarking (horizontal conformity): The market conformity of the total remuneration is assessed on the basis of remuneration data from the 90 largest companies in Germany with DAX and MDAX listings. This horizontal market benchmarking considers the market position, size and complexity of DMG MORI AKTIENGESELLSCHAFT with special emphasis on the position of the company within the comparison group (e.g., on the basis of performance indicators such as sales revenues, number of employees and earnings per share).

Internal benchmarking (vertical conformity): In addition to the above, the development of the Executive Board's remuneration

in proportion to the remuneration of the employees of DMG MORI AKTIENGESELLSCHAFT is considered in an internal (vertical) benchmarking. This comparison determines the proportion of the Executive Board's remuneration to the remuneration paid to the upper management and other employees and subjected to a market comparison.

The determination of the total target remuneration gives special credit to the individual Executive Board member's function. This includes that the chairperson of the Executive Board is awarded a higher total remuneration than the other Executive Board members.

### Malus and clawback provisions

The Supervisory Board may withhold or demand repayment of the short-term and the long-term variable remuneration in the case of serious breaches of duty or compliance infringements. The same applies in cases of serious unethical conduct.

In cases of grossly negligent or intentional breaches of a duty of care by a diligent business manager pursuant to Section 93 (1) of the German Stock Corporation Code (AktG) the company is further authorized to demand the Executive Board member repay all or part of the variable remuneration components (STI and/or LTI) paid for the relevant assessment period in which the breach of duty took place, or to withhold such payment before its remittance.

A claim for repayment also applies if the Executive Board member's office tenure or employment has already ended at the time repayment is demanded. Claims for damages against the Executive Board member remain unaffected.

### Early resignation of Executive Board members

If an Executive Board member resigns upon request by the Supervisory Board due to reasons not attributable to the Executive Board member's person or conduct, all outstanding LTI tranches will be paid to the member at the end of the initially agreed performance period. The same applies if an Executive Board member resigns from the Executive Board for other reasons outside of his responsibility (e.g. regular expiry or mutually agreed termination of the employment contract, or other contractually recognized reasons for resignation). This also includes the transition into early retirement and the Executive Board member's rejection of an offer of reappointment.

If the company terminates an Executive Board member's employment for important reasons, or if the Executive Board member terminates his service agreement without proper cause ("bad leaver"), all outstanding LTI allocations of which the three-year reference period has not yet ended will be forfeited.

## Components of the remuneration system

The remuneration of the Executive Board members of DMG MORI AKTIENGESELLSCHAFT consists of fixed and variable remuneration components. The fixed, non-performance-based remuneration consists of a base remuneration ("fixed amount"), fringe benefits and pension entitlements (in particular to the contribution-based retirement provisions). The short-term variable remuneration (STI) and the long-term variable remuneration (LTI) are performance-based variable amounts that depend on the achievement of concrete, measurable targets.

### a) Fixed remuneration components

The fixed remuneration forms the basis for recruiting and retaining the highly qualified Executive Board members needed for the group's further development and implementation of the corporate strategy.

The fixed remuneration consists of the base remuneration, fringe benefits and pension entitlements (contribution-based retirement provisions).

**Base remuneration:** Each Executive Board member receives a fixed base remuneration. This is paid in twelve monthly installments.

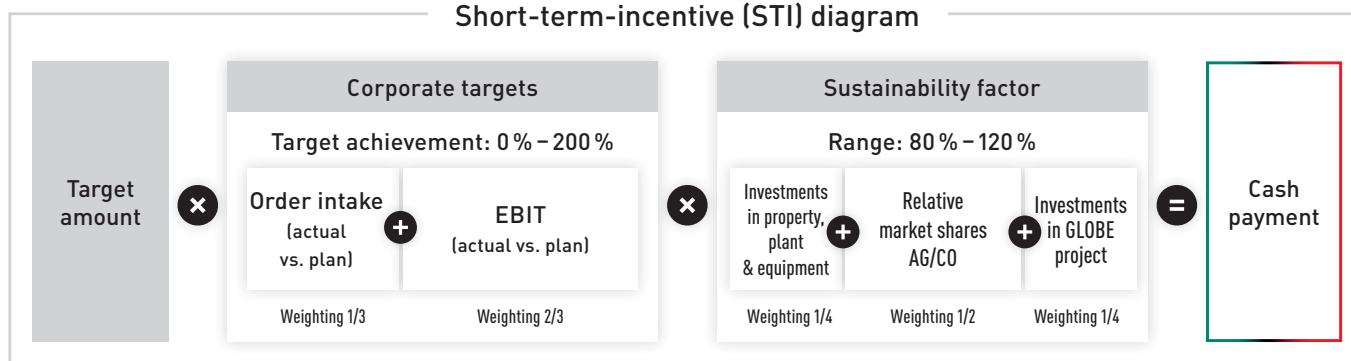
**Fringe benefits:** Fringe benefits and their maximum amounts are determined for each Executive Board member. These fringe benefits include, in particular, non-cash benefits from the company and other fringe benefits, particularly the provision of a company car but also insurance coverage.

