

REMUNERATION REPORT FOR FISCAL YEAR 2014

Executive Board remuneration

Resolutions determining the total remuneration of individual Executive Board members are prepared by the Presiding Committee of MAN SE's Supervisory Board. The full Supervisory Board then determines the total remuneration in accordance with legal requirements. The full Supervisory Board also regularly discusses the structure of the Executive Board remuneration system based on the Presiding Committee's proposals. This system is regularly modified and adjusted as needed in accordance with the recommendation set out in the German Corporate Governance Code (section 4.2.2).

The Supervisory Board's objective and duty is to set remuneration at an appropriate amount. The criteria for doing so include in particular the tasks of the respective Executive Board member, their personal performance, the economic situation, the performance of and outlook for the Company, and how customary the remuneration is compared with the Company's peer group, as well as the remuneration structure that applies to other areas of MAN.

In fiscal 2014, it was resolved to continue the long-term remuneration component in accordance with the decision made in fiscal 2013.

Remuneration structure and components

The remuneration of Executive Board members comprises fixed salary payments and noncash benefits, pension and other benefit contributions, and performance-related components. The variable performance-related components comprise components linked to business performance and long-term incentive components.

A) Fixed remuneration

The fixed remuneration is paid as a monthly salary. In addition, Executive Board members receive noncash benefits consisting primarily of the provision of a company car and the payment of insurance premiums. Drivers for business trips are also available to Executive Board members.

The fixed remuneration is reviewed on a regular basis and modified where necessary, taking into account general salary trends and the area of responsibility of the individual Executive Board member.

B) Variable remuneration

The performance-related variable remuneration (bonus) is based on two performance components with equal weightings:

Performance Component One

Performance Component One is defined as the delta to the cost of capital, i.e., the difference between the return on capital employed (ROCE) and the weighted average cost of capital (WACC).

The ROCE is the ratio of operating profit to annual average capital employed. Capital employed comprises the Group's total equity, pensions and other post-employment benefits, and financial liabilities, less marketable securities, cash and cash equivalents, and loans to Group companies. For these purposes, operating profit continues to be calculated on the basis of the definition used by the MAN Group in 2013. For changes to the definition of the control measures, please refer to "Changes to financial reporting." The ROCE for 2014 was 5.8% (previous year: 6.9%).

The weighted average cost of capital (WACC) represents the minimum return expected by investors on the capital provided and for the investment risk. MAN uses WACC as a basis for setting ROCE requirements. The cost of capital for fiscal 2014 remained unchanged at 10.0%.

The "delta to the cost of capital" measure was -4.2% in 2014 (previous year: -3.1%).

The average delta to the cost of capital for the current and following fiscal year in each case is measured against the target range set in advance by the Supervisory Board.

If the lowest value in the target range is not met, this represents a target achievement of 0%. The highest value in the target range corresponds to the maximum target achievement of 200%. Target achievement between the lowest and highest values of the target range is calculated on a straight-line basis.

Three-quarters of the fixed annual salary is awarded for a target achievement of 100%. The maximum possible bonus for this performance component is capped at one-and-a-half times the fixed annual salary for a target achievement of 200%. A retroactive bonus is paid if target achievement in the following year exceeds

that of the current fiscal year, thus improving the average value, provided that this does not exceed the upper target achievement limit of 200%. Similarly, if target achievement is lower in the following year, the bonus for the following year is reduced accordingly.

The current target range for the delta to the cost of capital is – 5% to + 5%. Target achievement of 0% to 200% is represented as a straight line between these base points. A delta of 5.0% or more therefore yields one-and-a-half times the fixed annual salary and a ROCE equal to the cost of capital yields three-quarters of the fixed annual salary.

Performance Component Two

The second performance component measures the return on equity (before tax) of the fiscal year in question against a predetermined target. It is calculated by dividing profit before tax by the MAN Group's average equity. The degree to which the target has been achieved is calculated in the same way as for Performance Component One.

The current target range covers a return on equity of between 4% and 20%. Target achievement of 0% to 200% is represented as a straight line between these base points. The maximum possible bonus for this component — one-and-a-half times the fixed annual salary — is awarded for a return on equity of 20% or more. A return on equity of 12% yields three-quarters of the fixed annual salary.

