

Corporate Governance Statement in Accordance with Section 289a of the HGB for the Fiscal Year from January 1 to December 31, 2012

Engineering the Future – since 1758.

MAN SE



Corporate Governance Statement in Accordance with Section 289a of the HGB ¹⁾

Corporate management and supervision at MAN is focused on ensuring sustained value creation and an appropriate profit in line with the principles of the social market economy.

Corporate governance is shaped by the applicable laws, in particular the provisions of German stock corporation law, by our Articles of Association and internal regulations, and by internationally and nationally recognized standards of good and responsible corporate governance. The German Corporate Governance Code (the Code) represents the statutory provisions for the governance of German stock corporations that apply to MAN and provides recommendations and suggestions for applying corporate governance at MAN in accordance with recognized standards.

These rules are supplemented by MAN's "Industrial Governance" management principle, which defines the responsibilities for Group management by MAN SE and the responsibilities of the divisions in more detail. These are presented on our website at www.man.eu under the heading "Company". The ethical guidelines that apply to the MAN Group are described in our Code of Conduct, which is available on our website www.man.eu under the heading "Company". The Group's management principles are formalized in Group policies.

(1) Corporate governance at MAN ²⁾

Both MAN's Executive Board and Supervisory Board have examined the Group's corporate governance system in detail. They are aware that good and transparent corporate governance that complies with both national and international standards is of central importance to ensure responsible, long-term management. The governing bodies focused in detail on compliance with the Code.

Declaration of Conformity

In December 2012, the Executive and Supervisory Boards issued the following Declaration of Conformity:

"MAN SE will comply with the recommendations of the German Corporate Governance Code (the Code) in the version dated May 15, 2012, with immediate effect, with the exception of sections 5.3.2, sentence 3 (independence of the Chairman of the Audit Committee), 5.4.6 paragraph 2, sentence 2 (performance-related compensation for members of the Supervisory Board), and section 5.5.3, sentence 1 (report to the Annual General Meeting of any conflicts of interest that have occurred together with their treatment).

¹⁾ The Corporate Governance Statement is not included in the audit in accordance with section 289a of the HGB.

²⁾ Also the Corporate Governance Report of the Executive and Supervisory Boards in accordance with section 3.10 of the German Corporate Governance Code as amended on May 15, 2012.

1. The recommendation in section 5.3.2, sentence 3 of the Code in the version dated May 15, 2012, is not followed only to the extent that the Chairman of the Audit Committee of the Supervisory Board, Rupert Stadler, cannot be considered “independent” within the meaning of section 5.4.2, sentence 2 of the Code in view of his functions within the VW Group.

This departure from the above-mentioned Code recommendation is for the following reasons:

Mr. Stadler has been Chairman of the Audit Committee since the middle of 2007 and is exceptionally suitable and qualified for this position, particularly given his expert and industry knowledge. We see continuity in chairmanship of the Audit Committee as a significant advantage to the body’s work and to the Company’s interests. Furthermore, it is not clear why a Board appointment at a controlling shareholder should rule out a position as Chairman of the Audit Committee.

2. The compensation of the Supervisory Board is regulated by the shareholders in Article 12 (2) of the MAN SE Articles of Association and is linked to the net income for the year among other things. We therefore assume that the variable compensation component will be oriented toward the sustainable growth of the enterprise within the meaning of section 5.4.6, paragraph 2, sentence 2 of the German Corporate Governance Code. However, as it cannot be ruled out that other views will be taken, a departure from the recommendation in the Code is being declared as a precautionary measure.
3. In its verdict of July 5, 2011, (file number 5U 104/10), the Higher Regional Court of Frankfurt am Main ruled that the approval of the actions of the executive and supervisory boards of a listed company by the Annual General Meeting was invalid due partly to the fact that the report to the Annual General Meeting concerning conflicts of interest and their treatment was not detailed enough. As a result of this verdict, there is now some uncertainty with regard to the scope of reporting required by the Code, particularly within the context of the non-disclosure obligations relating to stock corporations pursuant to sections 93 and 116 of the AktG. As a precautionary measure, we therefore declare an exception to section 5.5.3, sentence 1 of the German Corporate Governance Code. Notwithstanding the above, we will continue to report any conflicts of interest that have occurred and their treatment in the same scope as before.