**Retirement provisions:** Each Executive Board member is granted a payment that must be used to add to his personal retirement provisions. The payment is for a certain amount to be invested in an external pension scheme (contribution-based retirement provision).

### b) Short-term incentive (STI)

The STI is intended to motivate Executive Board members to achieve challenging and demanding financial, operational and strategic targets in the financial year. The targets reflect the corporate strategy and aim at increasing the earnings and market position of DMG MORI AKTIENGESELLSCHAFT. The one-year variable compensation is linked to the achievement of important key figures in the respective financial year, and in particular by tying it to the order intake and EBIT. An individual target amount is defined for each member of the Executive Board. The target amount is the starting point for determining the performance-related payment after the end of the assessment period. An entitlement to payment only arises at the end of the one-year assessment period and depends on whether or how the targets have been achieved.

### Short-term-incentive (STI) diagram

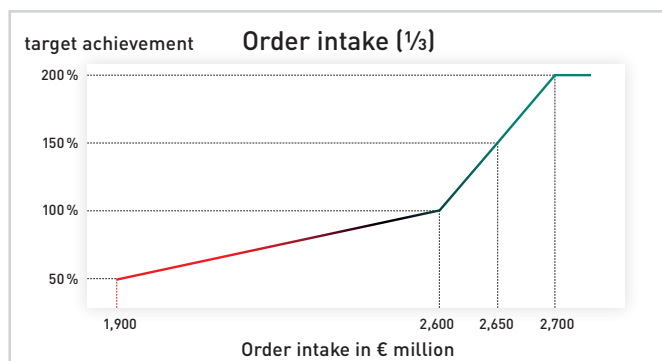


The STI system is based on two target dimensions with different weightings that can be adjusted by so-called sustainability factors (“modifiers”). This considers both the market position (measured by the performance indicator “order intake”), as well as the earnings position (measured by the performance indicator “EBIT”). These company-specific targets are modified by a sustainability factor (“modifier”), which moves within a bandwidth from 80 % to 120 %. The sustainability factors are intended to reward the Executive Board’s actions and successes that have made a contribution to sustainably securing the company’s success.

The levels of target achievement for the STI 2022 result from the following key figures and factors for 2022 and are determined for all Executive Board members according to the same criteria:

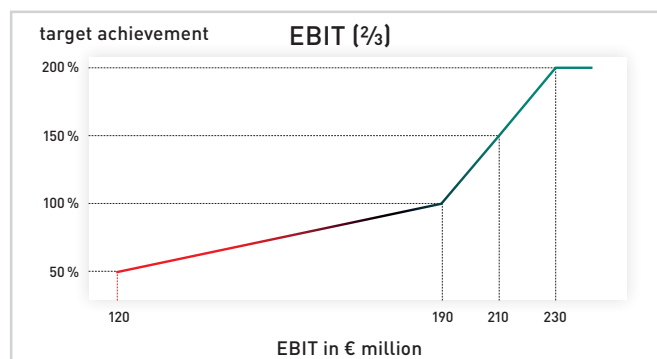
**Order intake** is weighted 1/3. In this way, the STI considers one of the key financial figures of DMG MORI AKTIENGESELLSCHAFT. The order intake component of the STI must reach a lower limit before it becomes bonus relevant. The lower limit is set at a target achievement of 50 %. Reaching the target amount corresponds to a target achievement of 100 %. The component does not increase further once a certain upper limit has been reached. This upper limit corresponds to a target achievement of 200 %.