The total bonus from both components is therefore limited to three times the fixed annual salary and is only paid out if the MAN Group generates a return on sales (ROS) of more than 2%. The ROS is the ratio of operating profit to revenue, both of which are calculated according to the logic used in the MAN Group in 2013. For changes to the definition of the control measures, please refer to "Changes to financial reporting." The MAN Group's ROS amounted to 3.0% in 2014 (previous year: 3.0%).

Figures for fiscal year 2014:

Targets and target achievement for bonuses in 2014 were as follows:

| Performance component | 100% of target | 200% of target (cap) | Actual value 2014 | Target achievement | Bonus |
|-----------------------|----------------|----------------------|-------------------|--------------------|----------------------------|
| 1* (ROCE – WACC) | 0% | 5% | – 4,25% | 15% | 0.1125 fixed annual salary |
| 2 Return on Equity | 12% | 20% | 6.5% | 31.25% | 0.2343 fixed annual salary |

* This component is based on the average of the current and following fiscal year. It therefore represents a payment on account that may have to be paid back.

Supplementary information on the bonus for fiscal 2013: Performance Component One is based on an average of the current and following fiscal year in each case. Calculating this component using the actual figures for 2013 and 2014, which are now available, reveals an adjustment to be paid back of 0.3675 fixed annual salaries.

C) Long-term remuneration component

This component is based on the delta to the cost of capital (see Performance Component One).

The average delta to the cost of capital of the current and the two previous fiscal years is compared with the target range set by the Supervisory Board.

If the lowest value in the target range is not met, this represents a target achievement of 0%. The highest value in the target range corresponds to the maximum target achievement of 200%. Target achievement between the lowest and highest values of the target range is calculated on a straight-line basis.

A bonus amounting to one half of the fixed annual salary is awarded for a target achievement of 100%. The maximum possible bonus for this component is capped at one fixed annual salary for a target achievement of 200%.

The current target range for the delta to the cost of capital is 0% to +20%. Target achievement of 0% to 200% is represented as a straight line between these base points. A delta of 20% or more therefore yields one fixed annual salary and a delta of 10% yields one half of the fixed annual salary.

D) Occupational pension system

Executive Board members' benefit entitlements comprise retirement, disability, and survivors' benefits. Entitlements to such benefits are accumulated under a defined contribution system, or "capital account plan" with the value of benefits dependent upon the performance of certain fund indices.

Every year, MAN SE contributes an amount equal to 20% of eligible remuneration, i.e., the sum of the contractually agreed fixed remuneration and variable remuneration. Executive Board members may elect to make contributions themselves out of their gross salary.

Contributions and interest are held in individual capital accounts. The performance of the capital account is directly linked to the capital markets and is determined by a basket of indices and other suitable parameters. The risk of the investments is gradually reduced as the beneficiaries get older (lifecycle concept).

At retirement, the beneficiary may elect to receive the balance of the capital account, or at a minimum the total amount of the contributions, as a lump sum payment, in installments, or as an annuity. In the event of disability or death, the beneficiary is paid the accumulated account balance, or a minimum of €2 million.

Special contract provisions

Under a provision that has been in effect since 2010, Executive Board members receive their fixed remuneration, bonus, insurance contributions, and contributions to the pension system until the end of their normal term of office, but for no more than two years, in the event of the early termination of their contract without good cause and at the instigation of the Company. Income from activities elsewhere is offset and the basis for calculating the amount of the contributions to the pension system reduced accordingly. MAN uses an Executive Board member's bonus for the past fiscal year and expected bonus for the current fiscal year as a basis for calculating the bonus paid as a severance payment following departure.

If an Executive Board member's contract is terminated at his or her instigation (members may terminate their contracts without having to cite reasons, by giving 18 months' notice), payments are only made until the end of the notice period. There are no special change-of-control provisions in place.