The Executive and Supervisory Boards further declare that the recommendations of the Government Commission on the German Corporate Governance Code in the version dated May 26, 2010, published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on July 2, 2010, were complied with in the period from December 2011 through June 15, 2012, in accordance with the MAN SE Declaration of Conformity.

From June 15, 2012, until this Declaration of Conformity was issued, the recommendations of the Government Commission on the German Corporate Governance Code in the version dated May 15, 2012, published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on June 15, 2012, were complied with except for section 5.3.2, sentence 3 (independence of the Chairman of the Audit Committee) and section 5.4.6, paragraph 2 (performance-related Supervisory Board compensation). The grounds for these exceptions can be found in the above explanations. The Government Commission has amended section 5.4.1, paragraph 2 (specification of concrete objectives regarding the composition of the Supervisory Board)

to require that the Supervisory Board shall also specify “the number of independent Supervisory Board members” in future. This recommendation has been complied with since December 12, 2012, on which date the Supervisory Board held the necessary consultations and made the corresponding decision.”

The Executive and Supervisory Boards of Renk Aktiengesellschaft, a listed subsidiary based in Augsburg, have also issued a declaration of conformity. This is published on the company’s website at www.renk.eu.

We comment on the key recommendations and suggestions contained in the Code in more detail in the following.

Promoting transparency and shareholders’ rights

The information we provide through our website www.man.eu, financial publications, and capital market conferences enables our German and international shareholders as well as other interested parties to obtain an accurate and up-to-date picture of our Company and gain an insight into our corporate governance practices. We also publish without delay annual reports, interim reports, and a financial calendar showing all upcoming events on our website (see section 6.3 of the Code), as well as the annual document we are required to prepare under section 10 of the *Wertpapierprospektgesetz* (WpPG — German Securities Prospectus Act), summarizing all the relevant information disclosed by the Company during the past calendar year.

Annual General Meeting

The Annual General Meeting is the platform where MAN shareholders can exercise their voting rights, obtain information, and engage in a dialog with the Executive and Supervisory Boards.

In organizing and conducting its Annual General Meeting, MAN SE aims to provide all shareholders with prompt, comprehensive, and effective information both before and during the event. The invitation to the Annual General Meeting is published in the *Bundesanzeiger* (the Federal Gazette) and is accessible to our shareholders and all other interested parties via the MAN website, together with all reports and documents relating to the Annual General Meeting. In addition, we e-mail the documents to interested shareholders and other parties if we have their consent to do so, as well as posting them on our website for download.

If shareholders are unable to attend the Annual General Meeting, they may either authorize a bank, shareholders’ association, or other person to represent them, or authorize an MAN employee, either in writing or by electronic means, to exercise their voting rights by proxy.

To enable all shareholders and the interested public to follow the Annual General Meeting, the entire event is broadcast live on the Internet.

Executive Board and Supervisory Board

MAN SE has a two-tier structure comprising an Executive Board and a Supervisory Board. Both governing bodies work closely together to the benefit of the Company and seek to achieve a sustained increase in enterprise value for its shareholders.

The Executive Board currently comprises five members. Please refer to the “Governing Bodies” section in the Annual Report for further information on its composition. The Executive Board is responsible for performing managerial and operational tasks. Its responsibilities extend in particular to the MAN Group’s strategic focus, which it agrees with the Supervisory Board. The Executive Board is also responsible for target-driven, active management and the central financing of the Group, the development and deployment of managers, and the

preparation of the quarterly and annual financial statements. In addition, it ensures compliance with legislation, official regulations, and internal policies (Compliance).