The following figure shows further details with respect to target achievement:

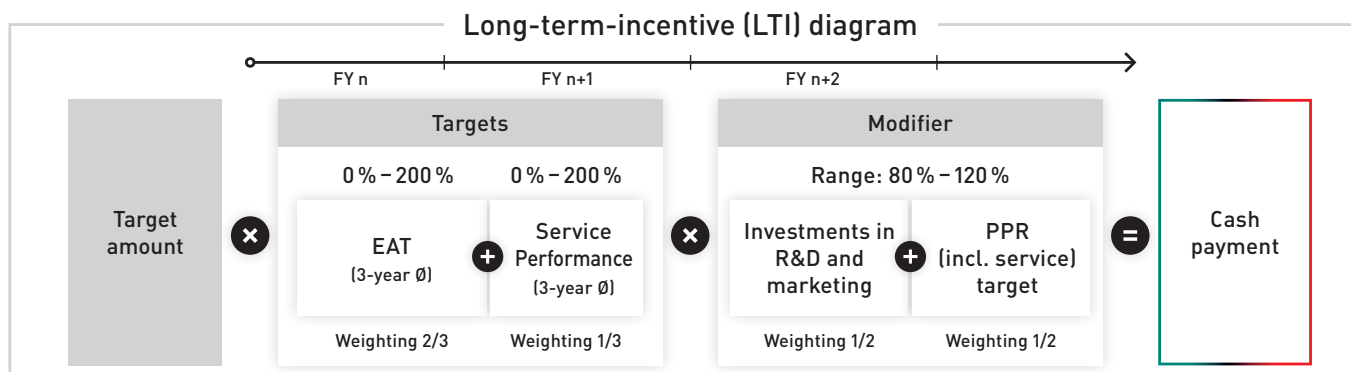


The **EBIT** is weighted 2/3. In this way, the STI considers an additional key financial figure of DMG MORI AKTIENGESELLSCHAFT. The EBIT component of the STI must reach a lower limit before becoming bonus relevant. This lower limit corresponds to a target achievement of 50 %. Reaching the target amount corresponds to a target achievement of 100 %. The component does not increase further once a certain upper limit has been reached. This upper limit corresponds to a target achievement of 200 %.

The following figure shows further details with respect to target achievement:



The remuneration resulting from the achievement of goals is adjusted by three **sustainability factors** (“modifiers”) defined as part of the award (80 %-120 %). These goals, on which the sustainability factor is based, include investments in property, plant and equipment, investments for the GLOBE project (introduction of SAP) and the development of internal market shares and positions (ratio of incoming orders DMG MORI AG group and DMG MORI COMPANY LIMITED). All sustainability factors can reach a level of 80 %-120 %. The factors investments in tangible assets and investments for the GLOBE project are each weighted with 25 %, the factor development of internal market shares and positions is weighted with 50 %. This is intended to particularly strengthen the Management Board’s efforts to achieve sustainable management geared towards future growth.



### c) Long-term incentive (LTI)

The long-term-focused, sustainable initiative for the success of DMG MORI AKTIENGESELLSCHAFT is the focus of the Executive Board's work. It is the only way to promote sustainable growth and achieve a permanent increase in value. The three-year performance period contributes to assuring that the Executive Board's decisions in the current financial year are also focused on the company's long-term development.

The LTI program is paid in cash on the basis of performance indicator-based remuneration determined over an assessment period of three years ("performance period"). It is granted in the form of yearly tranches.

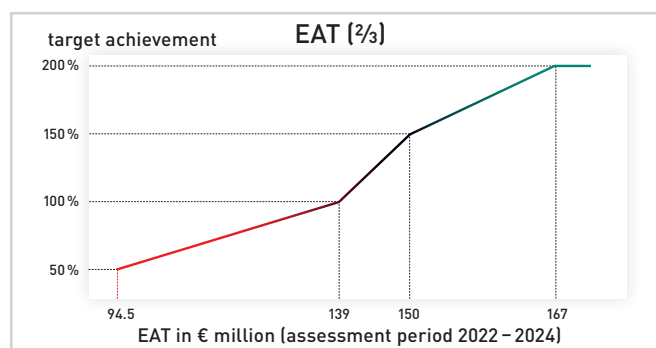
The LTI is based on two financial targets as well as measurable sustainability targets that are expressed in the form of a "modifier". The financial performance criteria represent important core management ratios of DMG MORI AKTIENGESELLSCHAFT (the earnings after tax – EAT – and the service performance). In addition to that, the modifier with a bandwidth of 80 % to 120 % also incorporates the sustainability targets.