The following special arrangements were agreed in connection with the appointment of Mr. Berkenhagen and Mr. Schumm as members of the Company's Executive Board in 2012:

Neither member will be granted pension commitments by MAN. Instead, MAN has undertaken to assume the expenses associated with continuing the existing pension commitments in the Volkswagen Group. A special arrangement relating to total remuneration was also agreed with Mr. Berkenhagen. Further information can be found in note (39) in the "Notes to the Consolidated Financial Statements."

Executive Board members' remuneration in 2014

The remuneration awarded to active members of the Executive Board for their services in fiscal 2014 totaled €4,377 thousand plus €975 thousand for pensions (previous year: €5,860 thousand plus €1,279 thousand for pensions). Please see note (39) in the "Notes to the Consolidated Financial Statements" and the following tables for details of the Executive Board members' individual remuneration.

Executive Board members' remuneration is reported individually for the first time in this remuneration report on the basis of the uniform model tables recommended in the German Corporate Governance Code (version dated September 30, 2014). These model tables present the benefits granted (table 1) and the benefits actually received (table 2) separately. The benefits granted table presents the targets (payment if targets met 100%) and the minimum and maximum amounts achievable.

Table 1: Executive Board members' remuneration in 2014 (benefits granted)

| € thousand | Dr. Georg Pachta-Reyhofen Chief Executive Officer | | | | Ulf Berkenhagen Chief Procurement Officer | | | |
|---|--|--------------|--------------|--------------|--|--------------|--------------|--------------|
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Fixed remuneration | 740 | 765 | 765 | 765 | 550 | 570 | 570 | 570 |
| Fringe benefits | 39 | 38 | 38 | 38 | 57 | 61 | 61 | 61 |
| Total | 779 | 803 | 803 | 803 | 607 | 631 | 631 | 631 |
| One-year variable remuneration (Performance Component Two) | 555 | 574 | 0 | 1,148 | 413 | 428 | 0 | 855 |
| Multi-year variable remuneration | | | | | | | | |
| Performance Component One (2 years) | 555 | 574 | 0 | 1,148 | 413 | 428 | 0 | 855 |
| Long-term remuneration component (3 years) | 370 | 383 | 0 | 765 | 275 | 285 | 0 | 570 |
| Other (special arrangements) | 0 | 0 | 0 | 0 | 946 | 886 | 2,026 | 0 |
| Total | 1,480 | 1,530 | 0 | 3,060 | 2,046 | 2,026 | 2,026 | 2,280 |
| Pension expense | 380 | 382 | 382 | 382 | 594 | 414 | 414 | 414 |
| Total remuneration | 2,639 | 2,715 | 1,185 | 4,245 | 3,247 | 3,071 | 3,071 | 3,325 |

| € thousand | Jochen Schumm Chief Human Resources Officer | | | | Dr.-Ing. René Umlauf ¹ Member of the Executive Board | | | |
|---|--|--------------|-------------|--------------|--|--------------|-------------|--------------|
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Fixed remuneration | 550 | 570 | 570 | 570 | 520 | 347 | 347 | 347 |
| Fringe benefits | 71 | 63 | 63 | 63 | 29 | 20 | 20 | 20 |
| Total | 621 | 633 | 633 | 633 | 549 | 366 | 366 | 366 |
| One-year variable remuneration (Performance Component Two) | 413 | 428 | 0 | 855 | 390 | 260 | 0 | 520 |
| Multi-year variable remuneration | | | | | | | | |
| Performance Component One (2 years) | 413 | 428 | 0 | 855 | 390 | 260 | 0 | 520 |
| Long-term remuneration component (3 years) | 275 | 285 | 0 | 570 | 260 | 173 | 0 | 347 |
| Other (special arrangements) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,100 | 1,140 | 0 | 2,280 | 1,040 | 693 | 0 | 1,387 |
| Pension expense | 0 | 0 | 0 | 0 | 267 | 179 | 179 | 179 |
| Total remuneration | 1,721 | 1,773 | 633 | 2,913 | 1,856 | 1,239 | 545 | 1,932 |