The various tasks are allocated to the individual Executive Board functions in accordance with the list of responsibilities. The full Executive Board addresses all key decisions and measures; the Executive Board's Rules of Procedure define the decisions and measures that require the approval of the full Executive Board. Meetings of the full Executive Board are held at least once a month and additionally as needed. The Executive Board reports to the Supervisory Board. It consults the Supervisory Board on decisions of fundamental importance. The Executive Board also ensures open and transparent corporate communications.

The Supervisory Board has an oversight and advisory role. Certain important transactions laid down by the law, the Articles of Association, and the Supervisory Board's Rules of Procedure require the Supervisory Board's approval.

MAN SE's Supervisory Board has equal numbers of shareholders and employee representatives; the eight shareholder representatives are elected by the Annual General Meeting and the eight employee representatives are appointed by the SE Works Council in accordance with the provisions of the Agreement on Arrangements for Employee Involvement in the SE dated February 18, 2009. Please refer to the "Report of the Supervisory Board" and the "Governing Bodies" section in the Annual Report for further information on the composition of the Supervisory Board of MAN SE, its committees and duties, and its cooperation with the Executive Board.

The Government Commission on the German Corporate Governance Code resolved various amendments to the Code on May 15, 2012. These changes mainly relate to the Supervisory Board, and in particular the independence and remuneration of the Supervisory Board members.

With regard to section 5.4.1 of the Code regarding the composition of the Supervisory Board, the Supervisory Board resolved in 2010, among other things, the objective of filling at least two Supervisory Board positions on the shareholder side with persons who are both independent and have no conflicts of interest. In view of the Code's change to the definition of "independence" in section 5.4.2., the Supervisory Board resolved at its meeting on December 12, 2012, with respect to the question of who can be regarded as independent that the new definition in section 5.4.2 of the Code should apply.

MAN complied with the Code's recommendation that no more than two former members of the Executive Board be members of the Supervisory Board; there are currently no former members of the Executive Board on the Supervisory Board.

No conflicts of interest were reported by members of either the Executive or Supervisory Board during the reporting period. MAN complied with the age limit set by the Supervisory Board for members of the Executive Board, which stipulates retirement from office at the age of 62 with the option for an extension up to a maximum age of 65 years. It also took into consideration the standard age limit of 70 set for members of the Supervisory Board. Only the Chairperson of the Supervisory Board and one other Supervisory Board member have exceeded 70 years of age.

The Supervisory Board approved the sideline activities of Executive Board members falling within the scope of section 4.3.5 of the Code only to the extent that these involved management activities at Group companies and serving on other companies' supervisory boards. The Supervisory Board also gave its consent for Dr. Pachta-Reyhofen to take on a role as a member of the Volkswagen Group Management alongside his role on the Executive Board of MAN SE, and for Mr. Berkenhagen and Mr. Schumm to each become members of

the Volkswagen Group's central coordination committee for the Commercial Vehicles business area alongside their roles on the Executive Boards of MAN SE and MAN Truck & Bus AG.

The Company is covered by Volkswagen AG's D&O (directors' and officers') liability insurance. This was adjusted to reflect the requirements of the *Gesetz zur Angemessenheit der Vorstandsvergütung* (VorstAG — German Act on the Appropriateness of Executive Board Remuneration) dated July 31, 2009, and of the German Corporate Governance Code.

Compliance/risk management

MAN SE's Executive Board established a Compliance function as part of its responsibility for compliance as defined by the German Corporate Governance Code. This function, which reports to the Chief Compliance Officer (CCO), is responsible for developing and implementing a uniform Group integrity and compliance program, focusing on fighting corruption, infringements of antitrust law, and on data protection. The Compliance function consists of MAN SE's central Corporate Compliance Office and the compliance organization at the subgroups. The central compliance measures developed by the Corporate Compliance Office are implemented locally and in a uniform manner by the compliance staff at the subgroups worldwide. All compliance organization staff are answerable to the CCO, who regularly reports to MAN SE's Executive Board and to the Audit Committee of the Supervisory Board.