An individual target amount is set for each member of the Executive Board. The target amount represents the starting point for determining the performance-based payment after the end of the assessment period. A claim for payment only arises at the end of the three-year assessment period and depends on whether and to what degree the targets were achieved.

The levels of target achievement result from the following key figures and factors and are determined for all Executive Board members according to the same criteria:

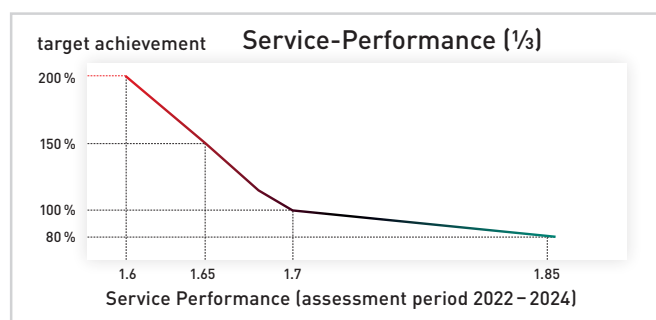
The **EAT** is weighted 2/3. In this way, the LTI considers one of the key financial figures of DMG MORI AKTIENGESELLSCHAFT. The EAT component of the LTI must reach a lower limit in order to become bonus relevant. This corresponds to a target achievement of 50%. Reaching the target amount results in a target achievement of 100%. The component does not increase further once an upper limit has been reached. This corresponds to a target achievement of 200%.

The following figure shows further details with respect to target achievement:



The **service performance** over a period of three years is weighted 1/3. In this way, the LTI considers an important key management figure of DMG MORI AKTIENGESELLSCHAFT. The service performance is the average number of service calls per machine under warranty over the last 12 months. The service performance component of the LTI must fall below a threshold value before becoming bonus relevant. This threshold value corresponds to a target achievement of 80%. Reaching the target figure corresponds to a target achievement of 100%. The consideration ends at a set minimum value. This corresponds to a target achievement of 200%.

The following figure shows further details with respect to target achievement:



The remuneration resulting from the degree of target achievement is adjusted (80%-120%) by two **sustainability factors** ("modifiers"), which are specified within the framework of the tender. The current sustainability targets include

adherence to the R&D and marketing budgets, as well as the development of the PPR indicator (number of "Product Problem Reports" in the last twelve months with status completed and final adjusted divided by the number of "Product Problem Reports" issued in the last twelve months). A "product problem report" describes a customer complaint. Both sustainability factors can reach a level of 80 %–120 % and are weighted 50 % each. To secure the long-term and sustainable development, the targets are selected in consideration of the strategy.

### Target and maximum amounts of remuneration

The payment from STI and LTI is limited in each case to a total of 200 % of the target amount.

The maximum total remuneration of an Executive Board member is determined by the Supervisory Board on the basis of the target total remuneration and is the maximum amount of total remuneration for the respective financial year, taking into account the fixed remuneration, short-term variable remuneration (STI), long-term variable remuneration (LTI 2022–2024) and retirement provisions.

The maximum total remuneration for financial year 2022 was set at € 5,550 K for the Chairman of the Executive Board and € 2,950 K for the Executive Board members. (→ Table A.09)

### Retirement provisions

The retirement provisions are a further basis for recruiting and retaining the highly qualified Executive Board members required for the group's continued development and implementation of the corporate strategy. The retirement provisions should be competitive on the market for highly qualified Executive Board members and provide an appropriate level of retirement benefits. The retirement provisions for the Executive Board members are paid in the form of a contribution-based pension scheme:

- > Christian Thönes € 450 K p.a.
- > Björn Biermann € 200 K p.a.
- > Michael Horn € 200 K p.a.

Expenses for the contribution-based retirement provisions for the Executive Board members totaled € 850 K in financial year 2022 (previous year: € 850 K).