¹ Departure as of August 31, 2014

Table 2: Executive Board members' remuneration in 2014 (benefits received)

| € thousand | Dr. Georg Pachta-Reyhofen Chief Executive Officer | | Ulf Berkenhagen Chief Procurement Officer | | Jochen Schumm Chief Human Resources Officer | | Dr.-Ing. René Umlauf ¹ Member of the Executive Board | |
|---|--|--------------|--|--------------|---|------------|---|------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Fixed remuneration | 740 | 765 | 550 | 570 | 550 | 570 | 520 | 347 |
| Fringe benefits | 39 | 38 | 57 | 61 | 71 | 63 | 29 | 20 |
| Total | 779 | 803 | 607 | 631 | 621 | 633 | 549 | 366 |
| One-year variable remuneration (Performance Component Two) | 0 | 179 | 0 | 134 | 0 | 134 | 0 | 81 |
| Multi-year variable remuneration | | | | | | | | |
| Performance Component One (2 years) | 422 | 86 | 314 | 64 | 314 | 64 | 296 | 39 |
| Long-term remuneration component (3 years) | 188 | 0 | 139 | 0 | 139 | 0 | 132 | 0 |
| Other (Adjustment of bonus, special arrangements) | -155 | -272 | 1,593 | 1,828 | -58 | -202 | -109 | -191 |
| Total | 454 | -7 | 2,046 | 2,026 | 395 | -4 | 319 | -71 |
| Pension expense | 380 | 382 | 594 | 414 | 0 | 0 | 267 | 179 |
| Total remuneration | 1,613 | 1,178 | 3,247 | 3,071 | 1,016 | 629 | 1,135 | 475 |

¹ Departure as of August 31, 2014

Additionally, a total of €1,329 thousand (previous year: €3,930 thousand) in severance payments was made in fiscal 2014 to former members of the Executive Board. Appropriate provisions were recognized for these payments at the time of departure. These payments are also described in detail in the abovementioned note in the "Notes to the Consolidated Financial Statements."

Supervisory Board remuneration

The structure and amount of Supervisory Board remuneration are stipulated by the Annual General Meeting and governed by Article 12 of the Articles of Association. They are based on the tasks and responsibilities of the Supervisory Board members as well as on the Group's economic performance.

The annual remuneration comprises the following components:

- basic (fixed) remuneration of €35,000;
- variable remuneration (bonus). This is based on actual earnings per share as reported in the consolidated financial statements. The variable remuneration is €175 for every €0.01 by which earnings per share exceed €0.50. It is capped at twice the basic remuneration.

Additional remuneration is paid to the chairperson and deputy chairperson of the Supervisory Board as well as to the chairperson and members of the Supervisory Board committees. The Supervisory Board chairperson receives double and his/her deputy one-and-a-half times the fixed and variable remuneration. Members of the Supervisory Board's Audit Committee and Presiding Committee each receive an additional 50% and the chairpersons of the two committees receive an additional 100% of the basic remuneration.

Since the amendment to the Articles of Association resolved at the Annual General Meeting on April 1, 2010, the members of the Supervisory Board have additionally received an attendance fee of €500 in each case for meetings of the Supervisory Board or of Supervisory Board committees at which they have been present.

In addition, members of the Supervisory Board are reimbursed their expenses.

Remuneration and expenses reimbursed that are subject to value added tax are paid gross of value added tax if this is invoiced separately.

The variable component is based on MAN's earnings per share and is therefore not absolutely aligned with sustainable corporate development. To this extent, it could be said that the remuneration of the Supervisory Board is not in line with the recommendation contained in the Corporate Governance Code. The Company has therefore declared as a precautionary measure that it does not follow the recommendation set out in section 5.4.6 of the Code.

Supervisory Board members' remuneration in 2014

The total remuneration payable to the members of the Supervisory Board for 2014 amounts to €833 thousand (previous year: €729 thousand). In addition, members of MAN SE's Supervisory Board received remuneration totaling €62 thousand (previous year: €55 thousand) for serving on supervisory boards at Group companies in fiscal 2014. Please see note (40) in the "Notes to the Consolidated Financial Statements" for a breakdown of the individual remuneration of the Supervisory Board members in 2014.

Additional information

Supervisory Board members did not receive any additional remuneration or awards for personal services, particularly advisory or intermediary services, during the reporting period.

Former Supervisory Board members who left the Board prior to January 1, 2014, do not receive any remuneration.