The key compliance measures developed and implemented by the Compliance function in the reporting period include the following:

- The second Group-wide compliance risk assessment was completed in the reporting period. The aim of this measure is to identify potential compliance risks affecting the Group's business models. The results of the compliance risk assessment are used to determine measures to prevent compliance risks and conduct preventative compliance audits at selected Group companies.
- The Compliance function continues to operate the Compliance Helpdesk, which all employees can contact with compliance-relevant questions. The Compliance Helpdesk answered approximately 900 employee questions in the reporting period.
- The Compliance function continued to hold compliance awareness training around the world in the form of classroom sessions for all employees who may be exposed to compliance risks in their day-to-day work. These training sessions focus on providing basic knowledge on combating corruption and antitrust law. Approximately 3,800 employees around the world were trained in the period under review. The Compliance function also conducted special training sessions on antitrust law, combating corruption, and data protection for employees who are particularly exposed to risks from these areas. Approximately 3,600 employees received in-depth instruction as part of these special training sessions. Finally, the Compliance function started rolling out an e-learning compliance program at the end of December 2012. This teaches the fundamentals of the MAN Code of Conduct and the basics of combating corruption, antitrust law, and data protection as covered in the Code.
- For the first time, classroom sessions on combating corruption and antitrust law were also conducted for business partners in the period under review.
- The Business Partner Approval Tool is used to approve and check the integrity of business partners. As approvals are limited to two years, a renewal process was initiated for the first time in the period under review to extend the approvals granted to individual business partners.

- The rollout of the Continuous Controls Monitoring (CCM) electronic monitoring system continued in the period under review. The CCM system ensures that potential compliance risks and policy violations in purchasing and payment processes are detected at an early stage.
- The Speak up! whistleblower portal again served to detect and prevent material risks to MAN in the reporting period. Speak up! is used to accept and analyze information relating to serious compliance violations, especially in the area of white collar crime (e.g., corruption offenses), antitrust law, and data protection.
- MAN does not tolerate compliance violations under any circumstances. Reports of possible violations are investigated in detail, violations are dealt with and punished according to the penalties permitted under labor law.
- MAN joined the Partnering Against Corruption Initiative (PACI) and the Deutsches Institut für Compliance (DICO) in the period under review. PACI is a global anticorruption initiative of the World Economic Forum, developed by companies for companies. It offers a platform for exchanging measures to minimize compliance risks. DICO is an association of companies and individuals and aims to promote and develop compliance standards and qualifications.

A detailed description of MAN's compliance organization and the compliance measures implemented in the reporting period can be found in the Group Management Report.

Risks resulting from compliance violations and other business risks were assessed under the risk management system and addressed in detail by the Executive Board and Supervisory Board, and in particular by the Audit Committee. Please refer to the description of MAN's risk management system and the risk report contained in the Management Report.

Directors' dealings (reportable securities transactions)

Section 15a of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) requires individuals with management tasks and certain related parties to report dealings in MAN shares and related financial instruments to the issuer and the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin — German Federal Financial Supervisory Authority). No transactions were reported in fiscal 2012. Any disclosures are published on our website www.man.eu under the heading "Company".

According to the reports received, the Executive and Supervisory Board members' direct and indirect holdings of shares and derivatives on shares do not exceed 1% of the shares issued by the Company, either individually or in total.

Financial reporting

The year-end consolidated financial statements of the MAN Group are prepared by the Executive Board on the basis of the International Financial Reporting Standards (IFRSs), while the single-entity financial statements of MAN SE are prepared in accordance with the *Handelsgesetzbuch* (HGB — German Commercial Code). The financial statements are examined and approved by the Supervisory Board. All deadlines for the publication of financial statements and interim reports were met during the reporting period. In accordance with the recommendation in section 7.1.2 of the Code, the Audit Committee discusses MAN's half-yearly and quarterly financial reports with the Executive Board prior to their issue.