### Remuneration for former members of the Executive Board

In the reporting year, as part of direct pension obligations € 1,087 K (previous year: € 1,132 K) was paid to former members of the Executive Board and their surviving dependents, of which € 680 K went to Dr. Rüdiger Kapitza who left the Executive Board in 2016.

### Remuneration of the Executive Board for financial year 2022

The target achievement for short-term variable remuneration (STI) is 166 % for the key figure EBIT and 200 % for the key figure order intake. The target achievement for the sustainability factor relating to the budget for investments in property, plant and equipment was 109 %, for the GLOBE project 120 % and for the relative market shares AG/CO 120 %, resulting in a weighted modifier of 117 % overall. The total target achievement for short-term variable remuneration (STI) for the year 2022 is 208 %. The STI payment is limited to a total of 200 % of the target amount (cap).

Target achievement for the long-term remuneration component (LTI tranche 2020–2022) is 200 % for the EAT indicator (3-year average 2020–2022) and 200 % for the service performance indicator. The target achievement for the sustainability factor for adhering to the R&D and marketing budgets was 120 % and for the development of the PPR indicator also 120 %, resulting in a weighted modifier of 120 % in total. The target achievement for the LTI tranche 2020–2022 is 220 %. The payout from the LTI tranche 2020–2022 is limited to a total of 200 % of the target amount (cap).

The total remuneration without advance payments of the Executive Board for financial year 2022 amounted to € 9,753 K (previous year: € 7,118 K). Of this amount, € 2,461 K (previous year: € 2,228 K) is attributable to the fixed, non-performance-based remuneration (base remuneration and fringe benefits), and € 3,200 K (previous year: € 3,200 K) to the short-term variable remuneration (STI) as well as € 850 K to contribution-based retirement provisions (previous year: € 850 K).

The LTI tranche 2020–2022, which was allocated on 31 December 2022 and will be paid in 2023, results in a total amount of € 4,750 K (LTI 2019–2021: € 840 K). An advance payment of € 1,508 K was made in 2021 for the LTI tranche 2020–2022. The payment from the LTI tranche 2020–2022 amounts to € 3,242 K.

A.09   TARGET AND MAXIMUM REMUNERATION (REMUNERATION COMPONENTS 2022)	Christian Thönes		Björn Biermann		Michael Horn	
	2022 (Target)	2022 (MAX)	2022 (Target)	2022 (MAX)	2022 (Target)	2022 (MAX)
Base remuneration	€ 1,200,000	€ 1,200,000	€ 600,000	€ 600,000	€ 600,000	€ 600,000
STI	€ 800,000	€ 1,600,000	€ 400,000	€ 800,000	€ 400,000	€ 800,000
LTI 2022–2024	€ 1,150,000	€ 2,300,000	€ 612,500	€ 1,225,000	€ 612,500	€ 1,225,000
Pension	€ 450,000	€ 450,000	€ 200,000	€ 200,000	€ 200,000	€ 200,000
<b>Total remuneration</b>	<b>€ 3,600,000</b>	<b>€ 5,550,000</b>	<b>€ 1,812,500</b>	<b>€ 2,950,000</b>	<b>€ 1,812,500</b>	<b>€ 2,950,000</b>

For the LTI tranche 2021-2023, a recoverable advance payment of €1,663K was made in 2022, which is part of the remuneration in accordance with section 162 (1) sentence 1 AktG.

No loans were granted to members of the Executive Board of DMG MORI AKTIENGESELLSCHAFT in the reporting year.

The companies belonging to DMG MORI AKTIENGESELLSCHAFT group did not pay any remuneration directly to members of the Executive Board for services provided personally, in particular consulting and mediation services.

No Executive Board members were requested to repay any remuneration components. Malus and clawback provisions were not invoked.

Table A.10 shows the granted and payable remuneration components of the active Executive Board members in the respective financial year, including the corresponding relative share pursuant to Section 162 (1) sentence 1 of the German Stock Corporation Act (AktG). The figures represent the base remuneration, the fringe benefits and the retirement provisions paid in the financial year. The table shows the STI 2022 as well as the LTI tranche 2020-2022 that will be paid in financial year 2023 for underlying activities that were fully performed by the end of financial year 2022. The recoverable advance payment for the LTI tranche 2021-2023 is also shown.

#### A.10 | REMUNERATION AS GRANTED AND PAYABLE (SECTION 162 (1) SENT. 1 AKTG)

in €K

	Christian Thönes Executive Board Chairman				Björn Biermann Executive Board Member			
	2021 <sup>4)</sup>	2021 <sup>5)</sup>	2022	2022 <sup>5)</sup>	2021 <sup>4)</sup>	2021 <sup>5)</sup>	2022	2022 <sup>5)</sup>
Base remuneration	1,080	-	1,200	-	540	-	600	-
Perquisite	11	-	11	-	8	-	8	-
<b>Total</b>	<b>1,091</b>	<b>31 %</b>	<b>1,211</b>	<b>25 %</b>	<b>548</b>	<b>31 %</b>	<b>608</b>	<b>26 %</b>
STI	1,600	46 %	1,600	33 %	800	45 %	800	33 %
LTI 2019 – 2021	360	10 %	-	-	240	13 %	-	-
LTI 2020 – 2022 <sup>1)</sup>	-	-	1,650	33 %	-	-	796	33 %
<b>Total</b>	<b>1,960</b>	<b>56 %</b>	<b>3,250</b>	<b>66 %</b>	<b>1,040</b>	<b>58 %</b>	<b>1,596</b>	<b>66 %</b>
Pension <sup>2)</sup>	450	13 %	450	9 %	200	11 %	200	8 %
<b>Total remuneration without advance payment</b>	<b>3,501</b>	<b>100 %</b>	<b>4,911</b>	<b>100 %</b>	<b>1,788</b>	<b>100 %</b>	<b>2,404</b>	<b>100 %</b>
Recoverable advance payment LTI 2020–2022 <sup>3)</sup>	650	-	-	-	429	-	-	-
Recoverable advance payment LTI 2021–2023 <sup>3)</sup>	-	-	805	-	-	-	429	-
Total inflow with advance payment	4,151	-	5,716	-	2,217	-	2,833	-

	Michael Horn Executive Board Member				Executive Board total			
	2021 <sup>4)</sup>	2021 <sup>5)</sup>	2022	2022 <sup>5)</sup>	2021 <sup>4)</sup>	2021 <sup>5)</sup>	2022	2022 <sup>5)</sup>
Base remuneration	540	-	600	-	2,160	-	2,400	-
Perquisite	49	-	42	-	68	-	61	-
<b>Total</b>	<b>589</b>	<b>32 %</b>	<b>642</b>	<b>26 %</b>	<b>2,228</b>	<b>31 %</b>	<b>2,461</b>	<b>25 %</b>
STI	800	44 %	800	33 %	3,200	45 %	3,200	33 %
LTI 2019 – 2021	240	13 %	-	-	840	12 %	-	-
LTI 2020 – 2022 <sup>1)</sup>	-	-	796	33 %	-	-	3,242	33 %
<b>Total</b>	<b>1,040</b>	<b>57 %</b>	<b>1,596</b>	<b>66 %</b>	<b>4,040</b>	<b>57 %</b>	<b>6,442</b>	<b>66 %</b>
Pension <sup>2)</sup>	200	11 %	200	8 %	850	12 %	850	9 %
<b>Total remuneration without advance payment</b>	<b>1,829</b>	<b>100 %</b>	<b>2,438</b>	<b>100 %</b>	<b>7,118</b>	<b>100 %</b>	<b>9,753</b>	<b>100 %</b>
Recoverable advance payment LTI 2020–2022 <sup>3)</sup>	429	-	-	-	1,508	-	-	-
Recoverable advance payment LTI 2021–2023 <sup>3)</sup>	-	-	429	-	-	-	1,663	-
Total inflow with advance payment	2,258	-	2,867	-	8,626	-	11,416	-

1) Amount less prepayments

2) Payments for pension provisions as defined contribution

3) LTI 2020 – 2022: Prepayment made in 2021, LTI 2021 – 2023: Prepayment made in 2022

4) Basic compensation 2021 including waiver

5) The specified relative proportions refer to the remuneration components "granted and payable" in the respective financial year pursuant to Section 162 (1) sentence 1 German Stock Corporation Act.



Table A.11 shows a comparison of the percentage change in the remuneration of the Executive Board members with the development of earnings of DMG MORI AKTIENGESELLSCHAFT and the average remuneration of the employees on a full-time equivalent basis compared to the previous year. The figures for the reporting year correspond to the figures for the total remuneration specified in the table "Remuneration granted and payable" pursuant to § 162 (1) sentence 1 German Stock Corporation Act. The development of earnings is generally presented on the basis of the development of the key figure EAT.