Audits

In the reporting period, the Supervisory Board proposed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich (PwC), as auditors of the financial statements; the Annual General Meeting endorsed its proposal. PwC provided MAN's Audit Committee with confirmation of its independence. It was also agreed that the Chairperson of the Audit Committee would be immediately informed of any grounds for disqualifying the auditors or questioning their impartiality that might occur during the audit, unless such grounds could be immediately eliminated.

(2) Other corporate governance practices

MAN SE is the holding company that is the parent of the MAN Group. The latter is managed on the basis of agreements with the companies, i.e., all key German subsidiaries in which MAN SE holds 100% of the shares are integrated into the Group via control and profit transfer agreements.

The allocation of tasks and responsibilities within the MAN Group is governed by the "Industrial Governance" management principle. This can be found on our website at www.man.eu. According to this principle, the Executive Board of MAN SE is responsible for the strategic management of the MAN Group, while the divisions have operational responsibility for their respective business units.

As the Corporate Center, MAN SE is responsible for the development of the Group's overall strategy and structure, for the development and deployment of managers, for goals-driven, active management, and for the central financing of the Group. Controlling, Corporate Audit, and Compliance Management are other central functions.

This management system is supported by Shared Services, which are used by the entire Group. For example, Financial Services and HR Services are managed by separate companies, MAN Finance International GmbH and MAN HR Services GmbH.

Group policies are in place at the MAN Group to ensure uniform standards.

The MAN Group's ethical conduct guidelines and compliance requirements are described in its Code of Conduct. This is available on our website www.man.eu under the heading "Company". The binding Code of Conduct lays down the basic rules and the minimum standards of conduct for all MAN Group employees. Its objective is to give all employees guidance on legal and ethical challenges in their day-to-day work and to promote proper behavior. The Code of Conduct specifically contains a clear commitment to free and fair competition. All forms of anti-competitive behavior and corruption are prohibited. The provisions of the Code of Conduct are set out in greater detail in the following Group policies, among others: the policy on handling gifts, hospitality, and invitations to events, the policy on donations and sponsorship activities, the policy on engaging business partners with an intermediary and/or representation function, and the policy on compliance with antitrust regulations.

In addition, MAN SE's Executive Board, employee representatives, and the International Trade Union Confederation signed an international framework agreement in March 2012, which documents MAN's commitment to basic human and employee rights worldwide. It aims to create an authoritative minimum standard that all MAN Group employees around the world can refer to, as well as to set out the ethical principles that should govern the actions of MAN companies and employees.

In addition to expecting MAN Group employees to comply with basic ethical rules, MAN also requires suppliers and business partners and their employees to act responsibly and to conform to the applicable laws at all times and in all places. To this end, MAN has issued a Supplier and Business Partner Code of Conduct and translated it into 15 languages. This document is also available on our website www.man.eu under the heading “Company”.

(3) Functions and composition of the Executive Board, the Supervisory Board, and committees

The composition of the Executive and Supervisory Boards themselves as well as of the Supervisory Board committees can be found in the “Notes to the Consolidated Financial Statements.”

For the functions of the Executive and Supervisory Boards, see the Corporate Governance report under section (1) above.

No Executive Board committees exist.

Functions of the Supervisory Board committees

MAN SE’s Supervisory Board has established two committees, the Presiding Committee and the Audit Committee, on which shareholders and employees are represented equally. The two committees each consist of six members. While the Presiding Committee comprises the Chairperson of the Supervisory Board, the First and additional Deputy Chairpersons as well as three additional members to be elected by the Supervisory Board, all members of the Audit Committee are elected by the Supervisory Board.

The Chairperson of the Supervisory Board is also the Chairperson of the Presiding Committee. The Audit Committee elects its Chairperson from the group of shareholder representatives.

The tasks of the Presiding Committee comprise dealing with personnel matters relating to members of the Executive Board, and particularly their employment contracts and other contracts signed with them, as well as approving the sideline activities of Executive Board members. Decisions are only delegated in cases in which the law does not require responsibility to lie with the full Supervisory Board. This applies in particular with regard to the decisions by the Supervisory Board on the structure of the Executive Board members’ remuneration and — since the *Gesetz zur Angemessenheit der Vorstandsvergütung* (VorstAG — German Act on the Appropriateness of Executive Board Remuneration) entered into force — also to the determination of the total remuneration for individual Executive Board members; the Presiding Committee prepares proposals on this and submits them to all members. The Presiding Committee is also responsible for the long-term succession planning for the Executive Board and for resolutions granting loans to the persons named in sections 89 and 115 of the *Aktengesetz* (AktG — German Stock Corporation Act).

The Presiding Committee is also tasked with making proposals for Executive Board appointments as well as for terminating appointments and submits its proposals on these matters to the full Supervisory Board.

Another task performed by the Presiding Committee is to prepare the Supervisory Board meetings. The Presiding Committee submits recommendations to the Supervisory Board on resolutions to be adopted.

The main tasks assigned to the Audit Committee in accordance with the Supervisory Board's Rules of Procedure are as follows:

- discussing the half-yearly and quarterly financial reports with the Executive Board prior to their publication, preparing the Supervisory Board's resolution on the adoption of the annual financial statements and the approval of the consolidated financial statements; this also includes in particular addressing financial reporting issues and discussing the audit report with the auditors;
- addressing any issues concerning the internal control system, the risk management system, the audit system, and compliance; and
- preparing resolutions by the Supervisory Board on the proposal for the election of the auditors by the Annual General Meeting and on the granting of the auditing contract for the annual and consolidated financial statements.

The Audit Committee also handles the report on relationships with affiliated companies ("dependent company report").

In addition, a Nomination Committee exists, which is made up of the shareholder representatives on the Presiding Committee. This committee is tasked with identifying candidates for Supervisory Board positions who — taking into account the statutory provisions and the provisions of the German Corporate Governance Code implemented according to the Company's Declaration of Conformity — optimally meet the eligibility criteria and who are willing to be appointed, and with recommending suitable candidates to the Supervisory Board as the latter's proposals for election at the Annual General Meeting.

As a rule, the Presiding Committee meets before every Supervisory Board meeting. Audit Committee meetings are held before the Supervisory Board financial statements meeting in spring in connection with the preparation of the annual financial statements, before the auditors are commissioned, and in connection with the interim financial statements. Additional Presiding Committee and Audit Committee meetings are held as needed.

On the instructions of a committee chairperson, Supervisory Board meetings may also be held in the form of video conferences or conference calls, or video or telephone links may be arranged for individual Supervisory Board members. Resolutions may be passed outside of meetings in writing, by fax or e-mail, or by means of other conventional telecommunication media if instructions to this effect are issued by the Chairperson of the Supervisory Board, and no member of the Supervisory Board opposes this procedure in writing without delay.

Insofar as not stipulated otherwise by law, committee resolutions require a simple majority of the votes passed, as is the case with the Supervisory Board. In the case of a tie, the chairperson has the casting vote.

The Chairperson of the Supervisory Board is responsible for implementing all resolutions passed by the Supervisory Board and its committees.

The language used in Supervisory Board meetings and meetings of its committees is German, with translations being made into the national languages of members of the Supervisory Board insofar as they request this.

The members of the Executive Board regularly attend Supervisory Board meetings. As a rule, at least the Chief Executive Officer is invited to Presiding Committee meetings, while the Chief Financial Officer is invited to Audit Committee meetings.

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