A.11   COMPARISON OF ANNUAL CHANGE IN EXECUTIVE BOARD'S REMUNERATION (SECTION 162 (1) NO. 2 AKTG)	CHANGES 2021 AGAINST 2020 in%	CHANGES 2022 AGAINST 2021 in%
Christian Thönes	+47.7 %	+37.7 %
Björn Biermann	+35.4 %	+27.8 %
Michael Horn	+49.8 %	+27.0 %
EAT (DMG MORI AG group) <sup>1)</sup>	+64 %	+79 %
EAT (DMG MORI AKTIENGESELLSCHAFT) <sup>2)</sup>	+ 8 %	+400 %
Average employee remuneration <sup>3)</sup>	+ 2 %	+3 %

1) 2022: € 153.4 million / 2021: € 85.6 million / 2020: € 52.1 million  
 2) 2022: € 146.5 million (under HGB) / 2021: € 29.3 million (under HGB) / 2020: € 27.1 million (under HGB)  
 3) Employee remuneration in Germany in the respective financial year

## Research and Development

The purpose of DMG MORI's research and development is to sustainably increase the value of our products for our customers. With the machine at the center, we are consistently developing further from a machine manufacturer to a holistic, sustainable solution provider in the manufacturing environment. Our strategic fit of automation, digitization and sustainability is paying off. In the reporting year, we presented 23 **innovations** together with DMG MORI COMPANY LIMITED – thereof 3 world premieres, 6 automation solutions as well as 12 digital innovations including 8 technology cycles and 2 DMG MORI Components.

We expanded our now 157 different machine models with 3 world premieres in the reporting year:

- > **NTX 500** – the latest and most compact model in the successful Turn & Mill series, with a footprint of less than 7 m<sup>2</sup> and the new compactMASTER spindle, is the ideal solution for demanding industries such as medical technology.
- > **DMU / DMC 85 H monoBLOCK** – the new, versatilely automatable universal horizontal machining center expands the innovative series and is aimed in particular at users in the main sectors of aerospace, die & mold and semiconductor. The machine combines the flexibility and ergonomics of a 5-axis universal machining center with the productivity and process reliability of a horizontal machining center.
- > **LASERTEC 100/160 PowerDrill** – the machine for 5-axis laser precision drilling offers 40 % higher dynamics and a 42 % larger working area with a smaller footprint compared to its predecessor. For example, components from the sectors aerospace and energy can be equipped highly efficiently and automatically with cooling air ducts.
- > **Automation** is the key to more efficiency, more productivity, even faster amortization – and thus to greater competitiveness

and sustainability for our customers. In addition to our broad machine portfolio, DMG MORI is also a full-liner in automation. Our innovative and comprehensive automation portfolio with 57 products in 13 product lines includes machine-specific, universal and scalable solutions up to the DMG MORI CELL CONTROLLER LPS 4 for workpiece, pallet and tool management. New additions in the reporting year are:

- > **Robo2Go Max**: now also for workpieces up to 115 kg. Quick and easy control via CELOS – without programming knowledge. This makes the Robo2Go the ideal and flexible solution also for heavy components for small and medium batch sizes.
- > **MATRIS Light**: The highly flexible and compact cobot for workpieces up to 5 kg can be connected in less than 5 minutes, operated intuitively and does not require a safety fence.
- > **PH 50**: The cost-effective entry into pallet handling on only 2,7 m<sup>2</sup>.
- > **PH Cell Twin**: The compact and modular round storage system for pallets is based on the proven PH Cell 300, is easy to retrofit and simultaneously automates two machines – a particularly efficient and economical solution for up to 30 pallets.
- > **PH Cell 2000**: The solution for handling up to 2,000 kg on 21 pallets each – variably adaptable thanks to standardized modules.
- > **CTS (Central Tool Storage)**: The central tool magazine is based on our proven concept of tool wheel magazines to store and manage up to 1,440 tools independently of the machine. Combined with our driverless transport system for tools – TH-AGV – or a portal tool shuttle, different machines can thus be supplied with tools from a central location.